

GINSMS INC.

Condensed Interim Consolidated Financial Statements
Six months period ended June 30, 2024 and June 30, 2023
(Unaudited)

To the Shareholders of GINSMS Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the unaudited condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The majority of the Audit Committee is composed of Directors who are neither management nor employees of the Corporation. The Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Corporation's external independent auditors.

The auditor of GINSMS Inc. has not performed a review of the unaudited condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2024 and 2023.

August 12, 2024

/s/ "Joel Siang Hui Chin"
Chief Executive Officer

/s/ "Paul Fung Yuen Law"
Director

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

(In Canadian Dollars)

		<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
		\$	\$	\$	\$
Revenue	7	815,190	840,372	1,525,495	1,661,029
Cost of sales		(386,465)	(533,953)	(795,652)	(1,010,154)
Gross profit		428,725	306,419	729,843	650,875
Expenses					
Salaries and wages		(34,560)	(30,356)	(153,373)	(145,329)
Professional fees		(82,418)	(63,947)	(170,507)	(141,779)
Directors' fees		(10,000)	(10,000)	(20,000)	(20,000)
General and administrative		(60,469)	(62,042)	(129,415)	(124,761)
Depreciation of property, plant and equipment		(189)	(86)	(266)	(187)
Depreciation of right-of-use asset		(11,150)	(11,926)	(22,506)	(23,653)
Foreign currency exchange loss		(33,640)	(30,796)	(30,859)	(23,929)
		(232,426)	(209,153)	(526,926)	(479,638)
Profit from operations		196,299	97,266	202,917	171,237
Finance costs					
Interest expenses		(492)	(2,004)	(1,364)	(4,307)
Profit before tax		195,807	95,262	201,553	166,930
Income tax credit		7,357	7,175	3,525	7,175
Net profit for the period		203,164	102,437	205,078	174,105
Other comprehensive income/(loss), net of tax:					
<i>Items that may be reclassified to profit or loss</i>					
Foreign exchange differences on translating of foreign currency financial operations		17,141	36,009	23,135	(19,122)
Total comprehensive income for the period		220,305	138,446	228,213	154,983
Net profit/(loss) for the period attributable to:					
Shareholders		202,623	102,211	204,600	174,533
Non-controlling interest		541	226	478	(428)
		203,164	102,437	205,078	174,105
Total comprehensive income for the period attributable to:					
Shareholders		219,377	138,481	227,155	156,106
Non-controlling interest		928	(35)	1,058	(1,123)
		220,305	138,446	228,213	154,983
Earnings per share	10				
Basic and Diluted (In Canadian cents)		0.108	0.054	0.109	0.093

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2024 AND DECEMBER 31, 2023

(In Canadian Dollars)

	Note	<u>(Unaudited)</u> June 30, 2024 \$	<u>(Audited)</u> December 31, 2023 \$
Non-current assets			
Property, plant and equipment	11	66,120	83,061
Right-of-use assets	12	7,393	30,954
Goodwill	13	-	-
		<u>73,513</u>	<u>114,015</u>
Current assets			
Accounts receivable	14	951,907	635,568
Deposits and prepayments		57,143	63,439
Current tax assets		146	330
Bank and cash balances		290,830	239,824
		<u>1,300,026</u>	<u>939,161</u>
Current liabilities			
Accounts payable and accrued liabilities	15	692,942	827,380
Advances from related parties	17	946,663	698,935
Loans from related parties	19	1,398,828	1,390,642
Promissory note payable	18	580,000	580,000
Lease liabilities	20	-	25,354
Current tax liabilities		-	3,972
		<u>3,618,433</u>	<u>3,526,283</u>
Net current liabilities		<u>(2,318,407)</u>	<u>(2,587,122)</u>
Total assets less current liabilities		<u>(2,244,894)</u>	<u>(2,473,107)</u>
NET LIABILITIES		<u>(2,244,894)</u>	<u>(2,473,107)</u>
EQUITY			
Share capital	21	15,148,160	15,148,160
Deficit		(17,709,038)	(17,913,638)
Accumulated other comprehensive income		329,844	307,289
Total deficiency attributable to equity shareholders of the Corporation		(2,231,034)	(2,458,189)
Non-controlling interests		(13,860)	(14,918)
TOTAL DEFICIENCY		<u>(2,244,894)</u>	<u>(2,473,107)</u>
Going concern (Note 2)			

Approved on behalf of the board on August 12, 2024

/s/ "Joel Siang Hui Chin"
Director

/s/ "Paul Fung Yuen Law"
Director

The accompanying notes are an integral part of these consolidated financial statements.

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

(In Canadian Dollars)

	Attributable to equity shareholders of the Corporation					
	Share capital	Deficit	Accumulated other comprehensive income	Total	Non-controlling interests	Total deficiency
	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2024	15,148,160	(17,913,638)	307,289	(2,458,189)	(14,918)	(2,473,107)
Profit for the period	-	204,600	-	204,600	478	205,078
Other comprehensive income	-	-	22,555	22,555	580	23,135
Balance as at June 30, 2024	<u>15,148,160</u>	<u>(17,709,038)</u>	<u>329,844</u>	<u>(2,231,034)</u>	<u>(13,860)</u>	<u>(2,244,894)</u>
	Attributable to equity shareholders of the Corporation					
	Share capital	Deficit	Accumulated other comprehensive income	Total	Non-controlling interests	Total deficiency
	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2023	15,148,160	(17,785,068)	319,183	(2,317,725)	(13,608)	(2,331,333)
Profit for the period	-	174,533	-	174,533	(428)	174,105
Other comprehensive loss	-	-	(18,427)	(18,427)	(695)	(19,122)
Balance as at June 30, 2023	<u>15,148,160</u>	<u>(17,610,535)</u>	<u>300,756</u>	<u>(2,161,619)</u>	<u>(14,731)</u>	<u>(2,176,350)</u>

The accompanying notes are an integral part of these consolidated financial statements.

GINSMS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

(In Canadian Dollars)

	<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net profit before tax	195,807	95,262	201,553	166,930
Lease interest on lease liabilities	492	2,004	1,364	4,307
Foreign currency exchange loss	33,640	30,796	30,859	23,929
Depreciation of property, plant and equipment	11,412	9,635	22,627	18,720
Depreciation of right-of-use assets	11,150	11,926	22,506	23,653
Changes in non-cash working capital items:				
Accounts receivable	(160,819)	(15,229)	(316,341)	(120,928)
Other receivables, prepayments and deposits	2,609	1,437	6,296	486
Accounts payable and accrued liabilities	(138,912)	(96,345)	(134,440)	(10,179)
Interest on lease liabilities	(492)	(2,004)	(1,364)	(4,307)
Income tax (paid)/refund	(153)	75	(153)	(16)
Net cash (used in)/generated from operating activities	(45,266)	37,557	(167,093)	102,595
FINANCING ACTIVITIES				
Advance from related parties	139,375	204,887	243,008	265,578
Repayment of advance from a related party	(329)	(171,790)	(1,251)	(255,610)
Principal elements of lease payments	(12,363)	(11,716)	(24,578)	(22,899)
Net cash generated/(used in) from financing activities	126,683	21,381	217,179	(12,931)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(5,656)	(3,325)	(8,811)	(26,482)
Net cash used in investing activities	(5,656)	(3,325)	(8,811)	(26,482)
Effect of exchange rate changes on cash held in foreign currencies	(4,030)	(3,606)	9,731	(30,951)
Increase in cash	71,731	52,007	51,006	32,231
Cash, beginning of period	219,099	171,350	239,824	191,126
Cash, end of period	290,830	223,357	290,830	223,357

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

GINSMS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

(In Canadian Dollars)

1. GENERAL INFORMATION

GINSMS Inc. (the “Corporation”) was incorporated in Alberta under the Canada Business Corporations Act on March 20, 2009. The address of its registered office is Suite 3000, 700 - 9th Avenue S.W., Calgary, Alberta, T2P 3V4. The Corporation’s shares are listed on the TSX Venture Exchange (“TSXV”).

The Corporation is an investment holding company. The principal activities of its subsidiaries are set out in note 23 to the unaudited condensed interim consolidated financial statements.

In the opinion of the management of the Corporation, Xinhua Mobile Limited (“Xinhua Mobile”), a company incorporated in the Cayman Islands, is the immediate parent; Beat Holdings Limited (“Beat Holdings”), a company incorporated in the Cayman Islands, is the ultimate parent.

Beat Holdings’ securities are listed on Tokyo Stock Exchange’s Standard Market (9399).

The principal activities of the Corporation are as follows:

(a) Provision of messaging service (“Messaging Service”)

The Corporation, through its subsidiary, GIN International Limited in Hong Kong, was originally involved in the provision of inter-operator short message services. On March 27, 2014, the Corporation launched its cloud-based application-to-peer (“A2P”) messaging service (“A2P Service”). Through the provision of A2P Service, the Corporation enables the mobile application developers, short message service (“SMS”) gateway, enterprises and financial institution to deliver SMS worldwide without any upfront capital investment through the use of the Corporation’s rich application programming interface.

(b) Provision of software products and services (“Software Products and Services”)

The Corporation operates its Software Products and Services business through Inphosoft Group Pte. Ltd. (“Inphosoft”), its wholly-owned subsidiary. Inphosoft is headquartered in Singapore with subsidiaries in Malaysia and Indonesia. The activities of Inphosoft consist of providing software products and services with a focus in the following areas:

- i. Provision of support and maintenance services to customers that have purchased its products and solutions.
- ii. Maintain the A2P Cloud platform and develop new features as and when necessary, to support the Corporation’s A2P business.
- iii. Outsource technical resources to customers for the purpose of software development based on a time and material basis.

Software Products and Services revenues are primarily derived from customers in Singapore, Malaysia and Indonesia.

GINSMS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)****2. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS Accounting Standards”). IFRS Accounting Standards comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations.

The unaudited condensed interim consolidated financial statements were authorised for issue by the Board of Directors on August 12, 2024.

The International Accounting Standards Board (the “IASB”) has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Corporation. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Corporation for the current and prior accounting periods reflected in these unaudited condensed interim consolidated financial statements.

Amounts are reported in Canadian dollars (“CDN” or “\$”) unless otherwise indicated.

As of June 30, 2024, the Corporation had net current liabilities of \$2,318,407 and net liabilities of \$2,244,894. As at June 30, 2024, the Corporation had bank and cash balances of \$290,830, while the outstanding advances from related parties, loans from related parties and promissory note payable amounted to \$946,663, \$1,398,828 and \$580,000 respectively were originally due within one year.

These events and conditions indicate the existence of a material uncertainty which may cast significant doubt about the Corporation’s ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the directors of the Corporation had adopted the going concern basis in the preparation of these unaudited condensed interim consolidated financial statements of the Corporation based on the measures including but not limited to the following:

- (a) As set out in notes 17, 18 and 19, the liquidity risk is mitigated as related parties have confirmed with the Corporation that they will not demand settlement of the interest-free loans of \$1,005,100 and cash advances of \$946,663 until the Corporation is in sound financial position to repay to them. Furthermore, the immediate parent and the promissory note holder have confirmed with the Corporation that they will not demand settlement of the loan of \$393,728 and promissory note of \$580,000, respectively until the Corporation is in sound financial position to repay to them; and
- (b) The management will continuously and closely monitor the Corporation’s liquidity position and financial performance and implement measures to improve the Corporation cash flows.

Notwithstanding, material uncertainty exists as to whether the Corporation will be able to continue as a going concern which would depend upon whether the Corporation can continue to extend the advances, loans and promissory note from related parties when the advances, loans and promissory note fall due on the extended maturity dates.

The directors of the Corporation have estimated the Corporation’s cash requirements by preparing a Corporation cashflow forecast for the 12 months ending 30 June 2025. The directors of the Corporation are of the opinion that the Corporation has sufficient working capital for its present requirements, that is for 12 months ending 30 June 2025. Accordingly,

GINSMS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)**

2. BASIS OF PREPARATION (CONT'D)

the directors of the Corporation are of the view that it is appropriate to adopt the going concern basis in preparing these unaudited condensed interim consolidated financial statements.

Should the Corporation be unable to operate as a going concern in the foreseeable future, adjustments would have to be made to write down the carrying value of the Corporation's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets as current assets. The effect of these adjustments has not been reflected in these unaudited condensed interim consolidated financial statements.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

The accounting policies applied in the unaudited condensed interim financial statements are the same as those applied in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2023. In the current period, the Corporation has adopted all the new and revised IFRSs issued by the ISAB that are relevant to its operations and effective for its accounting year beginning on January 1, 2024 but they do not have a material effect on the Corporation's unaudited condensed interim financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning on January 1, 2024 and earlier application is permitted. The Corporation has not early adopted any of the forthcoming new or amended standards in preparing these unaudited condensed interim financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention.

The preparation of unaudited condensed interim consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited condensed interim consolidated financial statements are disclosed in note 5.

The unaudited condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statement for the twelve months ended December 31, 2023 which has been prepared in accordance with IFRS.

GINSMS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)****5. CRITICAL JUDGEMENTS AND KEY ESTIMATES**

In applying the Corporation's accounting policies, which are described in note 4, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the management has made the following judgment that has the most significant effect on the amounts recognised in the unaudited condensed interim consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing availability of finance to the Corporation and enhancement of the various strategies to improve the Corporation cash flows. Details are explained in note 2 to the unaudited condensed interim consolidated financial statements.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Corporation has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Corporation estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at June 30, 2024 were \$66,120 (December 31, 2023: \$83,061) and \$7,393 (December 31, 2023: \$30,954) respectively.

GINSMS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(b) Impairment of trade receivables

The Corporation uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Corporation's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates.

As at June 30, 2024, the carrying amount of trade receivables is \$951,907 (net of allowance for doubtful debts of \$116,802) (December 31, 2023: \$635,568 (net of allowance for doubtful debts of \$116,802).

6. FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

(a) Foreign currency risk

The Corporation is exposed to foreign currency rate variability primarily in relation to certain assets and liabilities denominated in foreign currencies such as United States Dollars ("USD"). However, the Corporation has no material exposure to foreign currency risk as most of its foreign operations are self-sustaining and these foreign operations' functional currencies are in HKD and SGD. The Corporation is mainly exposed to the effects of fluctuation in SGD and USD.

The Corporation also mitigates foreign currency risks, within each segment, by transacting in their functional currency for material procurement, sales contracts and financing activities.

The Corporation currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Corporation monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)**

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (Cont'd)

The following presents the carrying amounts of the financial instruments that are denominated in the currencies:

	At June 30, 2024						Total \$
	CDN \$	SGD \$	HKD \$	USD \$	Euro \$	Others \$	
Bank and cash balances	10,957	25,829	3,045	123,972	836	126,191	290,830
Trade receivables	-	671,698	-	910	103,005	176,294	951,907
Deposits	-	-	-	-	27,089	21,831	48,920
Accounts payable and accrued liabilities	(58,458)	(78,973)	(141,121)	(6,776)	(43,502)	(309,536)	(638,366)
Advances from related parties	-	(315,195)	(631,468)	-	-	-	(946,663)
Promissory note payable	(580,000)	-	-	-	-	-	(580,000)
Loans from related parties	-	(482,152)	-	(916,676)	-	-	(1,398,828)

	At December 31, 2023						Total \$
	CDN \$	SGD \$	HKD \$	USD \$	Euro \$	Others \$	
Bank and cash balances	9,337	21,727	3,215	39,883	1,478	164,184	239,824
Trade receivables	-	570,476	-	328	26,270	38,494	635,568
Deposits	-	-	-	-	27,034	21,881	48,915
Accounts payable and accrued liabilities	(80,173)	(76,201)	(169,897)	(47,399)	(1,881)	(400,912)	(776,463)
Advances from related parties	-	(247,119)	(451,816)	-	-	-	(698,935)
Promissory note payable	(580,000)	-	-	-	-	-	(580,000)
Loans from related parties	-	(497,395)	-	(893,247)	-	-	(1,390,642)

At June 30, 2024, if the SGD had weakened or strengthened 5 per cent (December 31, 2023: 5 per cent) against USD with all other variables held constant, consolidated loss after tax would have been approximately \$26,000 (December 31, 2023: \$25,000) higher or lower, arising mainly as a result of the foreign exchange loss or profit denominated on net payables denominated in USD.

At June 30, 2024, if the CAD had weakened or strengthened 5 per cent (December 31, 2023: 5 per cent) against USD with all other variables held constant, consolidated loss after tax would have been approximately \$20,000 (December 31, 2023: \$19,000) higher or lower, arising mainly as a result of the foreign exchange loss or gain denominated on net payables denominated in USD.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Corporation's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Corporation considers to have low credit risk.

GINSMS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023 (Unaudited)

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Trade receivables

Customer credit risk is managed by each business unit subject to the Corporation's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Debtors with balances that are more than 180 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Corporation does not obtain collateral from customers.

The Corporation has concentration of credit risk as 52% (December 31, 2023: 67%) and 93% (December 31, 2023: 98%) of the total trade receivables was due from the Corporation's largest customer and the five largest customers respectively.

The Corporation measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Corporation's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Corporation's different customer bases.

Expected loss rates are based on actual loss experience over a period of 36 months before December 31, 2023 or January 1, 2023 respectively. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Corporation's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the period / year is as follows:

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>As at</u>	<u>As at</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
At beginning of period/ year	116,802	12,915
Allowance for doubtful debt	-	104,666
Exchange differences	-	(779)
At end of period / year	<u>116,802</u>	<u>116,802</u>

Other financial assets at amortised cost

All of the Corporation's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. These instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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6. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) **Liquidity risk**

The Corporation manages its risk of not meeting its financial obligations through management of its capital structure, and annual budgeting of its revenues, expenditures and cash flows.

The maturity analysis based on contractual undiscounted cash flows of the Corporation's non-derivative financial liabilities is as follows:

	On demand or less than 1 year \$	Total \$
At June 30, 2024 (Unaudited)		
Accounts payable and accrued liabilities	638,366	638,366
Advances from related parties	946,663	946,663
Promissory note payable	580,000	580,000
Loans from related parties	1,398,828	1,398,828
	On demand or less than 1 year \$	Total \$
At December 31, 2023 (Audited)		
Accounts payable and accrued liabilities	776,463	776,463
Advances from related parties	698,935	698,935
Promissory note payable	580,000	580,000
Loans from related parties	1,390,642	1,390,642
Lease liabilities	26,257	26,257

The Corporation has working capital deficiency of \$2,318,407 as at June 30, 2024 (December 31, 2023: \$2,587,122). The liquidity risk is mitigated as related parties have confirmed with the Corporation that they will not demand settlement of the interest-free loans of \$1,005,100 (December 31, 2023: \$1,009,307) and cash advances of \$946,663 (December 31, 2023: \$698,935) until the Corporation is in sound financial position to repay to them. Furthermore, the immediate parent and the promissory note holder have confirmed with the Corporation that they will not demand settlement of the loan of \$393,728 (December 31, 2023: \$381,335) and promissory note of \$580,000 (December 31, 2023: \$580,000) until the Corporation is in sound financial position to repay to them.

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6. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Interest rate risk

As the Corporation has no significant interest-bearing assets, its earnings and operating cash flows are substantially independent of change in market interest rates.

The Corporation's borrowings issued at a fixed rate expose the Corporation to fair value interest rate risk. The Corporation is not exposed to cash flow interest rate risk as at June 30, 2024 and December 31, 2023.

(e) Categories of financial instruments

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>As at</u>	<u>As at</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Financial assets:		
Financial assets measured at amortised cost	1,291,657	924,307
Financial liabilities:		
Financial liabilities at amortised costs	3,563,857	3,446,040
Lease liabilities	-	25,354
	<u> </u>	<u> </u>

(f) Fair values

The carrying amounts of the Corporation's financial assets and financial liabilities as reflected in the unaudited condensed interim consolidated statement of financial position approximate their respective fair values.

(g) Capital management

Capital is comprised of shareholders equity (deficit) on the unaudited condensed interim consolidated statement of financial position. The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders. The Corporation's sources of additional capital and policies for distribution of excess capital may also be affected by the Corporation's capital management objectives.

The Corporation manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analysis. The capital is generally used for defraying the administrative expenses in promoting the objectives of the Corporation. The external imposed capital requirement for the Corporation is to have a public float of at least 10% of the shares in order to maintain its listing on the TSX Venture Exchange. As at June 30, 2024, 12.51% (December 31, 2023: 12.51%) of the shares were held in public hands.

There have been no changes in the Corporation's capital management policies for the period ended June 30, 2024 and year ended December 31, 2023.

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7. REVENUE

An analysis of the Corporation's revenue is as follows:

	<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
	\$	\$	\$	\$
Revenue from contracts with customers within the scope of IFRS 15				
A2P Messaging Service Income	275,248	314,359	424,208	602,736
Software Product & Service Income	533,904	520,004	1,089,217	1,046,204
	<u>809,152</u>	<u>834,363</u>	<u>1,513,425</u>	<u>1,648,940</u>
Other income				
Administrative income from related parties	6,038	6,009	12,070	12,089
	<u>815,190</u>	<u>840,372</u>	<u>1,525,495</u>	<u>1,661,029</u>

8. SEGMENT INFORMATION

The Corporation's reportable segments are (1) provision of Messaging Service ("MS") and (2) Software Products and Services ("SPS"). They are managed separately because each business requires different technology and marketing strategies. In addition, the Corporation has corporate expenses, assets and liabilities, and such information is included in the "unallocated" column.

The accounting policies of the segments are the same as those described in note 4 to the consolidated financial statements.

(a) Revenue by customers

The revenues are primarily generated in HKD, USD, and SGD. Six major customers have contributed to sales revenue for the three and six months ended June 30, 2024 and three months ended June 30, 2023 as indicated in the following table.

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended June 30, 2024		Three months ended June 30, 2023	
	\$	% of total revenue	\$	% of total revenue
Customer A	267,729	32.8	372,642	44.3
Next five top customers				
Customer B	109,671	13.5	117,016	13.9
Customer C	66,921	8.2	37,996	4.5
Customer D	90,796	11.1	-	-
Customer E	89,588	11.0	30,352	3.6
Customer F	46,916	5.8	26,837	3.2
All other customers	143,569	17.6	255,529	30.5
	<u>815,190</u>	<u>100.0</u>	<u>840,372</u>	<u>100.0</u>

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8. SEGMENT INFORMATION (CONT'D)

(a) Revenue by customers (Cont'd)

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Six months ended June 30, 2024		Six months ended June 30, 2023	
	\$	% of total revenue	\$	% of total revenue
Customer A	609,457	40.0	744,605	44.8
Next five top customers				
Customer B	223,925	14.7	239,871	14.4
Customer C	136,443	8.9	58,290	3.5
Customer D	133,371	8.7	-	-
Customer E	122,469	8.0	61,739	3.7
Customer F	69,719	4.6	60,035	3.6
All other customers	230,111	15.1	496,489	30.0
	<u>1,525,495</u>	<u>100.0</u>	<u>1,661,029</u>	<u>100.0</u>

(b) Revenue by geographical location

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended June 30, 2024		Three months ended June 30, 2023	
	\$	% of total revenue	\$	% of total revenue
Singapore	383,439	47.0	495,667	59.0
Indonesia	87,665	10.8	110,280	13.1
Other Asian countries	143,960	17.7	130,200	15.5
Europe	142,271	17.5	45,215	5.4
United States	55,480	6.8	57,932	6.9
Other regions	2,375	0.2	1,078	0.1
	<u>815,190</u>	<u>100.0</u>	<u>840,372</u>	<u>100.0</u>

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Six months ended June 30, 2024		Six months ended June 30, 2023	
	\$	% of total revenue	\$	% of total revenue
Singapore	845,454	55.4	996,564	60.0
Indonesia	173,212	11.4	242,703	14.6
Other Asian countries	220,728	14.5	187,877	11.3
Europe	188,658	12.4	88,559	5.3
United States	90,437	5.9	142,884	8.6
Other regions	7,006	0.4	2,442	0.2
	<u>1,525,495</u>	<u>100.0</u>	<u>1,661,029</u>	<u>100.0</u>

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8. SEGMENT INFORMATION (CONT'D)

(c) Total non-current assets by geographical location

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	Six months ended June 30, 2024	% of total non-current assets	Twelve months ended December 31, 2023	% of total non-current assets
	\$		\$	
Indonesia	64,594	87.9	100,787	88.4
Other Asian countries	8,919	12.1	13,228	11.6
	73,513	100.0	114,015	100.0

(d) Financial information by business segments

	MS	SPS	Unallocated	Total
	\$	\$	\$	\$
Period ended June 30, 2024 <i>(Unaudited)</i>				
Revenue	424,208	1,101,287	-	1,525,495
Intersegment revenue	18,885	139,618	-	158,503
Amortisation and depreciation	-	45,133	-	45,133
Interest income	335	132	-	467
Interest and finance expenses	-	1,364	-	1,364
Income tax credit	-	(3,525)	-	(3,525)
Segment profits/(losses)	277,131	57,727	(129,780)	205,078
Additions to segment non-current assets	-	8,811	-	8,811
As at June 30, 2024 (Unaudited)				
Segment assets	282,277	1,069,137	22,125	1,373,539
Segment liabilities	(434,362)	(1,728,327)	(1,455,744)	(3,618,433)

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8. SEGMENT INFORMATION (CONT'D)

(d) **Financial information by business segments (cont'd)**

	<u>MS</u>	<u>SPS</u>	<u>Unallocated</u>	<u>Total</u>
	\$	\$	\$	\$
Period ended June 30, 2023 (Unaudited)				
Revenue	602,736	1,058,293	-	1,661,029
Intersegment revenue	35,510	152,406	-	187,916
Amortisation and depreciation	-	42,373	-	42,373
Interest income	189	187	-	376
Interest and finance expenses	-	4,307	-	4,307
Income tax credit	-	(7,175)	-	(7,175)
Segment profits/(losses)	148,641	163,526	(138,062)	174,105
Additions to segment non-current assets	-	26,482	-	26,482
As at June 30, 2023 (Unaudited)				
Segment assets	134,207	937,191	19,954	1,091,352
Segment liabilities	<u>(436,745)</u>	<u>(1,599,732)</u>	<u>(1,231,225)</u>	<u>(3,267,702)</u>

The totals of above items disclosed in the segment information are the same as the consolidated totals.

9. EMPLOYEE BENEFITS EXPENSE

	<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
	\$	\$	\$	\$
Directors' fees	10,000	10,000	20,000	20,000
Employee benefits expense (including key management personnel):				
Salaries, bonuses and allowances (Note)	213,514	240,875	558,246	583,021
Retirement benefit scheme contributions	66,824	63,194	130,819	114,429
	<u>280,338</u>	<u>304,069</u>	<u>689,065</u>	<u>697,450</u>
	<u>290,338</u>	<u>314,069</u>	<u>709,065</u>	<u>717,450</u>

Note: Included expenses of \$535,692 (Six months ended June 30, 2023: \$552,120) recognised in cost of sales.

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10. EARNING PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following:

	<i>(Unaudited)</i> Three months ended June 30, 2024 \$	<i>(Unaudited)</i> Three months ended June 30, 2023 \$	<i>(Unaudited)</i> Six months ended June 30, 2024 \$	<i>(Unaudited)</i> Six months ended June 30, 2024 \$
Earnings/(loss)				
Earnings/(loss) for the purpose of calculating basic loss per share	<u>202,623</u>	102,211	<u>204,600</u>	<u>174,533</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>187,118,368</u>	187,118,368	<u>187,118,368</u>	<u>187,118,368</u>

The Corporation did not have any dilutive potential ordinary shares during the three and six months ended June 30, 2024 and June 30, 2023.

11. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software \$
Cost	
At January 1, 2023	162,858
Additions	61,919
Written off	(3,005)
Exchange difference	<u>(102)</u>
At December 31, 2023 and January 1, 2024	221,670
Additions	8,811
Exchange difference	<u>(8,668)</u>
At June 30, 2024	<u>221,813</u>
Accumulated depreciation and impairment	
At January 1, 2023	101,005
Depreciation	40,966
Written off	(3,005)
Exchange difference	<u>(357)</u>
At December 31, 2023 and January 1, 2024	138,609
Depreciation	22,627
Exchange difference	<u>(5,543)</u>
At June 30, 2024	<u>155,693</u>
Carrying amount	
As at June 30, 2024	<u>66,120</u>
As at December 31, 2023	<u>83,061</u>

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12. RIGHT-OF-USE ASSETS

	<u>Leased properties</u>
	\$
At January 1, 2023	75,879
Depreciation	(46,901)
Exchange differences	<u>1,976</u>
At December 31, 2023 and January 1, 2024	30,954
Depreciation	(22,506)
Exchange differences	<u>(1,055)</u>
At June 30, 2024	<u><u>7,393</u></u>

Lease liabilities of \$Nil (December 31, 2023: \$25,354) are recognised with related right-of-use assets of \$7,393 (December 31, 2023: \$30,954) as at June 30, 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	Six months ended June 30, 2024	Six months ended June 30, 2023
	\$	\$
Depreciation expenses on right-of-use assets	22,506	23,653
Interest expense on lease liabilities (included in finance cost)	1,364	4,307
Expenses relating to short-term lease (included in administrative)	11,194	10,380
	<u><u>11,194</u></u>	<u><u>10,380</u></u>

The Corporation leases an office, for its operations. Lease contract is entered into for fixed term of 2 years (December 31, 2023: 2 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Corporation applies the definition of a contract and determines the period for which the contract is enforceable.

13. GOODWILL

The goodwill represents the excess of the consideration on acquisition of Inphosoft Group Pte. Limited and its subsidiaries (the "Inphosoft Group") in prior years. Due to changes in market condition, the recoverable amount of the goodwill was determined to be below its carrying value at March 31, 2015, and accordingly, the goodwill allocated to the Inphosoft Group of \$2,830,364 was considered fully impaired during the year ended March 31, 2015.

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14. ACCOUNTS RECEIVABLE

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>As at</u>	<u>As at</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Trade receivables	1,068,709	752,370
Less: Allowance for doubtful debts	(116,802)	(116,802)
Total	<u>951,907</u>	<u>635,568</u>

As at June 30, 2024, an allowance of \$116,802 (December 31, 2023: \$116,802) was made for ECL on trade receivables.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>As at</u>	<u>As at</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Trade payables	19,666	7,642
Contract liabilities (Note 16)	19,114	23,427
Accrued liabilities and other payables	654,162	796,311
Total	<u>692,942</u>	<u>827,380</u>

Accrued liabilities consist mainly of accrued staff cost, professional fees and general administration expenses.

16. CONTRACT LIABILITIES

	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>As at</u>	<u>As at</u>
	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Billings in advance of performance obligation		
- Software products and services	<u>19,114</u>	<u>23,427</u>

Contract liabilities relating to software products and services are balances due to customers under software products and services. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

GINSMS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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The balances represent advances from an officer, ultimate parent and related companies which are unsecured, interest-free and repayable on demand.

The officer, ultimate parent and related companies have confirmed to the Corporation that they will not demand settlement of the advances until the Corporation is in sound financial position to repay to them.

18. PROMISSORY NOTE PAYABLE

\$

As at January 1, 2023 and December 31, 2023,
January 1, 2024 and June 30, 2024

580,000

The promissory note payable is from Inphosoft Pte. Ltd. ("IPL") (Note 19(a)) and is interest free, unsecured and repayable on demand. IPL has confirmed that it will not demand settlement of the note payable until the Corporation is in sound financial position.

19. LOANS FROM RELATED PARTIES

		<u>(Unaudited)</u>	<u>(Audited)</u>
		<u>As at</u>	<u>As at</u>
	Note	<u>June 30,</u>	<u>December 31,</u>
		<u>2024</u>	<u>2023</u>
		<u>\$</u>	<u>\$</u>
Current:			
Loan from a related party	(a)	858,100	865,409
Loan from immediate parent	(b)	393,728	381,335
Loans from a director	(c)	147,000	143,898
Total		<u>1,398,828</u>	<u>1,390,642</u>

All above loans from related parties are interest-free, non-trade nature, unsecured and repayable on demand.

- (a) The loan is from IPL. A director of the Corporation, Mr. Joel Siang Hui Chin, two directors of the Corporation's subsidiaries, Mr. Wang Xianxiang and Mr. Xu Hongwei, each has significant influence over IPL. IPL confirmed to the Corporation that it will not demand settlement of the loan until the Corporation is in sound financial position to repay. During the prior quarter ended March 31, 2024, Mr Wang had resigned as director of the Corporation's subsidiaries.
- (b) The loan is from Xinhua Mobile, the immediate parent of the Corporation. Xinhua Mobile confirmed to the Corporation that it will not demand settlement of the loan until the Corporation is in sound financial position to repay.
- (c) The loans are from the Corporation's director, Mr. Joel Siang Hui Chin who confirmed to the Corporation that he will not demand settlement of the loans until the Corporation is in sound financial position to repay to him.

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20. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	As at	As at	As at	As at
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	\$	\$	\$	\$
Within one year	-	26,257	-	25,354
In the second to fifth years, inclusive	-	-	-	-
	-	26,257	-	25,354
Less: Future finance charges	-	(903)	N/A	N/A
Present value of lease obligations	-	25,354	-	25,354
Less: Amount due for settlement within 12 months (shown under current liabilities)			-	(25,354)
Amount due for settlement after 12 months			-	-

The lease liabilities are denominated in Indonesian Rupiah.

21. SHARE CAPITAL

Authorised:

Unlimited common shares

Unlimited preferred shares, non-voting, non-participating, non-cumulative dividends, redeemable and retractable at the amount paid.

Issued:

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	As at	As at	As at	As at
	June 30, 2024	December 31, 2023	December 31, 2023	December 31, 2023
	Common shares	Amount	Common shares	Amount
		\$		\$
Balance, beginning of period/year and end of period/year	187,118,368	15,148,160	187,118,368	15,148,160

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22. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements. The Corporation had the following related party transactions for the three and six months ended June 30, 2024 and June 30, 2023:

	<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
	\$	\$	\$	\$
Revenue and administrative fee income from companies controlled by immediate parent / a director	377,400	489,666	833,382	984,476
Administrative fee income from ultimate parent	6,039	6,009	12,071	12,088
Accounting fee paid to an officer	2,651	2,516	9,045	11,997

- (b) The Corporation had the following related party balances at the end of the reporting period:

	Accounts receivable	Accounts payable and accrued liabilities	Advances payable	Promissory note payable	Loan payables
	\$	\$	\$	\$	\$
As at June 30, 2024					
<i>(Unaudited)</i>					
Directors	-	(60,108)	(507,419)	-	(147,000)
An officer	-	-	-	-	-
Companies controlled by a director	699,602	(13,540)	(71,479)	-	-
A related party	-	-	(38,520)	(580,000)	(858,100)
Immediate parent	-	-	-	-	(393,728)
Ultimate parent	6,061	-	(329,245)	-	-
As at December 31, 2023					
<i>(Audited)</i>					
Directors	-	(80,113)	(508,388)	-	(143,898)
An officer	-	(239)	-	-	-
Companies controlled by a director	679,369	(8,734)	(228)	-	-
A related party	-	-	(40,114)	(580,000)	(865,409)
Immediate parent	-	-	-	-	(381,335)
Ultimate parent	6,113	-	(150,205)	-	-

The amounts due of \$73,648 (December 31, 2023: \$89,086) included in accounts payable and accrued liabilities are interest-free, unsecured and repayable on demand. For trade receivables from related parties, the amounts due are interest-free, unsecured and were repayable according to trade terms.

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22. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation

	<i>(Unaudited)</i> Three months ended June 30, 2024	<i>(Unaudited)</i> Three months ended June 30, 2023	<i>(Unaudited)</i> Six months ended June 30, 2024	<i>(Unaudited)</i> Six months ended June 30, 2023
	\$	\$	\$	\$
Salary and related costs	16,474	-	24,765	-
Accounting fees	2,651	2,516	9,045	11,997
Contribution to defined mandatory contribution funds	1,977	-	2,972	-
	<u>21,102</u>	2,516	<u>36,782</u>	11,997
Directors' fees	<u>10,000</u>	10,000	<u>20,000</u>	20,000
Total	<u><u>31,102</u></u>	12,516	<u><u>56,782</u></u>	31,997

23. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries as at June 30, 2024 and December 31, 2023 are as follows:

Name	Place of incorporation / registration and operation	Particular of Issued share capital	Percentage of ownership interest / voting power / profit sharing		Principal activities
			Direct	Indirect	
Inphosoft Group Pte. Limited	Singapore / Singapore	1,000,000 ordinary shares of SGD1,614,500	100%	-	Investment holding
Inphosoft Singapore Pte. Limited	Singapore / Singapore	300,000 ordinary shares of SGD300,000	-	100%	Provision for messaging service and outsourcing of technical resources to customers
PT Inphosoft Indonesia	Indonesia / Indonesia	962,500 ordinary shares of Indonesian Rupiahs 962,500,000	-	99%	Provision for messaging service and outsourcing of technical resources to customers
GIN International Limited	Hong Kong / Singapore	100 ordinary shares of HKD100	-	100%	Provision for short message services
Inphosoft Malaysia Sdn. Bhd.	Malaysia / Malaysia	100,000 ordinary Shares of Malaysian Ringgit ("MYR") 100,000	-	100%	Provision for messaging service and outsourcing of technical resources to customers

As at June 30, 2024, the bank and cash balances of the Group's subsidiary in the Malaysia denominated in MYR amounted to \$50,147 (December 31 2023: \$41,513) is subject to local exchange control regulations.