SOA ELECTRONICS TRADING L.L.C

Dubai - United Arab Emirates

Independent Auditor's Report and Financial Statements

For the period ended March 31, 2025

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Table of contents

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

General information

Principal office address	:	Office no: 044-901, Trade Centre 1, Bur Dubai, Dubai - United Arab Emirates	
The Manager		Name	Nationality
	:	Mr. Charudutta Joshi Pandurang Joshi	India
The Auditor's	:	Al Nedaa Auditing Accountants Sharjah - United Arab Emirates	
The Bank	:	WIO Bank P.J.S.C	

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Manager's report

The Manager has pleasure in presenting his report and the audited financial statements for the period ended March 31, 2025.

Principal activities of the Entity

The Entity is licensed by Department of Economy and Tourism, Government of Dubai for dealing in electrical & electronic appliances spare parts trading.

Financial review

The table below summarizes the results of 2025 denoted in Arab Emirates Dirham (AED).

	From May 09, 2024 to March 31, 2025
Revenue	14,200,355
Cost of goods sold	(14,081,850)
Gross profit	118,505
Net profit	18,101
Gross profit ratio	0.83%
Net profit / (loss) ratio	0.13%

Role of the Manager

The Manager are the Entity's principal decision-making forum. The Manager have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Manager set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

Events after the reporting period

In the opinion of the Manager, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

(Continued...)

Managers' report (Continued)

Auditors

M/s. Al Nedaa Auditing Accountants, Auditors is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Manager's responsibilities

The applicable requirements, requires the Manager to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Manager confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Manager also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the authorized representative of the Entity.

Mr. Charudutta Joshi Pandurang Joshi
Manager
SOA ELECTRONICS TRADING L.L.C
May 19, 2025

مـؤسـسة النــداء لتـدقيق الحسـابات
AL NEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Independent auditor's report

To,
Shareholders
SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of SOA ELECTRONICS TRADING L.L.C, Dubai - United Arab Emirates ("Entity") which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), in compliance with the U.A.E Federal Commercial Companies Law No. (32) of 2021 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity 's financial reporting process.

(Continued...)

Tel.: 06 - 5687272, Fax : 06 - 5681715, P.O. Box: 984, Sharjah - U.A.E.
Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.
Email: alneeda2011@hotmail.com

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 Entity 's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going

- 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 those charged with governance 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.

(Continued...)

النداء لتدقيق الحسابات
محاسبون قانونيون
Al Nedaa Auditing Accountants
Tel. 06 - 5687272

Tel.: 06 - 5687272, Fax : 06 - 5681715, P.O. Box: 984, Sharjah - U.A.E.
Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.
Email: alneeda2011@hotmail.com

Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

In our opinion, the financial statements include, in all material respects, the applicable requirements of the UAE Federal Commercial Companies Law No. (32) of 2021 and the Articles of Association of the Entity. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the UAE Federal Commercial Companies Law No. (32) of 2021 and the Articles of Association of the Entity came to our attention during our audit work which would materially affect the Entity's financial position.

In our opinion, the Entity has maintained proper books of account and the accompanying financial statements are in agreement therewith.

Al Nedaa Auditing Accountants
Mr. Hamad Gharib Mahmood Almahmood
Reg No: 205
Sharjah - United Arab Emirates
May 19, 2025

مؤسسة النداء لتدقيق الحسابات
ت: ٠٦-٥٦٨٧٢٧٢
محاسبون قانونيون
Al Nedaa Auditing Accountants
Tel. 06 - 5687272

Tel.: 06 - 5687272, Fax : 06 - 5681715, P.O. Box: 984, Sharjah - U.A.E.
Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.
Email: alneeda2011@hotmail.com

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Statement of financial position as at March 31, 2025
In Arab Emirates Dirham

	Notes	2025
Assets		
Current assets		
Trade receivables	4	14,200,355
Advances, deposits and other receivables	5	22,278,794
Cash and bank balances	6	40,571
Total current assets		36,519,720
Total assets		36,519,720
Equity and liabilities		
Equity		
Share capital	7	22,408,000
Statutory reserve	8	1,810
Retained earnings	9	16,291
Total equity		22,426,101
Shareholders' account	10	212
Total Shareholders fund		22,426,313
Current liabilities		
Trade and other payables	11	14,093,407
Total current liabilities		14,093,407
Total liabilities		14,093,407
Total equity and liabilities		36,519,720

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 6.

Mr. Charudutta Joshi Pandurang Joshi
Manager

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income for the period from May 09, 2024 to March 31, 2025
In Arab Emirates Dirham

	Notes	From May 09, 2024 to March 31, 2025
Revenue	12	14,200,355
Cost of goods sold	13	(14,081,850)
Gross profit		118,505
Administrative expenses	15	(109,782)
Profit before tax for the period		18,101
Corporate tax		-
Profit after tax for the period		18,101
Other comprehensive income		-
Total comprehensive (loss) /profit for the period		18,101

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 6.

Mr. Charudutta Joshi Pandurang Joshi
Manager

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Statement of changes in equity for the period from May 09, 2024 to March 31, 2025
In Arab Emirates Dirham

	Share capital	Statutory reserve	Retained earnings	Shareholders' account	Total equity
Capital introduced during the period	22,408,000	-	-	-	22,408,000
Total comprehensive profit /(loss) for the period	-		18,101	-	18,101
Net movements during the period	-	1,810	(1,810)	212	212
Balance as at March 31, 2025	**22,408,000**	**1,810**	**16,291**	**212**	**22,426,313**

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

The report of the auditor is set out on pages 4 to 6.

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Statement of cash flows for the period from May 09, 2024 to March 31, 2025
In Arab Emirates Dirham

	Notes	From May 09, 2024 to March 31, 2025
Cash flows from operating activities		
Profit before tax for the period		18,101
Adjustments for:		
Operating profit before working capital changes		18,101
(Increase) / decrease in current assets		
Trade receivables	4	(14,200,355)
Advances, deposits and other receivables	5	(22,278,794)
Increase / (decrease) in current liabilities		
Trade and other payables	11	14,093,407
Cash (used in) / generated from operations		(22,367,641)
Net cash (used in) / from operating activities		(22,367,641)
Cash flows from financing activities		
Capital introduced	7	22,408,000
Shareholder's account	10	212
Net cash from / (used in) financing activities		22,408,212
Net (decrease) / increase in cash and cash equivalents		40,571
Cash and cash equivalents, beginning of the year		-
Cash and cash equivalents, end of the year		40,571
Cash and cash equivalents	6	
Cash at bank		40,571
		40,571

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 6.

SOA ELECTRONICS TRADING L.L.C
Dubai - United Arab Emirates

Notes to the financial statements for the period from May 09, 2024 to March 31, 2025

1 Legal status and business activities

1.1 SOA ELECTRONICS TRADING L.L.C, Dubai – United Arab Emirates (the "Entity") was registered on May 09, 2024 as a Limited Liability Company and operates in the United Arab Emirates under a commercial license issued by the Department of Economy and Tourism, Government of Dubai, Dubai - United Arab Emirates.

1.2 The Entity is licensed by Department of Economy and Tourism, Government of Dubai for dealing in electrical & electronic appliances spare parts trading.

1.3 The registered office of the Entity is located at Office no: 044-901, Trade Centre 1, Bur Dubai, Dubai - United Arab Emirates.

1.4 The management and control are vested with Mr. Charudutta Joshi Pandurang Joshi, Manager, Indian National.

1.5 These financial statements incorporate the operating results of the license no. 1356927.

2 New standards and amendments

2.1 New standards and amendments - applicable January 1, 2021

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 1, 2021

Description	**Effective for annual periods beginning on or after**
Amendments regarding replacement issues in the context of the IBOR reform, issued in August 2020, for the following standards :	January 1, 2021
IFRS 4 - Insurance contracts	
IFRS 7 - Financial Instruments : Disclosure	
IFRS 16 - Leases	
IAS 39 - Financial Instruments	

These amendments had no significant impact on the financial statements of the Entity.

SOA ELECTRONICS TRADING L.L.C

Dubai - United Arab Emirates

Notes to the financial statements for the period from May 09, 2024 to March 31, 2025

2 New standards and amendments (continued)

2.2 New standards and amendments issued but not effective for the current annual period.

The following standards and interpretations had been issued were not mandatory for annual reporting periods ending March 31, 2025.

Description	Effective for annual periods beginning on or after
IFRS 1 First-time adoption of International Financial Reporting Standards Amendments resulting from annual improvements to IFRS Standards 2018-2020 (subsidiary as a first time adopter) issued in May 2020.	January 1, 2022

Description	Effective for annual periods beginning on or after
IFRS 3 Business Combination Amendments updating a reference to the Conceptual Framework issued in May 2020.	January 1, 2022
IFRS 9 Financial Instruments Amendments resulting from annual improvements to IFRS Standards 2018-2020 issued in May 2020.	January 1, 2022
IAS 16 Property, Plant and Equipment Amendments prohibiting a Entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Entity is preparing the asset for its intended use issued in May 2020.	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets *Amendments regarding the costs to include when assessing whether a contract is onerous issued in May 2020.*	January 1, 2022
IAS 1 Presentation of Financial Statements Amendments regarding the classification of liabilities issued in January 2020. Amendments regarding the disclosure of accounting policies February 2021.	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Amendments regarding the definition of accounting estimates issued in February 2021	January 1, 2023
IAS 12 Income Taxes Amendments regarding deferred tax on leases and decommissioning obligations issued in May 2021.	January 1, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable UAE Federal Commercial Companies Law No. (32) of 2021. These financial statements are presented in Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services. The principal accounting policies applied in these financial statements are set out below.

3.3 Current/Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3 Significant accounting policies (continued)

3.5 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6 Leases

Short-term leases and leases of low-value assets

The Entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less and for leases of low-value assets. The Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

3.8 Financial assets

Classification

The Entity classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

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

Financial assets comprise of cash and bank balances including fixed deposits, contract receivables, due from related party and other financial assets.

Al Nedaa Auditing Accountants
Tel: 06 - 5687272
محاسبون قانونيون

3 Significant accounting policies (continued)

3.8 Financial assets (continued)

Cash and bank balances

Cash and bank balances comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Trade receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Other financial assets

Other financial assets include deposits and other receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade payables, due to related parties and other payables.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

3 Significant accounting policies (continued)

3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.11 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services. The Entity has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from rendering of services is recognised over time in the accounting period when services are rendered. For fixed-price contracts, revenue recognised is based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer simultaneously receives and consumes the benefits provided by the Entity.

3.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, 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.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described on the next page.

3 Significant accounting policies (continued)

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as

Business model assessment - classification and measurement of financial statements

Classification and measurement of financial assets depends on the results of business model test. The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, 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.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

a. Trade receivables and contract assets

The Entity applies the simplified approach to measuring expected credit losses to its trade accounts receivable and contract assets, which uses a provision matrix. The provision rates are based on days past due for groupings of various customer segments that substantially share the same risk characteristics or loss patterns. The provision rates are initially based on the Entity's historical observed default rates and adjusted with current conditions and the Entity's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

b. Cash and bank balances

Impairment on cash and cash equivalents have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Entity considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

3 Significant accounting policies (continued)

3.13 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value measurement of financial instruments

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

4 Trade receivables

	2025
Trade receivables	14,200,355
	14,200,355

The average credit period for the trade receivables is 120 days. Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Ageing of trade receivables:	2025
0 -120 days	14,200,355
	14,200,355

5 Advances, deposits and other receivables

	2025
Prepayments	3,430
Deposits	3,000
Advances to suppliers	2,364
Other receivables	22,270,000
	22,278,794

6 Cash and bank balances

	2025
Cash at bank	40,571
	40,571

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

7 Share capital

Authorized, issued and paid up capital of the Entity is AED 22,408,000 divided into 22,408 shares of AED 1,000 each fully paid. The details of the shareholding as at reporting date are as follows:

Name of Shareholders	Percentage	No of shares	2025
M/s . MIC Electronics Limited	100%	22,408	22,408,000
	100%	22,408	22,408,000

8 Statutory reserve

	2025
Balance at the beginning of the year	-
Add: Transferred from net profits	1,810
Balance at the end of the year	1,810

According to the Articles of Association of the Entity and UAE Federal Commercial Companies Law No. 2 of 2015, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid up capital. This reserve is not available for distribution.

9 Retained earnings

	2025
Total comprehensive income for the period	18,101
Transfer to statutory reserves	(1,810)
Balance at the end of the year	16,291

10 Shareholders' account

	2025
Net movements during the period	212
Balance at the end of the year	212

11 Trade and other payables

	2025
Trade payables	14,081,850
Other payables	11,557
	14,093,407

12 Revenue

	From May 09, 2024 to March 31, 2025
Revenue from contracts with customers	14,200,355
	14,200,355

12.1 Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers and principal

Segments	From May 09, 2024 to March 31, 2025
Type of revenue	
Trading	14,200,355
Total revenue from contracts with customers	14,200,355

13 Cost of goods sold

	From May 09, 2024 to March 31, 2025
Purchases and direct expenses during the period	14,081,850
	14,081,850

14 Other income

	From May 09, 2024 to March 31, 2025
Foreign currency exchange gain - net	9,378
	9,378

15 Administrative expenses

	From May 09, 2024 to March 31, 2025
Office rent	25,444
Legal, visa and professional	83,447
Bank charges	891
	109,782

النداء لتدقيق الحسابات
محاسبون قانونيون
Tel. 06 - 5687272
Al Nedaa Auditing Accountants

16 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at March 31, 2025
Financial assets	Fair value
Trade receivables	14,200,355
Other receivables	22,275,364
Cash and bank balances	40,571
	36,516,290
Financial liabilities	
Trade and other payables	14,093,407
	14,093,407

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, trade receivables and certain other assets. Financial liabilities consist of trade payables and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

17 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

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

a) Foreign currency risk management

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank funding and equity from shareholders through their current accounts or loans.

17 Financial risk management objectives (continued)

Liquidity and interest risk tables:

The table below summarizes the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

	Interest bearing			Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2025			
Financial assets							
Trade receivables	-		-	-	14,200,355	-	14,200,355
Other receivables	-		-	-	22,275,364	-	22,275,364
Cash and bank balances	-	-	-	40,571	-	-	40,571
	-	-	-	**40,571**	**36,475,719**	-	**36,516,290**
Financial liabilities							
Trade and other payables	-	-	-	-	14,093,407	-	14,093,407
	-	-	-	-	**14,093,407**	-	**14,093,407**

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Entity maintains an allowance for expected credit losses based on expected collectability of all contract receivables.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of contract receivables. Further details of credit risks on trade and other receivables are disclosed to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

Al Nedaa Auditing Accountants
Tel. 06 - 5687272

18 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year. The capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

19 Comparative information

This being the first year of audit, no comparative figures are included in the above financial statements.