

**USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY**

Financial Statements

For the Year Ended March 31, 2025

and Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Usha Siam Steel Industries Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Usha Siam Steel Industries Public Company Limited and its subsidiary ("the Group"), and of Usha Siam Steel Industries Public Company Limited ("the Company"), which comprise the consolidated and separate statements of financial position as at March 31, 2025, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at March 31, 2025, and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audits in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audits of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, at the Extraordinary General Shareholders' Meeting No. 1/2568 held on March 26, 2025, the shareholders approved to acceptance of the Entire Business Transfer ("EBT") from Usha Siam Specialty Wire Rope Co, Ltd., a subsidiary. In this regard, all the subsidiary's assets and liabilities will be transferred to the Company at the carrying amounts and all employees of the subsidiary will be transferred to the Company at the registered dissolution date of the subsidiary. Subsequently on April 1, 2025, the subsidiary registered its dissolution with the Department of Business Development, Ministry of Commerce. However, the liquidation process of such subsidiary has not been completed.

Responsibilities of Management for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 my 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 Group's and the Company'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 Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audits.



(Ms. Wimolsri Jongudomsombut)

Certified Public Accountant, Registration No. 3899

Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Bangkok

April 30, 2025

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

A S S E T S

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2025	2024	2025	2024
CURRENT ASSETS					
Cash and cash equivalents		48,064,161	68,039,979	18,661,779	43,365,738
Trade receivables - net	5				
- Subsidiary and related parties	4	228,767,153	247,077,923	204,581,463	256,102,247
- Other companies		177,663,163	113,154,622	176,952,859	112,131,221
Inventories	6	440,695,650	439,706,678	408,147,159	422,269,811
Other current assets					
- Prepaid expenses		2,919,279	3,098,019	2,601,888	2,698,954
- Value added tax		13,150,354	12,022,961	4,727,059	4,939,588
- Advance to purchase raw materials		2,471,425	8,328,305	2,471,425	8,328,305
- Others	4	3,752,554	940,525	3,752,554	1,371,579
Total Current Assets		917,483,739	892,369,012	821,896,186	851,207,443
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	11, 13, 15, 27, 28	36,307,546	35,824,795	36,307,546	35,824,795
Investments in subsidiary	1, 7	-	-	199,452,327	199,452,327
Advance to purchase machinery		1,015,142	10,638,358	567,342	10,638,358
Property, plant and equipment - net	1, 8, 9, 13, 15, 27	640,360,771	554,619,001	481,639,356	401,760,600
Right-of-use assets - net	1, 8, 9, 16	39,934,236	42,802,575	14,498,675	15,773,651
Computer softwares - net	1, 10	11,800,616	13,228,479	11,776,459	13,200,242
Deferred tax assets	12	8,934,524	9,133,236	8,934,524	9,133,236
Other non-current assets	24	986,992	654,333	975,992	637,520
Total Non-Current Assets		739,339,827	666,900,777	754,152,221	686,420,729
TOTAL ASSETS		1,656,823,566	1,559,269,789	1,576,048,407	1,537,628,172

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT MARCH 31, 2025

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2025	2024	2025	2024
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from					
financial institutions	8, 11, 13	481,978,183	314,249,884	431,978,183	314,249,884
Trade payables					
- Parent and related parties	4	9,768,583	23,804,170	9,768,583	22,517,894
- Other companies		140,588,682	155,187,562	140,588,682	154,999,874
Current portion of long-term borrowings from					
financial institutions	8, 11, 15	20,106,177	11,887,284	12,963,320	4,744,427
Current portion of lease liabilities	9, 16	9,730,609	8,680,043	5,020,533	4,264,303
Current portion of borrowings from parent	4	12,000,000	12,000,000	12,000,000	12,000,000
Advance received for purchase goods					
from related party	4	-	100,187,466	-	100,187,466
Accrued expenses and other current liabilities	4, 14	60,734,397	56,808,708	56,242,613	52,796,962
Total Current Liabilities		734,906,631	682,805,117	668,561,914	665,760,810
NON-CURRENT LIABILITIES					
Lease liabilities - net	9, 16	15,505,622	22,609,342	6,314,946	8,708,590
Long-term borrowings from financial institution - net	8, 11, 15	107,059,189	86,409,796	71,344,903	43,552,653
Long-term borrowings from parent - net	4	8,000,000	18,000,000	8,000,000	18,000,000
Provision liability for post-employee benefit	1, 17	44,555,421	45,706,082	44,555,421	45,554,503
Total Non-Current Liabilities		175,120,232	172,725,220	130,215,270	115,815,746
Total Liabilities		910,026,863	855,530,337	798,777,184	781,576,556
SHAREHOLDERS' EQUITY					
Share capital					
- Authorized share capital, ordinary share					
14,300,000 shares at Baht 10 par value		143,000,000	143,000,000	143,000,000	143,000,000
- Issued and paid share capital, ordinary share					
14,300,000 shares at Baht 10 per share		143,000,000	143,000,000	143,000,000	143,000,000
Share premium on ordinary shares		118,052,025	118,052,025	118,052,025	118,052,025
Retained earnings					
- Appropriated for legal reserve	19	14,300,000	14,300,000	14,300,000	14,300,000
- Unappropriated		471,444,678	428,387,427	501,919,198	480,699,591
Total Shareholders' Equity		746,796,703	703,739,452	777,271,223	756,051,616
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,656,823,566	1,559,269,789	1,576,048,407	1,537,628,172

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2025	2024	2025	2024
REVENUES					
Net sales	4, 20	1,500,438,727	1,492,052,583	1,426,625,601	1,496,963,971
Sales of defects and scraps from production		30,886,373	31,672,167	30,493,015	31,671,292
Gain on exchange rate - net		2,969,402	7,559,818	4,506,626	7,536,122
Other income	4, 28	2,879,944	1,772,355	2,878,329	2,158,591
Total Revenues		1,537,174,446	1,533,056,923	1,464,503,571	1,538,329,976
EXPENSES					
Costs of sales	4	1,358,682,478	1,337,884,197	1,318,295,299	1,343,657,314
Distribution costs		58,616,309	45,914,114	55,095,075	46,141,083
Administrative expenses	4	39,845,180	44,963,708	38,333,646	42,794,580
Finance costs	4	32,063,943	34,049,587	26,650,659	33,727,056
Total Expenses	21	1,489,207,910	1,462,811,606	1,438,374,679	1,466,320,033
Profit before Share of Profit from Jointly Controlled Entity and Tax					
		47,966,536	70,245,317	26,128,892	72,009,943
Share of loss from jointly controlled entity	1	-	(9,900,539)	-	-
Profit before Tax					
		47,966,536	60,344,778	26,128,892	72,009,943
Tax expense	12	(4,909,285)	(15,832,143)	(4,909,285)	(15,832,143)
PROFIT FOR THE YEAR		43,057,251	44,512,635	21,219,607	56,177,800
Other Comprehensive Loss:					
Item that will not be reclassified subsequently to profit or loss:					
Actuarial losses - net of tax	17	-	(1,936,195)	-	(1,936,195)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		43,057,251	42,576,440	21,219,607	54,241,605
Basic Earnings per Share		3.01	3.11	1.48	3.93

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2025

Consolidated Financial Statements (In Baht)					
Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total Equity
			Appropriated for legal reserve	Unappropriated	
Balance as at April 1, 2023	143,000,000	118,052,025	14,300,000	388,670,987	664,023,012
Total comprehensive income for the year	-	-	-	42,576,440	42,576,440
Dividend payment	18	-	-	(2,860,000)	(2,860,000)
Balance as at March 31, 2024	143,000,000	118,052,025	14,300,000	428,387,427	703,739,452
Total comprehensive income for the year	-	-	-	43,057,251	43,057,251
Balance as at March 31, 2025	<u>143,000,000</u>	<u>118,052,025</u>	<u>14,300,000</u>	<u>471,444,678</u>	<u>746,796,703</u>

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEAR ENDED MARCH 31, 2025

	Note	Separate Financial Statements (In Baht)			
		Issued	Share	Retained earnings	
		and paid-up share capital	premium on ordinary shares	Appropriated for legal reserve	Unappropriated
					Total shareholders' equity
Balance as at April 1, 2023		143,000,000	118,052,025	14,300,000	429,317,986
Total comprehensive income for the year		-	-	-	54,241,605
Dividend payment	18	-	-	-	(2,860,000)
Balance as at March 31, 2024		143,000,000	118,052,025	14,300,000	480,699,591
Total comprehensive income for the year		-	-	-	21,219,607
Balance as at March 31, 2025		<u>143,000,000</u>	<u>118,052,025</u>	<u>14,300,000</u>	<u>501,919,198</u>
					<u>777,271,223</u>

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit for the year	43,057,251	44,512,635	21,219,607	56,177,800
Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:				
Share of loss from jointly controlled entity	-	9,900,539	-	-
Depreciation and amortization	63,115,284	49,361,854	53,198,557	46,769,624
Reversal of allowance for expected credit losses	(2,413,644)	-	(2,413,644)	-
Unrealized gain on exchange rate	(271,144)	(4,573,936)	(388,049)	(4,539,833)
Provision liability for post-employee benefits	5,096,207	7,145,733	5,247,786	7,133,312
Gain on sales of fixed assets	(89,962)	(682,443)	(89,962)	(682,443)
Write-off fixed assets	-	2,008	-	2,008
Interest income	(491,354)	(883,848)	(491,354)	(1,270,084)
Finance costs	32,063,943	34,049,587	26,650,659	33,727,056
Tax expense	4,909,285	15,832,143	4,909,285	15,832,143
Decrease (Increase) in Operating Assets:				
Trade receivables	(43,463,319)	87,549,498	(10,449,497)	62,386,509
Inventories	(988,972)	(49,005,048)	14,122,652	(37,264,836)
Other current assets	1,713,688	35,715,392	3,402,990	36,729,404
Other non-current assets	(142,557)	456,033	(148,370)	456,033
Increase (Decrease) in Operating Liabilities:				
Trade payables	(28,684,131)	(73,976,016)	(27,210,167)	(48,213,384)
Advance received for purchase goods from related party	(100,187,466)	100,187,466	(100,187,466)	100,187,466
Accrued expenses and other current liabilities	12,917,416	67,372	12,437,378	(1,590,995)
Post-employee benefits paid	(6,246,868)	(5,556,201)	(6,246,868)	(5,556,201)
Tax paid	(14,506,158)	(21,677,676)	(14,506,158)	(21,677,676)
Net Cash Provided by (Used in) Operating Activities	(34,612,501)	228,425,092	(20,942,621)	238,605,903

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED MARCH 31, 2025

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Increase) decrease in restricted deposits at financial institutions	(482,751)	1,314,540	(482,751)	1,314,540
Decrease (increase) in advance for purchase machinery	9,623,216	(9,255,133)	10,071,016	(9,255,133)
Proceeds from sale of fixed assets	551,962	985,980	551,962	985,980
Purchases of fixed assets	(141,063,812)	(31,266,874)	(126,881,515)	(31,262,273)
Purchases of computer softwares	(1,246,750)	(11,757,679)	(1,246,750)	(11,757,679)
Cash paid for investment in subsidiary	-	(70,997,700)	-	(74,452,427)
Interest received	873,864	877,400	873,864	832,582
Net Cash Used in Investing Activities	(131,744,271)	(120,099,466)	(117,114,174)	(123,594,410)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in bank overdrafts and short-term borrowings				
from financial institutions	167,728,299	(69,571,273)	117,728,299	(52,613,673)
Repayment of lease liabilities	(8,765,444)	(5,007,961)	(4,349,703)	(3,947,834)
Cash receipt from long-term borrowings from financial institutions	45,788,903	70,000,000	45,788,903	20,000,000
Repayment of long-term borrowings from financial institutions	(16,920,617)	(3,077,760)	(9,777,760)	(3,077,760)
Repayment of long-term borrowings from parent	(10,000,000)	(12,000,000)	(10,000,000)	(12,000,000)
Dividend payments	-	(2,860,000)	-	(2,860,000)
Finance costs paid	(31,450,187)	(34,568,462)	(26,036,903)	(33,946,297)
Net Cash Provided by (Used in) Financing Activities	146,380,954	(57,085,456)	113,352,836	(88,445,564)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,975,818)	51,240,170	(24,703,959)	26,565,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	68,039,979	16,799,809	43,365,738	16,799,809
CASH AND CASH EQUIVALENTS AT END OF YEAR	48,064,161	68,039,979	18,661,779	43,365,738

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED MARCH 31, 2025

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
1) Cash and cash equivalents consisted of:				
- Cash on hand	464,510	259,119	431,639	235,567
- Cheques on hand	3,057,307	1,488,662	3,057,307	1,488,662
- Cash in banks - current accounts	44,316,967	66,066,821	14,947,456	41,416,132
- Cash in banks - savings accounts	225,377	225,377	225,377	225,377
Total	<u>48,064,161</u>	<u>68,039,979</u>	<u>18,661,779</u>	<u>43,365,738</u>
2) Fixed assets acquired by means of:				
- Cash payments	141,063,812	31,266,874	126,881,515	31,262,273
- Transfer from right-of-use assets	-	68,436	-	68,436
Total	<u>141,063,812</u>	<u>31,335,310</u>	<u>126,881,515</u>	<u>31,330,709</u>
3) On January 24, 2024, the Company acquired addition common shares of Tesac Usha Wire rope Company Limited. held by Kobelco Wire Company Limited amounting to Baht 74.5 million (Note 1) as the following details:				
Fair value of net assets	-	74,452,427	-	74,452,427
Cash paid	-	74,452,427	-	74,452,427
Less cash and cash equivalents acquired	-	(3,454,727)	-	-
Cash paid - net of cash and cash equivalents acquired	<u>-</u>	<u>70,997,700</u>	<u>-</u>	<u>74,452,427</u>
4) Write-off inventories with allowance for decline in value of inventories	<u>-</u>	<u>1,668,665</u>	<u>-</u>	<u>1,668,665</u>

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements
March 31, 2025

1. GENERAL INFORMATION

Usha Siam Steel Industries Public Company Limited (“the Company”), a subsidiary of Usha Martin Limited of India (which hold the Company’s shares at 92.31%), was registered as a limited company in Thailand on May 22, 1980 and transformed to be public limited company on February 24, 1997. The Company’s principal business is engaged in manufacturing and sales of steel wire and wire rope products in domestic and international markets.

The Company’s office addresses are as follows:

- City Office is located at 75/14, 15th Floor, Ocean Tower 2 Building, Soi Sukhumvit 19 (Wattana), Sukhumvit Road, Klongtoey Nuea, Wattana, Bangkok 10110, Thailand.
- Factories are located at 101/16 and 101/46 Navanakorn Industrial Estate, Moo 20, Phaholyothin Road, Klongnueng, Klongluang, Pathumthani 12120, Thailand.

Subsidiary

Tesac Usha Wirerope Company Limited (“TUW”), was registered as a limited company in Thailand on January 29, 2013 under the joint venture between (1) the Company, (2) Tesac Wirerope Co., Ltd. (“TWR”) of Japan, and (3) Usha Martin Singapore Pte. Ltd. (“UMSIN”) of Singapore whereby each party holds TUW’s shares at 49.99996%, 50.00000%, and 0.00004%, respectively. In addition, all venturers have entered into the joint venture agreement dated November 27, 2012 in order to gather understanding and determine the details as well as conditions for joint venture in TUW. Under the term of such agreement, TUW’s Board of Directors comprises 5 directors whereby 3 directors are appointed by the Company and UMSIN and 2 directors are appointed by TWR. Each director has a voting right in the Board of Directors’ meeting of TUW. Subsequently on April 1, 2018, TWR and Kobelco Wire Company Limited (“KWC”) have approved the merger. Under the merger, all of TWR’s assets, including its shares in TUW, will be transferred to KWC.

TUW is engaged in manufacturing and sales of steel wire and steel wire rope products, which are generally used for elevator and other pulling or lifting equipment, for domestic and international markets.

TUW’s office address (factory) is located at 101/55 Navanakorn Industrial Estate, Moo 20, Klongnueng, Klongluang, Pathumthani 12120, Thailand.

Subsequently, on January 24, 2024, the Company made the additional investment to acquire all of TUW’ shares which were held by KWC (50%) at purchase price of Baht 74.5 million. TUW has subsequently changed its name to be Usha Siam Specialty Wire Rope Co., Ltd. (“USSWR”).

TFRS 3 requires that an entity shall determine whether a transaction or other event is a business combination by applying the definition in this TFRS 3, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the entity shall account for the transaction or other event as an asset acquisition. To simplify the determination of acquisition of business or assets, the concept of concentration test is an optional method to be applied. In this regard, the Company considered the related facts and supporting documents and reached the conclusion that this transaction was the acquisition of Assets.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
March 31, 2025

Net carrying amounts of the assets and liabilities acquired were recognized at the assets acquisition date as summarized below;

	(In Thousand Baht) Net Carrying Amount At Acquisition Date
Trade receivables	17,128
Property, plant and equipment – net	155,047
Right-of-use assets – net	27,426
Others	15,667
Total assets	215,268
Trade payables	27,237
Lease liabilities	19,376
Others	19,750
Total liabilities	66,363
Net assets acquired	148,905
Previously owned by the Company	(74,453)
Total purchase consideration	74,452

As at March 31, 2025 and 2024, The Company has direct-holding investment in USSWR at 99.99996%. The Company records such investment in subsidiary at cost totalling approximately Baht 199.50 million in the separate financial position.

The Company included USSWR’s operation during the period from January 1, 2024 to March 31, 2024 in the preparation of the consolidated statement of comprehensive income for the year ended March 31, 2024. Significant details are as follows:

	(In Thousand Baht)
Net sales	5,059
Total revenues	5,060
Loss for the period	(1,765)

At the Extraordinary General Shareholders’ Meeting No. 1/2568 held on March 26, 2025, the shareholders approved to acceptance of the Entire Business Transfer (“EBT”) from Usha Siam Specialty Wire Rope Co, Ltd., a subsidiary. In this regard, all the subsidiary’s assets and liabilities will be transferred to the Company at the carrying amounts and all employees of the subsidiary will be transferred to the Company at the registered dissolution date of the subsidiary. Subsequently on April 1, 2025, the subsidiary registered its dissolution with the Department of Business Development, Ministry of Commerce. However, the liquidation process of such subsidiary has not been completed.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

- a) The Company and its subsidiary (together referred to as “the Group”) prepare the statutory financial statements by maintaining their official accounting records in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the consolidated and separate financial statements are intended solely to present the financial positions, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

Other than those specified in notes to financial statements, the consolidated and separate financial statements are prepared under the historical cost convention.

For convenience of the readers, the Group has prepared an English translation of the financial statements has been prepared from the Thai language statutory financial statements, which are issued solely for domestic financial reporting purposes.

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Notes to Financial Statements (Continued)
March 31, 2025

b) Assets Acquisition, Subsidiary and Loss of control

The Group applies assets acquisition method for the additional investment in USSWR.

Transaction costs that the Group incurs in connection with the assets acquisition, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of Control

When the Group loses control over the subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The financial statements of the subsidiary is prepared using consistent significant accounting policies as the Company.

Accounting standards that became effective in the current accounting period

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2024. These revised financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The Group's management has assessed that the impact of adoption of these revised standards to the financial statements for the year ended March 31, 2025 was insignificant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use within the Group. Cash equivalents are savings deposits and current accounts, highly liquid investment that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are stated at amortization cost net of allowance for expected credit losses ("ECL").

The Group applies a simplified approach in calculating ECL for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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Inventory Valuation

The Group values its inventories at the lower of cost (weighted average method) and net realizable value, whichever is lower.

Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The Group provides an allowance for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments

Investments in subsidiary in the separate financial statements of the Company are accounted for using the cost method.

Property, Plant and Equipment and Depreciation

Land is stated at cost net of allowance for impairment (if any).

Plant and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed, their cost, accumulated depreciation, and allowance for impairment (if any) are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of the asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each significant part or component of an item of assets. No depreciation is charged for land, construction in progress, and machinery under installation. Depreciation methods, residual values, and useful lives are reviewed, at least, at each financial year-end and adjusted if appropriate. The useful lives of assets are as follows:

	Years
Building and structures	25
Plant machinery and equipment	5 to 50
Furniture, fixtures and office equipment	3, 5 and 10
Vehicles	7 and 10

Right-of-Use Assets and Depreciation

Right-of-use assets are recognized at the commencement date of the leases. Right-of-use assets are stated at cost, less accumulated depreciation and allowance for impairment (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The costs of right-of-use assets also include an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease.

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March 31, 2025

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the remaining lease term and the estimated useful lives as following:

	Years
Building	3
Plant machinery and equipment	3 and 20
Furniture, fixtures and office equipment	5
Vehicles	7

Computer Softwares and Amortization

Computer softwares that are acquired by the Group are stated at cost less accumulated amortization and allowance for impairment loss (if any).

Amortization of computer softwares is calculated by reference to their costs on a straight-line basis for the period of 5 and 10 years.

Impairment of Assets

The Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets, when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions Liability for Post-Employment Benefit

The Group's post-employment benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The Group recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

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Notes to Financial Statements (Continued)
March 31, 2025

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following;

- Consolidation: whether the Group has de facto control over an investee
- Classification of the joint arrangements
- Leases

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Allowance for expected credit losses of trade receivables
- Net realizable value of inventories
- Useful lives and residual values of plant and equipment, right-of-use assets and intangible assets
- Assumptions used in calculation of liability for post-employment benefit
- Current and deferred taxation, utilization of tax losses
- Provision and contingencies
- Determination of impairment of assets
- Fair values and fair value measurements of financial assets, financial liabilities and other financial instruments
- Assessment and judgement used on the possibility of impact from litigation and claim.

Revenue Recognition

To determine whether to recognize revenue, the Group follows a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations
- 5) Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, relevant tax and after deduction of any trade discounts and volume rebates.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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Sale of goods and services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognized over time as the services are provided. The stage of completion is assessed based on actual cost to budget cost (input method). The related costs are recognized in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income

Other income is recognized as income on an accrual basis.

Expense Recognition

Other expenses are recognized on an accrual basis.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Leases

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

The Group (as a lessee) assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Leases are recognized as assets (right-of-use assets) and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Group applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). The Group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense in profit or loss on a straight-line basis over the lease term.

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Notes to Financial Statements (Continued)
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Lease Liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

Financial Instruments

The Group initially measures financial assets at their fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

- ***Classification and measurement of financial assets***

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment assessment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis. Gains and losses recognized in other comprehensive income on these financial assets are never subsequently recycled to profit or loss.

Dividends on these investments are recognized as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognized in other comprehensive income.

Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

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Notes to Financial Statements (Continued)
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These financial assets include derivatives, security investments held for trading, investments in unit trust equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on market securities are recognized as other income in profit or loss.

- ***Classification and measurement of financial liabilities***

Except for derivative liabilities, at initial recognition, the Group's financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

- ***Derecognition of financial instruments***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

- ***Impairment of financial assets***

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

For trade account receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

- ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

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The different levels have been defined as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs for such assets or liabilities, such as uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities, or estimates of future cash flows

Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Foreign Currency Transactions

Foreign currency transactions throughout the year are recorded in the accounts at the rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the years are translated into Baht at the prevailing rates at that date. Gains or losses from translations are credited or charged to the statement of comprehensive income.

Income Tax

The income tax charge is based on profit for the year and considers deferred taxation. Deferred taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expect, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Group re-assesses unrecognized deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Basic Earnings per Share

Basic earnings per share is determined by dividing profit for the year by weighted average number of common shares outstanding during the year (14,300,000 shares in 2025 and 2024).

4. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

A portion of the assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships.

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Notes to Financial Statements (Continued)
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In October 1999, the Company entered into an agreement to obtain a long-term Baht loan of Baht 50 million from the parent which bears interest at rate referenced to the minimum lending rate of a local bank. This loan is uncollateralized and will be repayable upon the lenders' demand. However, the Company's managements intend to repay such borrowing totalling Baht 12 million within next year, hence, the Company presented such borrowing amount under "Current portion of borrowings from parent".

Types of relationship of related parties are as follows:

Name of Companies	Type of Relationship
Usha Martin Limited	Parent
Usha Siam Specialty Wire Rope Co., Ltd. ("USSWR") (Formerly Tesac Usha Wirerope Co., Ltd. ("TUW"))	Jointly controlled entity (49.99996%) and co-shareholder and changed to the subsidiary from January 24, 2024
Usha Martin Singapore Pte Ltd.	Shareholder and co-shareholder
Usha Martin Americas, Inc.	Shareholder and co-shareholder
Usha Martin UK Limited	Co-shareholder
Usha Martin Australia Pty Ltd.	Co-shareholder
Usha Martin Vietnam Co., Ltd.	Co-shareholder
Brunton Wire Ropes FZCO	Co-shareholder
PT. Usha Martin Indonesia	Co-shareholder
Brunton Shaw UK Limited	Co-shareholder
Usha Martin Europe B.V.	Co-shareholder
Usha Martin China Co., Ltd.	Co-shareholder
European Management and Marine Corporation Limited	Co-shareholder
Usha Martin Italia SRL	Co-shareholder
De Ruiter Staalkabel B.V.	Co-shareholder
Brunton Wire Ropes Industries Co., Ltd.	Co-shareholder

Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Sales of products - net	Negotiable prices approximate market price
Interest income	Agreed-upon interest rates referenced to market rates
Purchases of raw materials, spare parts, machinery and equipment	Negotiable prices approximate market price
Corporate guarantee charge on credit facilities	0.52% p.a. of the outstanding balance
Other expenses	Agreed-upon amount
Interest expense	Agreed-upon interest rates referenced to market rates
Key management's remunerations	Agreed-upon amount

Significant transactions with related parties for each of the years ended March 31, 2025 and 2024, in the Consolidated financial statements and the separate financial statements, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Sales of products – net				
- Subsidiary	-	-	63,692	9,970
- Jointly controlled entity	-	32,639	-	32,639
- Related parties	773,285	701,833	638,659	700,223
Total	773,285	734,472	702,351	742,832
Interest income				
- Subsidiary	-	-	-	386
- Jointly controlled entity	-	506	-	506
Total	-	506	-	892

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March 31, 2025

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Purchases of raw materials and machines				
- Parent	25,669	44,642	25,669	44,642
- Subsidiary	-	-	748	-
- Jointly controlled entity	-	21,893	-	21,893
- Related parties	1,403	2,710	1,403	1,423
Total	<u>27,072</u>	<u>69,245</u>	<u>27,820</u>	<u>67,958</u>
Corporate guarantee charge on credit facilities				
- Parent	<u>1,049</u>	<u>1,108</u>	<u>1,049</u>	<u>1,108</u>
Other expenses				
- Parent	3,303	2,684	3,303	2,684
- Related parties	<u>2,254</u>	<u>5,104</u>	<u>2,254</u>	<u>5,104</u>
Total	<u>5,557</u>	<u>7,788</u>	<u>5,557</u>	<u>7,788</u>
Interest expense				
- Parent	<u>1,709</u>	<u>2,468</u>	<u>1,709</u>	<u>2,468</u>
Key management's remunerations				
- Short-term benefits	8,776	15,026	8,776	15,026
- Post-employment benefits	<u>183</u>	<u>1,266</u>	<u>183</u>	<u>1,266</u>
Total	<u>8,959</u>	<u>16,292</u>	<u>8,959</u>	<u>16,292</u>

As at March 31, 2025 and 2024, the significant outstanding balances with related parties, in the consolidated financial statements and the separate financial statements, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Trade receivables				
- Subsidiary	-	-	-	10,668
- Related parties	<u>228,767</u>	<u>247,078</u>	<u>204,581</u>	<u>245,434</u>
Total	<u>228,767</u>	<u>247,078</u>	<u>204,581</u>	<u>256,102</u>
Other current assets				
<i>Interest receivable</i>				
- Subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>386</u>
<i>Other current assets</i>				
- Subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>
Trade payables				
- Parent	9,769	22,518	9,769	22,518
- Related parties	<u>-</u>	<u>1,286</u>	<u>-</u>	<u>-</u>
Total	<u>9,769</u>	<u>23,804</u>	<u>9,769</u>	<u>22,518</u>
Advance received for purchase goods				
- Related party	<u>-</u>	<u>100,187</u>	<u>-</u>	<u>100,187</u>

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March 31, 2025

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Long-term borrowings - Parent				
Principal	20,000	30,000	20,000	30,000
Less : Current portion	(12,000)	(12,000)	(12,000)	(12,000)
Net	<u>8,000</u>	<u>18,000</u>	<u>8,000</u>	<u>18,000</u>
Accrued expenses and other current liabilities				
<i>Interest payable</i>				
- Parent	<u>368</u>	<u>550</u>	<u>368</u>	<u>550</u>
<i>Other accrued expenses</i>				
- Parent	2,259	6,278	2,259	6,278
- Related parties	-	813	-	813
Total	<u>2,259</u>	<u>7,091</u>	<u>2,259</u>	<u>7,091</u>

5. TRADE RECEIVABLES - Net

As at March 31, 2025 and 2024, trade receivables classified by outstanding period, in the consolidated financial statements, and the separate financial statements, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Related parties				
Current	213,183	238,575	191,413	242,140
Overdue :				
Not exceeding 3 months	13,929	8,503	11,513	13,962
Between 3 months - 6 months	<u>1,655</u>	<u>-</u>	<u>1,655</u>	<u>-</u>
Total	<u>228,767</u>	<u>247,078</u>	<u>204,581</u>	<u>256,102</u>
Other companies – net				
Current	103,691	63,369	103,691	62,471
Overdue:				
Not exceeding 3 months	58,895	47,156	58,185	47,030
Between 3 months - 6 months	12,258	2,573	12,258	2,573
Between 6 months - 12 months	2,924	39	2,924	39
Exceeding 12 months	<u>383</u>	<u>2,920</u>	<u>383</u>	<u>2,920</u>
Total	<u>178,151</u>	<u>116,057</u>	<u>177,441</u>	<u>115,033</u>
Less: Allowance for expected credit losses	<u>(488)</u>	<u>(2,902)</u>	<u>(488)</u>	<u>(2,902)</u>
Net	<u>177,663</u>	<u>113,155</u>	<u>176,953</u>	<u>112,131</u>
Reversal allowance for expected credit losses during the year	<u>(2,414)</u>	<u>-</u>	<u>(2,414)</u>	<u>-</u>

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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6. INVENTORIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Finished goods	89,178	111,254	80,331	105,808
Work-in-process	169,698	131,462	166,868	129,487
Raw materials	93,765	77,970	77,449	73,796
Supplies and others	72,105	69,019	67,549	64,464
Raw materials in transit	15,950	50,002	15,950	48,715
Total	440,696	439,707	408,147	422,270
Write-off inventories with allowance for decline in value of inventories	-	(1,669)	-	(1,669)

7. INVESTMENT IN SUBSIDIARY - At Cost

Type of Business	Paid-up Shares (In Thousand Baht)		Percentage of Ownership (%)		Separate Financial Statements (In Thousand Baht)	
	2025	2024	2025	2024	2025	2024
Usha Siam Specialty Manufacturing and Wire Rope Co., Ltd. sales of wire rope	250,000	250,000	99.99996	99.99996	199,452	199,452

8. PROPERTY, PLANT AND EQUIPMENT – Net

	Consolidated Financial Statements (In Thousand Baht)						
	Land	Building and structures	Plant machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Machinery under installation	Total
Cost							
Balance as at April 1, 2023	81,240	244,185	1,225,824	15,784	8,839	16,616	1,592,488
Effect from assets acquisition (Note 1)	50,596	96,489	95,832	8,377	-	-	251,294
Additions	-	358	17,781	2,133	-	10,995	31,267
Disposals and write-off	-	-	(2,892)	-	(4,243)	(2)	(7,137)
Transfers in (out)	-	616	13,212	-	-	(13,828)	-
Transfers from right-of-use assets (Note 9)	-	-	-	112	-	-	112
Balance as at March 31, 2024	131,836	341,648	1,349,757	26,406	4,596	13,781	1,868,024
Additions	-	2,966	17,171	1,488	285	119,154	141,064
Disposals and write-off	-	-	-	(1,019)	-	(450)	(1,469)
Transfers in (out)	-	-	12,850	-	-	(12,850)	-
Balance as at March 31, 2025	131,836	344,614	1,379,778	26,875	4,881	119,635	2,007,619

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
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Consolidated Financial Statements (In Thousand Baht)							
	Land	Building and structures	Plant machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Machinery under installation	Total
Accumulated Depreciation							
Balance as at April 1, 2023	-	172,238	985,933	11,421	7,508	-	1,177,100
Effect from assets acquisition (Note 1)	-	37,938	50,445	7,864	-	-	96,247
Depreciation charge for the year	-	7,464	37,538	1,477	367	-	46,846
Disposals and write-off	-	-	(2,893)	-	(3,939)	-	(6,832)
Transfers from right-of-use assets (Note 9)	-	-	-	44	-	-	44
Balance as at March 31, 2024	-	217,640	1,071,023	20,806	3,936	-	1,313,405
Depreciation charge for the year	-	10,458	42,542	1,670	189	-	54,859
Disposals and write-off	-	-	-	(1,006)	-	-	(1,006)
Balance as at March 31, 2025	-	228,098	1,113,565	21,470	4,125	-	1,367,258
Net Book Value							
As at March 31, 2024	131,836	124,008	278,734	5,600	660	13,781	554,619
As at March 31, 2025	131,836	116,516	266,213	5,405	756	119,635	640,361

Separate Financial Statements (In Thousand Baht)							
	Land	Building and Structures	Plant machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Machinery Under installation	Total
Cost							
Balance as at April 1, 2023	81,240	244,185	1,225,824	15,784	8,839	16,616	1,592,488
Additions	-	358	17,776	2,133	-	10,995	31,262
Disposals and write-off	-	-	(2,892)	-	(4,243)	(2)	(7,137)
Transfers in (out)	-	616	13,212	-	-	(13,828)	-
Transfers from right-of-use assets (Note 9)	-	-	-	112	-	-	112
Balance as at March 31, 2024	81,240	245,159	1,253,920	18,029	4,596	13,781	1,616,725
Additions	-	2,966	16,999	1,336	285	105,296	126,882
Disposals and write-off	-	-	-	(1,019)	-	(450)	(1,469)
Transfers in (out)	-	-	12,850	-	-	(12,850)	-
Balance as at March 31, 2025	81,240	248,125	1,283,769	18,346	4,881	105,777	1,742,138
Accumulated Depreciation							
Balance as at April 1, 2023	-	172,238	985,933	11,421	7,508	-	1,177,100
Depreciation charge for the year	-	6,485	36,467	1,333	367	-	44,652
Disposals and write-off	-	-	(2,893)	-	(3,939)	-	(6,832)
Transfers from right-of-use assets (Note 9)	-	-	-	44	-	-	44
Balance as at March 31, 2024	-	178,723	1,019,507	12,798	3,936	-	1,214,964
Depreciation charge for the year	-	6,531	38,259	1,562	189	-	46,541
Disposals and write-off	-	-	-	(1,006)	-	-	(1,006)
Balance as at March 31, 2025	-	185,254	1,057,766	13,354	4,125	-	1,260,499
Net Book Value							
As at March 31, 2024	81,240	66,436	234,413	5,231	660	13,781	401,761
As at March 31, 2025	81,240	62,871	226,003	4,992	756	105,777	481,639

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All of land and certain assets thereon which have net book value totalling Baht 442.3 million and Baht 371.1 million in the consolidated financial statements as at March 31, 2025 and 2024, respectively, (net book values totalling approximately Baht 338.1 million and Baht 262.9 million in the separate financial statements as at March 31, 2025 and 2024, respectively) were mortgaged to secure for credit facilities for short-term and long-term credit facilities from various local and foreign financial institutions as discussed in Notes 13, 15 and 27.

The gross carrying amounts of the Group's certain property, plant and equipment totalling approximately Baht 120.3 million and Baht 117.8 million as at March 31, 2025 and 2024, respectively, (of the Company totalling approximately Baht 112.4 million and Baht 110.3 million as at March 31, 2025 and 2024, respectively) were fully depreciated but these items are still in active use.

9. RIGHT OF USE ASSETS – Net

	Consolidated Financial Statements (In Thousand Baht)				
	Building	Plant Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Total
Cost					
As at April 1, 2023	2,405	-	387	3,551	6,343
Effect from assets acquisition (Note 1)	-	34,434	-	-	34,434
Additions	-	5,960	66	7,351	13,377
Transfer to property, plant and equipment (Note 8)	-	-	(112)	-	(112)
As at March 31, 2024	2,405	40,394	341	10,902	54,042
Additions	2,914	-	82	-	2,996
Lease termination	(2,405)	-	-	-	(2,405)
As at March 31, 2025	2,914	40,394	423	10,902	54,633
Accumulated Depreciation					
As at April 1, 2023	1,457	-	46	334	1,837
Effect from assets acquisition (Note 1)	-	7,008	-	-	7,008
Depreciation charge for the year	336	843	68	1,191	2,438
Transfer to property, plant and equipment (Note 8)	-	-	(44)	-	(44)
As at March 31, 2024	1,793	7,851	70	1,525	11,239
Depreciation charge for the year	480	3,465	78	1,558	5,581
Lease termination	(2,121)	-	-	-	(2,121)
As at March 31, 2025	152	11,316	148	3,083	14,699
Net Book Value					
As at March 31, 2024	612	32,543	271	9,377	42,803
As at March 31, 2025	2,762	29,078	275	7,819	39,934

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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	Separate Financial Statements (In Thousand Baht)				
	Building	Plant Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Total
Cost					
As at April 1, 2023	2,405	-	387	3,551	6,343
Additions	-	5,960	66	7,351	13,377
Transfer to property, plant and equipment (Note 8)	-	-	(112)	-	(112)
As at March 31, 2024	2,405	5,960	341	10,902	19,608
Additions	2,914	-	82	-	2,996
Lease termination	(2,405)	-	-	-	(2,405)
As at March 31, 2025	2,914	5,960	423	10,902	20,199
Accumulated Depreciation					
As at April 1, 2023	1,457	-	46	334	1,837
Depreciation charge for the year	336	446	68	1,191	2,041
Transfer to property, plant and equipment (Note 8)	-	-	(44)	-	(44)
As at March 31, 2024	1,793	446	70	1,525	3,834
Depreciation charge for the year	480	1,871	78	1,558	3,987
Lease termination	(2,121)	-	-	-	(2,121)
As at March 31, 2025	152	2,317	148	3,083	5,700
Net Book Value					
As at March 31, 2024	612	5,514	271	9,377	15,774
As at March 31, 2025	2,762	3,643	275	7,819	14,499

10. COMPUTER SOFTWARES – Net

	Consolidated Financial Statements (In Thousand Baht)		
	Computer Softwares	Computer Software under installation	Total
Cost			
Balance as at April 1, 2023	1,556	1,004	2,560
Effect from assets acquisition (Note 1)	66	-	66
Additions	11,758	-	11,758
Transfers in (out)	1,004	(1,004)	-
As at March 31, 2024	14,384	-	14,384
Additions	1,247	-	1,247
Balance as at March 31, 2025	15,631	-	15,631
Accumulated Amortization			
Balance as at April 1, 2023	1,041	-	1,041
Effect from assets acquisition (Note 1)	36	-	36
Amortization charge for the year	78	-	78
As at March 31, 2024	1,155	-	1,155
Amortization charge for the year	2,675	-	2,675
Balance as at March 31, 2025	3,830	-	3,830
Net book value			
As at March 31, 2024	13,229	-	13,229
As at March 31, 2025	11,801	-	11,801

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	Separate Financial Statements (In Thousand Baht)		
	Computer Softwares	Computer Software under installation	Total
Cost			
Balance as at April 1, 2023	1,556	1,004	2,560
Additions	11,758	-	11,758
Transfers in (out)	1,004	(1,004)	-
Balance as at March 31, 2024	14,318	-	14,318
Additions	1,247	-	1,247
Balance as at March 31, 2025	15,565	-	15,565
Accumulated Amortization			
Balance as at April 1, 2023	1,041	-	1,041
Amortization charge for the year	77	-	77
Balance as at March 31, 2024	1,118	-	1,118
Amortization charge for the year	2,671	-	2,671
Balance as at March 31, 2025	3,789	-	3,789
Net book value			
As at March 31, 2024	13,200	-	13,200
As at March 31, 2025	11,776	-	11,776

The gross carrying amounts of the Group's certain computer softwares totalling approximately Baht 0.8 million as at March 31, 2025 and 2024 (of the Company totalling approximately Baht 0.8 million as at March 31, 2025 and 2024) were fully amortized but these items are still in active use.

11. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

This account, in the consolidated financial statements and the separate financial statements, represented savings deposits and fixed deposits with a local financial institution and a branch of foreign financial institution bear interest rates at 0.5% p.a. to 1.7% p.a. and 0.25% p.a. to 1.7% p.a. as at March 31, 2025 and 2024, respectively, which have been pledged as collaterals with such financial institutions for credit facilities granted by the depository financial institutions as discussed in Notes 13 and 15, issuances of letters of guarantees and letters of credit as discussed in Note 27 and being guarantee on claim against the Company as discussed in Note 28.

12. DEFERRED TAX ASSETS

The details of deferred tax assets in the consolidated financial statements and the separate financial statements as at March 31, 2025 and 2024 are as follows:

	In Thousand Baht		
	Credited (charged) to		March 31, 2025
	Profit for the year	Other comprehensive income for the year	
April 1, 2024			
Deferred tax assets			
Allowance for expected credit losses	77	-	98
Provision liability for post-employment benefit	9,110	-	8,911
Leases	(54)	-	(74)
Total	9,133	-	8,935

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Notes to Financial Statements (Continued)
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	In Thousand Baht		
	Credited (charged) to		March 31, 2024
	April 1, 2023	Profit for the year Other comprehensive income for the year	
Deferred tax assets			
Allowance for expected credit losses	77	-	77
Allowance for decline in value of inventories	334	(334)	-
Provision liability for post-employment benefit	8,311	315	9,110
Leases	(14)	(40)	(54)
Total	8,708	(59)	9,133

Tax expense in the consolidated financial statements and the separate financial statements for each of the years ended March 31, 2025 and 2024 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Current tax :				
Corporate tax for the year	4,711	15,773	4,711	15,773
Deferred taxes :				
Add (less): Tax effect from deferred tax of temporary differences				
- Allowance for decline in value of inventories	(21)	334	(21)	334
- Provision liability for post-employment benefit	199	(315)	199	(315)
- Leases	20	40	20	40
Tax expense	4,909	15,832	4,909	15,832

Reconciliations between tax expense and accounting profit multiplied by the applicable tax rates for each year ended March 31, 2025 and 2024 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Accounting profit before tax	47,967	60,345	26,129	72,010
Tax rates at 20%	9,593	12,069	5,226	14,402
Add (less): Tax effect of permanent difference of				
- Tax effect on non-deductible expenses	(381)	3,763	(317)	1,430
- Loss carry forward	(4,303)	-	-	-
Tax expense	4,909	15,832	4,909	15,832

Unrecognized Deferred Tax Assets

As at March 31, 2025 and 2024, the subsidiary did not recognize deferred tax assets from loss carry forward and certain temporary differences totalling Baht 16.1 million and Baht 20.7 million, respectively since it is not probable that future taxable profit will be available against which the subsidiary can utilize the benefit therefore.

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Notes to Financial Statements (Continued)
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13. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Bank overdrafts	882	-	882	-
Loans under Buyer's Credit (U.S. Dollars 0.5 million in 2024)	-	16,822	-	16,822
Promissory notes	170,000	100,000	120,000	100,000
Trust receipts	311,096	197,428	311,096	197,428
Total	481,978	314,250	431,978	314,250

As at March 31, 2025 and 2024, the bearing interest rate of such borrowings are ranging between 5.4% to 7.3% per annum and 4.5% to 9.4% per annum, respectively.

As at March 31, 2025 and 2024, the Company obtained credit facilities from various local financial institutions covering short-term loan facilities for overdraft, promissory notes, packing credit, trust receipt, discount bills, letter of credit, letter of guarantee and forward contract totalling Baht 907.9 million and Baht 917.8 million, respectively, and credit facilities for loan under Buyer's Credit totalling U.S. Dollars 5 million.

As at March 31, 2025, the subsidiary obtained credit facility from a branch of foreign financial institution for promissory notes totalling Baht 50 million (2024: Nil).

Such credit facilities are collateralized by the Group's land and certain assets as discussed in Note 8 and deposits at financial institutions as discussed in Note 11 and the parent. In addition, the Company has to maintain the significant conditions of such credit facilities agreements such as the proportion of shareholders and maintain certain financial ratios, i.e. debt equity ratio, debt service coverage ratio, etc.

14. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Other payables	28,068	13,903	26,938	13,242
Accrued electricity	8,117	6,720	7,629	6,374
Accrued interest	1,454	1,023	1,454	1,023
Accrued employee bonus	5,530	6,035	5,496	5,855
Accrued freight	4,199	6,172	4,199	6,172
Advances from customers	7,376	5,750	4,567	2,940
Income tax payable	-	9,606	-	9,606
Others	5,990	7,600	5,960	7,585
Total	60,734	56,809	56,243	52,797

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15. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS - Net

			(In Thousand Baht)			
Interest Rate (% p.a.)			Consolidated Financial Statements		Separate Financial Statements	
			2025	2024	2025	2024
Loans from	2.0 – 6.0	2.0 – 5.5	127,165	98,297	84,308	48,297
financial institutions			(20,106)	(11,887)	(12,963)	(4,744)
Less : Current portion						
Net			107,059	86,410	71,345	43,553

The Company

On June 10, 2021, the Company has entered into revolving loan agreement with a local financial institution for long term borrowings facility of Baht 25 million using for working capital of the Company. Subsequently on June 24, 2021, the Company has fully drawn down such credit facility. Such borrowing has maturity date within 5 years from first drawdown (June 23, 2026) or the shorter period as the financial institution specify. The Company's managements intend to not repay such borrowing within next year, hence, the Company presented such borrowing under "Long-term borrowings from financial institution".

On June 30, 2021, the Company has entered into another loan agreement with such local financial institution for long term borrowings facility of Baht 10 million using for purchasing and installing new machines of the Company. As at March 31, 2025, the Company has drawn down such credit facility totalling Baht 9.2 million. Such borrowing has repayment term every month totalling 36 periods commencing in May 2022 to April 2025.

On May 30, 2023, the Company has entered into another loan agreement with such local financial institution for long term borrowings facility of Baht 96 million using for purchasing and installing new machines of the Company. As at March 31, 2025, the Company has drawn down such credit facility totalling Baht 65.8 million. Such borrowing has repayment term every month totalling 72 periods commencing in October 2024 to September 2030.

Subsidiary

On March 15, 2024, the subsidiary has entered into loan agreement with a branch of foreign financial institution for long term borrowings facility of Baht 50 million using for purchase land and factory building of such subsidiary. As at March 31, 2025, the subsidiary has drawn down such credit facility totalling Baht 50 million. Such borrowing has repayment term every month totalling 84 periods commencing in April 2024 to March 2031.

Such credit facilities are collateralized by mortgage of the Group's land and certain assets as discussed in Note 8, deposits at financial institutions as discussed in Note 11. and guaranteed by Thai Credit Guarantee Corporation. In addition, the Group has to maintain the significant conditions of such credit facilities agreements such as the proportion of shareholders and maintain certain financial ratios, i.e. debt equity ratio, debt service coverage ratio, etc.

16. LEASE LIABILITIES - Net

		In Thousand Baht			
Minimum Future Payments (for the year ending March 31)		Consolidated Financial Statements		Separate Financial Statements	
		2025	2024	2025	2024
2025		-	10,332	-	4,865
2026		11,025	10,180	5,558	4,713
2027		10,085	8,946	4,618	3,479
2028		5,014	4,062	1,949	997
2029		1,327	1,309	34	17
2030		2	-	2	-
Total		27,453	34,829	12,161	14,071
Less Deferred interest - net		(2,216)	(3,540)	(825)	(1,098)
Less Current portion		(9,731)	(8,680)	(5,021)	(4,264)
Net		15,506	22,609	6,315	8,709

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Expenses relating to leasing for each of the years ended March 31, 2025 and 2024 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Depreciation of right-of-use assets (Note 9)	5,581	2,438	3,987	2,041
Interest expense on lease liabilities	1,682	1,624	631	381
Expense relating to short-term leases	1,323	892	1,323	892
Total	8,586	4,954	5,941	3,314

17. PROVISION LIABILITY FOR POST-EMPLOYMENT BENEFIT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Provision liability for post-employment benefit as at April 1	45,706	41,557	45,555	41,557
Effect from assets acquisition (Note 1)	-	139	-	-
Current service cost – net	4,479	6,408	4,630	6,397
Interest expense	617	738	617	737
Actuarial losses	-	2,420	-	2,420
Payment for retired employees	(6,247)	(5,556)	(6,247)	(5,556)
Provision liability for post-employment benefit as at March 31	44,555	45,706	44,555	45,555

Expenses recognized in statements of comprehensive income for each of the years ended March 31, 2025 and 2024 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
In profit for the year:				
Current service cost	4,479	6,408	4,630	6,397
Interest expense	617	738	617	737
In other comprehensive loss for the year:				
Actuarial losses	-	2,420	-	2,420
Total	5,096	9,566	5,247	9,554

Actuarial assumptions:

	Consolidated Financial Statements	
	2025	2024
Discount rate	1.86% and 2.20% per annum	1.86% and 2.20% per annum
Future salary increase	1.00% and 4.00% per annum	1.00% and 4.00% per annum
Employee turnover	0% - 35% per annum	0% - 35% per annum
Disability rate	5% of Thai Mortality Table Year 2017	5% of Thai Mortality Table Year 2017
Mortality rate	100% of Thai Mortality Table Year 2017	100% of Thai Mortality Table Year 2017
	Separate Financial Statements	
	2025	2024
Discount rate	1.86% per annum	1.86% per annum
Future salary increase	1.00% per annum	1.00% per annum
Employee turnover	0% - 35% per annum	0% - 35% per annum
Disability rate	5% of Thai Mortality Table Year 2017	5% of Thai Mortality Table Year 2017
Mortality rate	100% of Thai Mortality Table Year 2017	100% of Thai Mortality Table Year 2017

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below;

	Effect Increase (Decrease) (In Thousand Baht)			
	Financial Consolidated Statements		Separate Financial Statements	
	2025	2024	2025	2024
Effect on the non-current provision for employee benefit at March 31,				
Discount rate				
1% increase	(1,402)	(1,486)	(1,402)	(1,476)
1% decrease	1,559	1,642	1,559	1,631
Salary escalation rate				
1% increase	1,845	1,678	1,845	1,669
1% decrease	(1,686)	(1,551)	(1,686)	(1,542)
Employee turnover rate				
1% increase	(1,493)	(1,586)	(1,493)	(1,573)
1% decrease	1,636	1,690	1,636	1,676

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18. DIVIDEND PAYMENT

Payments of dividend for the year ended March 31, 2024 are as follows (2025: Nil):

	Approved by	Dividend per Share (In Baht)	Total Dividend (In Thousand Baht)	Payment Date
<u>2024</u>				
Dividend on 2023 earnings	Annual General Meeting of the Shareholders on July 27, 2023	0.2	<u>2,860</u>	August 22, 2023

19. LEGAL RESERVE

Under the provisions of the Limited Public Company Act, the Company is required to appropriate at least 5% of its profit after deduction of deficit carried forward (if any) as legal reserve until the legal reserve is not less than 10% of authorized share capital. This legal reserve is not available for dividend distributions.

As at March 31, 2025 and 2024, legal reserve is equal to 10% of the authorized share capital.

20. REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues of the Group and the Company arise mainly from revenues from sales of steel wire and wire rope products.

Disaggregation of revenue from contracts with customers

	(In Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Segment revenue				
- Net sales	<u>1,500,439</u>	<u>1,492,053</u>	<u>1,426,626</u>	<u>1,496,964</u>
Timing of revenue recognition				
- At a point in time	<u>1,500,439</u>	<u>1,492,053</u>	<u>1,426,626</u>	<u>1,496,964</u>

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
March 31, 2025

The Group applies the practical expedient not to disclose revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at March 31, 2025 and 2024, when it is initially expected that the contracts have original durations of one year or less. The Group recognized revenue in an amount that corresponds directly with the value to the customer of the date on which performance obligations are satisfied.

21. EXPENSES BY NATURE

	(In Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Changes in inventories of finished goods and work-in-process	(16,160)	(14,516)	(11,904)	(7,095)
Raw materials and consumables used in productions	915,221	922,445	900,798	924,771
Salaries, wages and others employee benefits	264,592	245,806	253,190	244,025
Manufacturing expense	154,590	149,725	148,035	148,680
Freight charges	48,872	41,194	45,417	41,126
Depreciation and amortization	63,115	49,362	53,199	46,770
Finance costs	32,064	34,050	26,651	33,727
Others	26,914	34,746	22,989	34,316
Total expenses	1,489,208	1,462,812	1,438,375	1,466,320

22. DISCLOSURE ON FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statements of financial position include cash and cash equivalents, trade receivables, restricted deposits at financial institutions, investment in subsidiary (formally is jointly controlled entity), trade payables, bank overdraft and short-term borrowings from financial institutions, lease liabilities, long-term borrowings from financial institution and long-term borrowings from parent. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the financial statements. Based on the assessment of the Group current financial position and results of operations, the Group does not face liquidity risk.

Foreign Currency Risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies as appropriate.

As at March 31, 2025 and 2024, the Group had outstanding forward exchange contracts - bought as follows:

	Unit : In Thousand			
	Foreign Currency		Fixed Baht	
	2025	2024	2025	2024
Forward exchange contracts - bought :				
- U.S. Dollar	-	3,184	-	111,938

Forward exchange contracts - bought in 2024 have maturity periods between June to September 2024 and terms of the contracts are generally not exceeding six months.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
March 31, 2025

Credit Risk

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the Group. The risk is controlled by the application of credit approvals and monitoring procedures.

The carrying amount of accounts receivable recorded in the statements of financial position net of allowance for expected credit losses, if any, represents the maximum exposure to credit risk.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Group. The Group's exposure to interest rate risk relates primarily to borrowings from its parent which bear interest referenced to bank's interest rate while loans from financial institutions bear interest at floating market interest rates. Management believes that the interest rate risk is minimal; hence, the Group has not entered into any hedging agreements to mitigate this risk.

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

The fair value of cash and cash equivalents, restricted deposits at financial institutions and bank overdrafts and short-term borrowings from financial institutions and long-term borrowings from financial institution - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets and liabilities have floating interest rates, which approximate market rates.

Trade receivables and trade payables; the carrying amounts approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment in subsidiary (formally is jointly controlled entity), long-term borrowings from parent, and lease liabilities; their proper fair values are not practicable to be estimated without incurring excessive costs.

23. OPERATING SEGMENTS

The business of the Group and the Company are the manufacturing and sales of steel wire and wire rope products in domestic and export markets.

In 2025 and 2024, the Group had export sales represented approximately 69.35% and 65.82%, respectively of total sales (of the Company approximately 63.44% and 65.37% in 2025 and 2024, respectively).

In 2025 and 2024, the Group had sales with key customer who is a related company totalling Baht 329.7 million and Baht 252.8 million, respectively (of the Company totalling Baht 319.1 million and Baht 252.8 million in 2025 and 2024, respectively).

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
March 31, 2025

24. LONG-TERM SERVICE AGREEMENTS

The Company has commitments on service agreements covering its office facilities whereby annual service fees are totalling approximately Baht 0.7 million. The term of the agreements is for 36 months expiring on January 31, 2028. Under the terms of the agreements, the Company has paid rental and service guarantees to the lessor totalling approximately Baht 0.4 million and Baht 0.1 million, which are presented as part of “Other non-current assets” in the statements of financial position as at March 31, 2025 and 2024, respectively. The Company is committed to pay rental and service fees as follows:

	(In Thousand Baht) Consolidated/Separate Financial Statements	
	2025	2024
Due for payments within one year	689	583
Due for payments after one year but not exceeding five years	1,368	389
Total	<u>2,057</u>	<u>972</u>

25. INDUSTRIAL PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain industrial promotional privileges for the productions of wire rope and wire strand, steel wire, and type bead wire. Such privileges include exemption of import duty on the imported raw materials and supplies used in the production for export and exemption of import duty on the objects imported by the promoted entity for export. The Company has been granted the extension of such privileges until July 27, 2025 and April 9, 2027.

As the promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificate.

26. CAPITAL MANAGEMENT

Significant objectives on capital management are to ensure that the Group has appropriate financial and capital structures to maintain financial liquidity and ability to continue its business as a going concern.

As at March 31, 2025 and 2024, Debt-to-Equity ratio were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2025	2024	2025	2024
Debt-to-equity ratio	<u>0.83 : 1.00</u>	<u>0.60 : 1.00</u>	<u>0.66 : 1.00</u>	<u>0.48 : 1.00</u>

The above Debt-to-Equity Ratio is calculated based on the formula specified in the related loan agreement and also determined by the bank who is major loan creditor of the Group. Debt means total interest-bearing debts deducted by the related party loan whereas Equity means total shareholders’ equity plus the related party loan.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
March 31, 2025

27. OTHERS

As at March 31, 2025 and 2024 the Group and the Company had:

	(In Thousand Baht)	
	Consolidated/Separate	
	Financial Statements	
	2025	2024
a) Letters of guarantee issued by local financial institutions to two state enterprises and a private company which collateralized by deposits at banks, all land and certain assets as discussed in Notes 8 and 11.	5,063	26,746
b) Unused letters of credit with local financial institutions.	87,877	38,825
c) Commitments on improvement and extension of buildings and machinery under installation.	6,961	61,053

28. LITIGATION AND CLAIM

As at March 31, 2025 and 2024 the Company was assessed by the Customs Department with a claim for import duty and value-added tax together with penalties and surcharges totalling approximately Baht 1.9 million on the importation of machinery and related spare parts during January to April 2013. However, management believes that the Company was entitled to be exempted from such duty and tax regarding certain announcement of the Ministry of Industry to relief the impact from severe flooding disaster in late 2011 for victims in the flooded areas. Therefore, the Company has filed the petitions to appeal and deny such claim whereby a guarantee was paid to the Customs Department in form of the Company's fixed deposit with a local financial institution amounting to approximately Baht 1.7 million in respect of filing the petitions.

However, under the Custom Department regulations regarding appeals of duty assessments and requesting a deferral of duty payment, in case if the approval period for deferment of duty has expired and the outcome of Appeal has not been finalized, the management decided to pay certain duty, penalty fee and surcharges totalling Baht 2.4 million on October 10, 2023 to avoid further surcharges until the Appeal's outcome is known. The Company recorded such amount as expense in the consolidated and separate statement of comprehensive income for the year ended March 31, 2024. On November 10, 2023, the Custom Department already released fixed deposit account amounting to Baht 1.7 million to the Company.

Subsequently, on June 7, 2024, the Custom Department issued a verdict to revoke such assessments. However, the related value added tax, penalty fee and surcharges are not within the authority of consideration of the Appeal Committee. At present, the Company is in the process of refunding such duty and surcharges from the Custom Department amounting to Baht 2.3 million. Hence, the Company recorded such refundable amount as other income in the consolidated and separate statement of comprehensive income for the year ended March 31, 2025.

29. THAI FINANCIAL REPORTING STANDARDS ("TFRSs") ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after January 1, 2025 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Group has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's directors on April 30, 2025.

BRUNTON WIRE ROPES INDUSTRIAL COMPANY LIMITED
(A MIXED LIMITED LIABILITY COMPANY)
THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM NOVEMBER 05, 2023
TO MARCH 31, 2025
WITH THE INDEPENDENT AUDITOR'S REPORT

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
SPECIAL PURPOSE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Brunton Wire Ropes Industrial Company
(A Mixed Limited Liability Company)

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Brunton Wire Ropes Industrial Company ("the Company"), which comprise the special purpose statement of financial position as at March 31, 2025, and the special purpose statement of profit or loss and other comprehensive income, special purpose statement of changes in equity and special purpose statement of cash flows for the period from November 05, 2023 to March 31, 2025, and notes to the special purpose financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance and its cash flows for the period from November 05, 2023 to March 31, 2025 in accordance with International Financial Reporting Standard (IFRS), as endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and other Standards and Pronouncements issued by SOCPA.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Special purpose financial statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), as endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the special purpose financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to note (2.1) to the accompanying special purpose financial statements which states that these special purpose financial statements have been prepared for use of the management and shareholders. Accordingly, these special purpose financial statements should not be used for any other purpose and should not be distributed to any third party.

Matter of Uncertainty Related to Going Concern

We draw your attention to note (1.2) to the accompanying special purpose financial statements which states that the Company has incurred accumulated losses amounted to SR 1,149,827 as at March 31, 2025, which exceeded 50% of the Company's share capital amounting to SR 1,000,000. The current liabilities exceeded total assets by SR 133,069. In addition, the Company has generated negative cash flows from operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue depends on achieving more revenue from its business and getting sufficient support from the shareholders. The shareholders have resolved to provide continued financial support to the Company. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Brunton Wire Ropes Industrial Company
(A Mixed Limited Liability Company)

Report on the Audit of the Special Purpose Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with International Financial Reporting Standard (IFRS), as endorsed in the Kingdom of Saudi Arabia by SOCPA and other standards and pronouncements issued by SOCPA, the Companies Law and the Company's Articles of Association, and for such internal controls as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, the Board of directors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 International Standards on Auditing (ISA) as endorsed in the Kingdom of Saudi Arabia 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 based on these special purpose financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA) as endorsed in the Kingdom of Saudi Arabia we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Brunton Wire Ropes Industrial Company
(A Mixed Limited Liability Company)

Report on the Audit of the Special Purpose Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements (Continued)

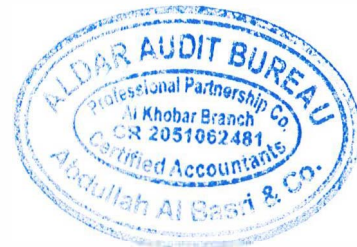
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If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

Aldar Audit Bureau
Abdullah Al Basri & Co.
P.O Box 30048
Al Khobar 31952
Kingdom of Saudi Arabia

Abdullah M. Al-Basri
Certified Public Accountant
(License No. 171)

Al-Khobar, Dhul Qidah 08, 1446H.
Corresponding to May 06, 2025



BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	March 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents	5	601,815
Trade receivables		2,865,839
Inventories	6	6,574,504
Prepayments and other current assets	7	302,137
Total Current Assets		10,344,295
Non-Current Assets		
Plant and equipment, net	8	2,788,346
Intangible asset, net	9	4,333
Total Non-Current Assets		2,792,679
TOTAL ASSETS		13,136,974
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Loans from shareholders	10	4,996,471
Amounts due to related parties	10	7,251,223
Trade payables		277,676
Accruals and other current liabilities	11	744,673
Total Current Liabilities		13,270,043
Non-Current Liability		
Employees' defined benefits obligations	12	16,758
Total Non-Current Liability		16,758
TOTAL LIABILITIES		13,286,801
EQUITY		
Share capital	13	1,000,000
Accumulated losses		(1,149,827)
TOTAL EQUITY		(149,827)
TOTAL LIABILITIES AND EQUITY		13,136,974

The accompanying notes from (1) to (20) are an integral part of these special purpose financial statements

BRUNTON WIRE ROPES INDUSTRIAL COMPANY

(A MIXED LIMITED LIABILITY COMPANY)

**SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025**

(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	<i>For the period from November 05, 2023 to March 31, 2025</i>
Revenue		5,587,838
Cost of revenue	14	<u>(5,152,327)</u>
Gross profit		435,511
General and administrative expenses	15	(1,540,069)
Selling and distribution		(46,715)
Other income		<u>1,446</u>
Loss before zakat and income tax		<u>(1,149,827)</u>
Zakat and income tax	16	<u>-</u>
Loss for the period		<u>(1,149,827)</u>
Other comprehensive income:		
Other comprehensive income		<u>-</u>
Total comprehensive loss for the period		<u><u>(1,149,827)</u></u>

The accompanying notes from (1) to (20) are an integral part of these special purpose financial statements

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Accumulated losses				
Share capital	Saudi shareholders subject to Zakat	Non-Saudi shareholder subject to income tax	Total accumulated losses	Total equity	
<u>For the period from November 05, 2023 to March 31, 2025:</u>					
Issue of capital	1,000,000	-	-	-	1,000,000
Loss for the period before zakat and income tax	-	(563,415)	(586,412)	(1,149,827)	(1,149,827)
Zakat and income tax	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(563,415)	(586,412)	(1,149,827)	(1,149,827)
Balance as at March 31, 2025	1,000,000	(563,415)	(586,412)	(1,149,827)	(149,827)

The accompanying notes from (1) to (20) are an integral part of these special purpose financial statements

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
SPECIAL PURPOSE STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the period from November 05, 2023 to March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before zakat and income tax		(1,149,827)
Non-cash adjustments to reconcile loss before zakat and income tax to net cash flows generated from operations:		
Depreciation	8	237,889
Amortization	9	8,667
Employees' defined benefits obligations	12	16,758
Gain on disposal of equipment		(1,446)
Operation cash flow before working capital changes		(887,959)
Changes in working capital:		
(Increase) in operating assets		
Trade receivables		(2,865,839)
Inventories		(6,574,504)
Prepayments and other current assets		(302,137)
Increase in operating liabilities		
Amounts due to related parties		7,251,223
Trade payables		277,676
Accruals and other current liabilities		744,673
Net changes in working capital		(1,468,908)
Net cash used in operating activities		(2,356,867)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of plant and equipment	8	(3,035,467)
Proceeds from disposal of equipment		10,678
Payment for intangible assets	9	(13,000)
Net cash used in investing activities		(3,037,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of capital		1,000,000
Loans from shareholders	10	4,996,471
Net cash generated from financing activities		5,996,471
Net change in cash and cash equivalents		601,815
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		601,815

The accompanying notes from (1) to (20) are an integral part of these special purpose financial statements

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
NOTES TO TH SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

1 GENERAL INFORMATION

- 1.1** Brunton Wire Ropes Industrial Company Limited is a mixed liability company, ("the Company"), registered in Al Khobar, Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 2051251604 dated Rabi al'thani 21, 1445 AH (corresponding to November 05, 2023).

The principal activity of the Company is integrated administrative services for offices, manufacture of items made of wire, including barbed wire, expanded mesh fencing under service investment license No. 12130344111212155 dated Dhu'l-Qidah 28, 1444H (corresponding to June 17, 2023), issued by Ministry of Investment.

1.2 Going concern basis of accounting

The Company has incurred accumulated losses amounted to SR 1,149,827 as at March 31, 2025, resulting from current period net loss, which exceeded 50% of the Company's share capital amounting to SR 1,000,000. The current liabilities exceeds total assets by SR 133,069. In addition, the Company has generated negative cash flows from operations. The management of the Company recognize that the above events and circumstances give rise to uncertainty about the Company's ability to continue as a going concern. However, based on the future business plan, the shareholders resolution to continue with the operations of the Company and to provide financial support to the Company to meet its obligations as and when due, these special purpose financial statements have been prepared on going concern basis.

- 1.3** The special purpose financial statements represent the period from November 05, 2023 to March 31, 2025, and are the first financial statements issued by the company since its incorporation.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These special purpose financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

These special purpose financial statements have been prepared for use of the management and shareholders. Accordingly, these special purpose financial statements should not be used for any other purpose and should not be distributed to any third party.

Profit or loss and other comprehensive income and cash flows statements

The Company has elected to present a single special purpose statement of profit or loss and other other comprehensive income. The Company reports cash flows from operating activities using indirect method.

2.2 Basis of measurement

These special purpose financial statements have been prepared under historical cost convention using accrual basis of accounting except for cash flow information, following going concern assumption and modified by re-measurement of certain financial assets and financial liabilities at fair value and recognition of employees' end of service benefits at present value of the defined benefit obligation, as disclosed in respective policy notes. The measurement basis is more fully described in the accounting policies below.

2.3 Level of precision

The amounts in the special purpose financial statements have been rounded off to the nearest Saudi Riyal

2.4 New Standards, Amendment to Standards and Interpretations

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing November 05, 2023:

2 BASIS OF PREPARATION (CONTINUED)

2.4 New Standards, Amendment to Standards and Interpretations (continued)

Amendments to IFRS 16 – Leases on sale and leaseback:

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments IAS 1 – Non-current liabilities with covenants and Classification of Liabilities as Current or Noncurrent Amendments

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of above amendments does not have any material impact on the special purpose financial statements during the year.

2.5 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after January 01, 2025 and earlier application is permitted for certain new standards and amendments; however, the Company has not early adopted them in preparing these special purpose financial

Amendments to IAS 27 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18, 'Presentation and Disclosure in special purpose financial statements'

This is the new standard on presentation and disclosure in special purpose financial statements, with a focus on updates to the special purpose statement of profit or loss. The key new concepts introduced in IFRS 18

- the structure of the special purpose statement of profit or loss;
- required disclosures in the special purpose financial statements for certain profit or loss performance measures that are reported outside an entity's special purpose financial statements (that enhanced principles on aggregation and disaggregation which apply to the primary special purpose financial statements and notes in general.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

This new Standard aims to create a more attractive option for subsidiaries without public accountability. Eligible entities will now be able to elect to apply IFRS 19, which has the same recognition, measurement, and presentation principles as full IFRS Accounting Standards, but allows for specific reduced disclosures in most topic areas.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Standards issued but not yet effective (continued)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (continued)

In order to apply IFRS 19, an entity must meet all of the following criteria at the end of its reporting period:

- is a subsidiary
- does not have public accountability, and
- has a parent that produces consolidated special purpose financial statements available for public use that comply with full application of IFRS Accounting Standards.

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

3 MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Company in preparing its special purpose

3.1 Current versus non-current classification

The Company presents assets and liabilities in the special purpose statement of financial position based on current / non-current classification. An asset is current when:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- 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 the normal operating cycle;
- It is held primarily for the purpose of trading;
- 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.

All other liabilities are classified as non-current.

3.2 Foreign currencies

Functional and presentation currency

These special purpose financial statements are presented in 'Saudi Riyals' (SR), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in special purpose statement of profit or loss.

3.3 Cash and cash equivalents

Cash and cash equivalents include bank balances, short-term deposits, demand deposits and highly liquid investments with original maturities of three months or from the date of purchases less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are subject to the impairment requirements of IFRS (9).

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition and is calculated on the following basis:

Raw materials

Historical purchase prices based on the weighted average principle plus directly attributable costs (primarily transportation).

Work in progress and finished goods

Cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit

Goods in transit comprises the invoiced value of goods shipped prior to the year end and other incidentals paid thereon.

Consumable and spare parts

General capital spares and other consumables items which are not of a critical nature and are of a general nature, i.e., not plant specific and can be used in multiple plants or production lines and any other items which may be required at any time for facilitating plant operations. They are generally classified as 'consumables and spare parts' under inventory, unless they exceed the threshold and have a useful life of more than one year, under which case they are recorded under property, plant and equipment. Items recorded under inventory are subject to assessment for obsolescence provision and are charged to the special purpose statement of profit or loss upon their installation or use. Where such items meet criteria for capitalization, their depreciation method is similar to repairable items as noted above.

3.5 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)
Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Company
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Company
- (iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost - debt instruments

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in special purpose statement of profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash in hand, bank balances and trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the special purpose statement of financial position at fair value with net changes in fair value recognised in the special purpose statement of profit or

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's special purpose statement of financial

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments – initial recognition, subsequent measurement and derecognition (continued) **Financial assets (continued)**

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables that do not contain a significant financing component as per IFRS-15, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts and other payables and bank loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Loans and borrowings

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS (9). Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the special purpose statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS (9) are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the special purpose statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the special purpose statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.6 Plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in special purpose statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Years</u>
Machinery and equipment	3-10
Computer	4
Furniture and fixture	3

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the special purpose statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Intangible asset

Intangible assets acquired separately are measured at cost upon initial recognition. Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indicator that the intangible asset may be impaired. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortization expense on intangible assets with finite lives is recognized in the special purpose statement of profit or loss in the expense category that is consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the special purpose statement of profit or loss when the asset is derecognized.

Amortization is calculated on a straight-line basis over the estimated useful lives of the asset on monthly basis, as follows:

<i>ERP Software</i>	<i>2 years</i>
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Assets in the course of development are capitalized in the capital work-in-progress ("CWIP") account. The asset under development is transferred to the appropriate category in property and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, development cost and any other costs directly attributable to the

3.8 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions	Note 4
- Property and equipment	Note 8
- Intangible asset	Note 9

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the special purpose statement of profit or loss in expense categories consistent with the function of the impaired asset.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of non-financial assets (Continued)

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the special purpose statement of profit

3.9 Zakat, income tax, deferred tax, value added tax and withholding tax

The company is subject to zakat and income tax in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA").

Zakat

Zakat is payable at 2.578% of the greater of the Saudi shareholder's share of approximate zakat base and adjusted profit / loss.

Income tax

Income tax is payable at 20% of the non-Saudi shareholder's share of adjusted profit / loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the special purpose financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference and unused tax losses arises from the initial recognition. (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Value Added Tax (VAT)

Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable and the net amount of VAT recoverable from, or payable to, ZATCA is included as part of other receivables or other payables.

Withholding tax

The Company withholds taxes on certain transactions with non- resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Zakat, income tax, deferred tax, value added tax and withholding tax (continued)

Transfer pricing

Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia (KSA) issued Transfer Pricing Bylaws (By-laws). These by-laws were enacted on February 15, 2019 as part of the tax law and became binding on tax payers for periods ended on or after December 31, 2018. This requires additional disclosure forms along with annual tax declarations to be submitted to ZATCA, summarizing the related party transactions, counter parties including country, amount and Transfer Pricing (TP) method. These By-Laws also require tax payers to adjust their tax expense for any transactions that are not carried out on an arms' length basis.

3.10 Employees' benefits obligations

Short-term employees' benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the special purpose statement of financial position under accrued expenses and other liabilities.

Long-term employees' benefits obligations

The Company operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognized in the special purpose statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is re-measured by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high-quality corporate bonds that have terms to maturity approximating to the estimated term of the postemployment benefit obligations. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Net interest cost is calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets.

This cost is included in employee benefit expense in the special purpose statement of profit or loss. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in equity through other comprehensive income in the period in which they arise. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the special purpose statement of profit or loss as past service costs. In Kingdom of Saudi Arabia, for the liability for employees' end of service benefits, the actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor and Workmen Law as well as the Company policy.

Management believes that undue cost and effort of actuarial valuation of the liability outweighs its benefits to the users of the special purpose financial statements. Accordingly, management concluded not to get the actuarial valuation of the liability done and is of the view that carrying value of employees' end of service benefit obligations liabilities at the year-end will not vary materially from actuarial valuation of the same.

3.11 Related parties

A related party is a person or entity related to the company, and the person is a related party if he has control or substantial influence over the company or is a member of the key management. A related party transaction is the transfer of resources, services or obligations between the company and the related party regardless of whether the price is charged. The key management personnel are the authorized persons responsible for planning, management and have direct control over the company's operational processes, including the company's manager.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1: Identify the contract with a customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2: Identify the performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price:

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation:

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations, where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue consists of sale of goods to local customers only.

3.13 Expenses

Cost of revenue

Production costs and direct manufacturing expenses are classified as cost of revenue. This includes raw material, direct labor and other attributable overhead costs.

Selling and distribution expenses

These include any costs incurred to carry out or facilitate selling activities of the Company. These costs typically include salaries of the sales staff, marketing and distribution and logistics expenses as well as sale commissions and such fees. These also include allocations of certain general overheads.

General and administration expenses

These pertain to operation expenses which are not directly related to the production of any goods or services. These also include allocations of general overheads which are not specifically attributed to cost of revenue. Allocation of overhead among cost of revenue and general and administrative expenses, where required is made on consistent basis.

3.14 Reserves

According to the Company's By Law, reserves are formed in accordance with the decision of the ordinary general assembly, to the extent that achieves the Company's interest or ensures the distribution of consistent profits as much as possible to shareholders.

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the special purpose statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax (zakat) rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.16 Contingencies

Contingent liabilities are not recognized in the special purpose statement of special purpose financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, they are recorded in the special purpose statement of financial position under trade payables and accruals. A contingent asset is not recognized in the special purpose statement of special purpose financial statements but disclosed when an inflow of economic benefits is probable.

3.17 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 principal or the most advantageous market must be accessible by the Company.

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 economic best interest.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of All assets and liabilities for which fair value is measured or disclosed in the special purpose financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's special purpose financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. The key judgments, estimates and assumptions that have a significant impact on the special purpose financial statements of the Company are discussed below:

4.1 Going concern

The management of the Company has assessed the impact and mitigating factors regarding events and conditions as explained in note no (1.2) that may cast significant doubt on the Company's ability to continue as a going concern. The approved business plan and continuous financial support from shareholders have been considered as sufficient resources and projections to continue the business and generate future taxable profits and positive operating cash flow. The preparation of these business plan and projections require significant management judgements and assumptions that have been duly considered for sensitivity analysis as well. Therefore, these special purpose financial statements have been prepared on going concern basis without considering any adjustment that might be required had the Company not considered as going concern.

4.2 Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgements and estimates of the outcome of future events.

4.3 Economic useful lives of property and equipment and intangible assets

The Company's management determines the estimated useful lives of its properties and equipment and intangible assets for calculating depreciation and amortization. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives when necessary and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

4.4 Expected credit loss of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

4.5 Impairment of non-current assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

4.6 End of service benefits

The present value of the end of service obligations depends on several factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) the end of service include the discount rate. Any changes in these assumptions will impact the carrying amount of end of service obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the obligations.

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM NOVEMBER 05, 2023 TO MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise stated)

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.7 Uncertain zakat and tax position

The Company's current zakat and income tax payables relates to management's assessment of the amount of zakat and tax payable on open zakat and tax position where the liabilities remain to be agreed with the ZATCA. Due to the uncertainty associated with such zakat and tax items, it is possible that, on finalization of open zakat and tax assessments at a future date, the final outcome may differ significantly.

5 CASH AND CASH EQUIVALENTS

	<i>March 31,</i>
	<i>2025</i>
Cash in hand	307
Cash at banks	601,508
	<u>601,815</u>

6 INVENTORIES

	<i>March 31,</i>
	<i>2025</i>
Raw materials	4,860,181
Finished goods	11,635
Consumables	1,297,896
Packing material	19,821
Spares	3,679
Inventory in transit	381,292
	<u>6,574,504</u>

7 PREPAYMENTS AND OTHER CURRENT ASSETS

	<i>March 31,</i>
	<i>2025</i>
Advance to suppliers	17,652
Prepayments	219,425
Security deposits	65,060
	<u>302,137</u>

8 PLANT AND EQUIPMENT, NET

	Machinery & equipment	Computer	Furniture & fixture	Total
<u>Cost</u>				
Additions during the period	2,990,311	33,231	11,925	3,035,467
Disposals	-	(5,810)	(4,868)	(10,678)
At March 31, 2025	<u>2,990,311</u>	<u>27,421</u>	<u>7,057</u>	<u>3,024,789</u>
<u>Accumulated depreciation</u>				
Charge for the period	231,278	5,027	1,584	237,889
Disposals	-	(787)	(659)	(1,446)
At March 31, 2025	<u>231,278</u>	<u>4,240</u>	<u>925</u>	<u>236,443</u>
<u>Net book value</u>				
As at March 31, 2025	<u>2,759,033</u>	<u>23,181</u>	<u>6,132</u>	<u>2,788,346</u>

8.1 Allocation of depreciation charge for the period

	<i>Note</i>	<i>March 31,</i>
		<i>2025</i>
Cost of revenue	14	231,278
General and administrative expenses	15	6,611
		<u>237,889</u>

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
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(All amounts expressed in Saudi Riyals unless otherwise stated)

9 INTANGIBLE ASSET, NET

This item represent ERP software:

<u>Cost</u>	<u>March 31, 2025</u>
Additions during the period	<u>13,000</u>
As at March 31, 2025	<u>13,000</u>
<u>Accumulated Amortization</u>	
Amortization during the period	<u>8,667</u>
As at March 31, 2025	<u>8,667</u>
<u>Net book value</u>	
As at March 31, 2025	<u><u>4,333</u></u>

9.1	Allocation of amortization charge for the period	<i>Note</i>	<u>March 31, 2025</u>
	General and administrative expenses	15	<u><u>8,667</u></u>

10 RELATED PARTIES RELATIONSHIPS, TRANSACTIONS AND BALANCES

Related parties represent shareholders and entities controlled or significantly influenced by such parties. The following are the details of the significant related party transactions occurred during the period and resulting balances at period end:

<i>Related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>For the period from November 05, 2023 to March 31, 2025</i>
Brunton Wire Ropes FZCO	Shareholder	Loan	<u>2,548,200</u>
		Purchases	<u>5,705,770</u>
		Expenses	<u>14,076</u>
		Payments	<u>(1,190,795)</u>
Usha Martin Limited	Affiliate	Purchases	<u>1,919,951</u>
		Payments	<u>(317,273)</u>
Usha Siam Steel	Affiliate	Purchases	<u>1,119,503</u>
		Purchase of equipment	<u>1,384</u>
		Payments	<u>(1,384)</u>
Inma Energy Company	Shareholder	Loan	<u>1,448,978</u>
Abdul Aziz Al Barrack Holding company	Shareholder	Loan	<u>999,293</u>
i) Amounts due to related parties shown in the special purpose statement of financial information under current liabilities:			

	<u>March 31, 2025</u>
Brunton Wire Ropes FZCO	<u>4,529,051</u>
Usha Martin Limited	<u>1,602,673</u>
Usha Siam Steel	<u>1,119,499</u>
	<u><u>7,251,223</u></u>

Terms and conditions of transactions with related parties

Terms and policies of related party transactions are approved by the Company's management. Outstanding balance at period end are unsecured and interest free and settlement occurs in cash.

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
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10 RELATED PARTIES RELATIONSHIPS, TRANSACTIONS AND BALANCES (CONTINUED)

ii) Short term loans from shareholders shown in the special purpose statement of financial position under current liabilities:

	<i>March 31, 2025</i>
Brunton Wire Ropes FZCO	2,548,200
Inma Energy Company	1,448,978
Abdul Aziz Al Barrack Holding Company	999,293
	<u>4,996,471</u>

These short term loans have been provided by the shareholders of the Company for working capital requirements and are interest free.

11 ACCRUALS AND OTHER CURRENT LIABILITIES

	<i>March 31, 2025</i>
Advance from customers	21,521
Accrued expenses	310,884
VAT Payable	412,268
	<u>744,673</u>

12 EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The movement of the obligations is as follows:

	<i>March 31, 2025</i>
Charge for the period	16,758
Balance as at March 31,	<u>16,758</u>

13 SHARE CAPITAL

The capital of the Company is amounting to SR 1,000,000 divided into 1,000 shares of SR 1,000 each distributed among the shareholders as follows:

		<i>March 31, 2025</i>	
	Nationality	% Ownership	Amount
Brunton Wire Ropes FZCO	United Arab	51%	510,000
Inma Energy Company	Saudi Arabia	29%	290,000
Abdulaziz bin Ibrahim bin Abdulaziz			
Al-Barrak Holding Company	Saudi Arabia	20%	200,000
			<u>1,000,000</u>

*For the period
from November
05, 2023 to*

14 COST OF REVENUE

	<i>Note</i>	<i>March 31, 2025</i>
Materials consumed		4,060,222
Clearing, duty and freight charges		414,752
Rent		252,202
Depreciation	8.1	231,278
Equipment rentals		94,351
Salaries and employee benefits		94,283
Utilities		5,239
		<u>5,152,327</u>

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
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(All amounts expressed in Saudi Riyals unless otherwise stated)

		<i>For the period from November 05, 2023 to March 31, 2025</i>
15 GENERAL AND ADMINISTRATIVE EXPENSES	<i>Note</i>	
Salaries and employee benefits		831,756
Legal and professional		336,197
Rent		157,899
Travelling		45,496
Security expense		31,734
Utilities		31,392
Equipment rentals		31,372
Foreign currency exchange loss		29,069
Amortization	9.1	8,667
Depreciation	8.1	6,611
Miscellaneous		29,876
		1,540,069

16 ZAKAT, INCOME TAX AND DEFERRED TAX

16.1 Zakat

Basis for Zakat

The Company is subject to zakat. Zakat is payable at 2.578% of the greater of the approximate zakat base and adjusted profit. The significant components of the zakat base under zakat regulation principally comprise shareholders' equity at the ending of year, non current liabilities, less a deduction for the net book value of long-term assets.

The Company has negative zakat base for the current period, thus no zakat has accrued for the period ended March 31, 2025.

16.2 Income tax

Income tax has been provided for based on the estimated taxable profit at the rate of 20%.

The differences between the financial results and taxable income are mainly due to adjustments for certain costs/claims based on the relevant fiscal regulations.

The Company has an adjusted tax loss for the current period, thus, no income tax has been accrued for the period ended March 31, 2025.

16.3 Deferred tax

The Company has not been recognized the deferred tax assets as at March 31, 2025. The management of the Company is uncertain regarding its recoverability.

16.4 Status of certificates

The Company has submitted its zakat and tax returns for the period from November 05, 2023 to December 31, 2024 to Zakat, Tax and Custom Authority (ZATCA) and obtained the required certificate and official receipt valid till April 30, 2026. Assessment for the period from November 05, 2023 to December 31, 2024 is still under review by ZATCA.

17 FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

17.1 Fair value measurements of financial instruments

As at March 31, 2025, the Company does not have any financial instruments measured at fair value. Management believes that the carrying amount of financial assets and financial liabilities recognized in the special purpose financial statements approximate their fair values.

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
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 (All amounts expressed in Saudi Riyals unless otherwise stated)

17 FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

17.2 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise accounts payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, bank balances and cash that is derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The policies for managing each of these risks is summarized below:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include trade receivables only.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing which expose the Company to cash flow interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that's not the Company's currency. The fluctuation in exchange rates against other currencies is monitored on a continuous basis.

(iii) Commodity price risk

The Company is exposed to the impact of market fluctuations of the price of various inputs to operations. From time to time, the Company manages some elements of commodity price risk through the use of fixed price contracts.

(b) Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's activities expose it to a variety of financial risks, credit risk, liquidity risk and market risk. The Company is exposed to credit risk on its cash and cash equivalents, and trade receivable as follow:

	<i>March 31,</i>
	<i>2025</i>
Cash and cash equivalents	601,815
Trade receivables	2,865,839
	<u>3,467,654</u>

The carrying amount of financial assets represents the maximum credit exposure.

The Company seeks to limit its credit risk with respect to contract assets and trade receivables by setting credit limits for individual customers and by monitoring outstanding balances on an ongoing basis.

Bank balances are held with banks with sound credit ratings.

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 Company is exposed to credit risk from its operating activities, primarily trade receivables.

BRUNTON WIRE ROPES INDUSTRIAL COMPANY
(A MIXED LIMITED LIABILITY COMPANY)
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(All amounts expressed in Saudi Riyals unless otherwise stated)

17 FAIR VALUES AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk (continued)

The Company ensures that the cash collection is made at time of sales delivery and services rendering. Credit limits are established for all customers based on internal rating criteria. There are no significant concentrations of credit risk, whether through exposure to individual customers or regions.

The Company determines Defaults' Buckets annually according to credit risk characteristics.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realize financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis and seeking partners' support, as and if required to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains different lines of credit.

(d) Excessive risk concentration

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

18 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments to report as at the reporting date.

19 EVENTS AFTER THE END OF THE REPORTING PERIOD

Management believes that there were no significant events have occurred since the period ended at March 31, 2025 till the date of approving the special purpose financial statements which may require adjustments or disclosures in these special purpose financial statements.

20 APPROVAL OF SPECIAL PURPOSE FINANCIAL STATEMENTS

The special purpose financial statements of the Company for the period from November 05, 2023 to March 31, 2025 were approved by the Board of Directors for issuance on Dhul Qidah 02, 1446H, (corresponding to April 30, 2025).

BRUNTON WIRE ROPES FZCO

Reports and financial statements

For the year ended 31 March 2025

Registered office:

Plot No. MO 0301,
Jebel Ali Free Zone
P.O. Box 17491
Dubai, U.A.E.

Independent Auditors' Report to the Shareholders'/Directors' of BRUNTON WIRE ROPES FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BRUNTON WIRE ROPES FZCO**, which comprises of the statement of financial position as of 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our audit opinion, we draw attention to note 2.2 which states that these financial statements represent the assets, liabilities and results of operations of the company on a stand-alone basis.

The financial statements of its subsidiary companies are not consolidated in these financial statements, as separate consolidated financial statements will be prepared. These financial statements are prepared to meet the local statutory requirements.

Other Information

Management is responsible for the other information. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report to the Shareholders'/Directors' of BRUNTON WIRE ROPES FZCO

Report on the Audit of the Financial Statements (contd.)

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

We communicate with 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.

Report on Other Legal and Regulatory Requirements

To the best of our knowledge and belief no violations of the Regulations issued by the Jebel Ali Free Zone Authority pursuant to Implementing Regulations of 2016 or the articles of association of the company have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)
Dubai



6 May 2025

BRUNTON WIRE ROPES FZCO**Statement of Financial Position***As at 31 March 2025*

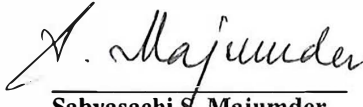
	Notes	2025 <u>AED</u>	2024 <u>AED</u>
ASSETS			
Non-current assets			
Property, plant and equipment	6	13,937,138	7,823,038
Capital work in progress	7	2,444,565	5,219,133
Right-of-use assets	8	4,910,948	5,565,741
Investment in a subsidiary	9	499,460	-
Long term loan to a subsidiary	10	2,495,537	-
Total non-current assets		24,287,648	18,607,912
Current assets			
Inventories	11	44,536,922	41,716,597
Trade and other receivables	12	47,709,676	41,194,547
Cash and cash equivalents	13	3,560,950	5,993,048
Total current assets		95,807,548	88,904,192
TOTAL ASSETS		120,095,196	107,512,104
EQUITY AND LIABILITIES			
Equity			
Share capital	14	15,200,000	15,200,000
Retained earnings		70,117,927	53,533,765
Total equity		85,317,927	68,733,765
LIABILITIES			
Non-current liabilities			
Provision for staff end of service gratuity		3,793,365	3,589,216
Lease liabilities	17	5,128,547	5,631,030
Total non-current liabilities		8,921,912	9,220,246
Current liabilities			
Trade and other payables	15	25,352,874	25,678,534
Borrowings	16	-	3,412,143
Lease liabilities	17	502,483	467,416
Total current liabilities		25,855,357	29,558,093
TOTAL EQUITY AND LIABILITIES		120,095,196	107,512,104

The accompanying notes 1 to 29 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 and 3.

Approved by the board of directors on 30th April 2025 and signed on their behalf by;

For **BRUNTON WIRE ROPES FZCO**


Sabyasachi S. Majumder
 Director


Tapas Gangopadhyay
 Director



BRUNTON WIRE ROPES FZCO**Statement of Comprehensive Income***For the year ended 31 March 2025*

	Notes	2025 <u>AED</u>	2024 <u>AED</u>
Sales (refer note 18)		139,430,088	129,753,574
Cost of sales	19	(108,556,012)	(99,909,285)
Gross profit		30,874,076	29,844,289
Other income	20	1,852,161	604,865
Expenses	21	(15,173,866)	(15,481,676)
Operating profit		17,552,371	14,967,478
Finance costs	22	(968,209)	(989,886)
Profit before income tax		16,584,162	13,977,592
Income tax expense	28	-	-
Profit for the year after taxes		16,584,162	13,977,592
Other comprehensive income for the year		-	-
Total comprehensive income for the year		16,584,162	13,977,592

The accompanying notes 1 to 29 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO**Statement of Changes in Equity***For the year ended 31 March 2025*

	<i>Share capital AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
At 1 April 2023	15,200,000	39,556,173	54,756,173
Profit for the year	-	13,977,592	13,977,592
At 31 March 2024	15,200,000	53,533,765	68,733,765
Profit for the year after taxes	-	16,584,162	16,584,162
At 31 March 2025	15,200,000	70,117,927	85,317,927

The accompanying notes 1 to 29 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO**Statement of Cash Flows***For the year ended 31 March 2025*

	Notes	2025 <u>AED</u>	2024 <u>AED</u>
Cash flows from operating activities			
Profit for the year		16,584,162	13,977,592
Adjustments for:			
Depreciation of property, plant and equipment	6	1,925,508	1,505,086
Gain on disposal of property, plant and equipment	20	(282,063)	(13,810)
Finance costs	22	535,625	527,355
Provision for staff end of service benefits		620,767	559,952
Depreciation of right-of-use asset	8	654,793	654,793
Interest expense on lease liabilities	22	432,584	462,531
Operating cash flows before changes in operating assets and liabilities		20,471,376	17,673,499
(Increase) in inventories	11	(2,820,325)	(9,782,191)
Increase in trade and other receivables	12	(6,515,129)	(5,439,947)
(Decrease)/increase in trade and other payables	15	(325,660)	8,485,208
Cash generated from operating activities		10,810,262	10,936,569
Interest paid		(535,625)	(527,355)
Staff end of service benefits paid		(416,618)	(46,410)
Net cash generated from operating activities		9,858,019	10,362,804
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,102,526)	(796,933)
Cash outflow from investment in a subsidiary	9	(499,460)	-
Cash outflow from long term loan to a subsidiary	10	(2,495,537)	-
Payment for capital work in progress	7	(4,162,514)	(5,432,963)
Changes in margin deposits	13	62,110	560,830
Changes in time deposits	13	(1,705)	(1,690)
Proceeds from sale of property, plant and equipment	20	282,063	13,810
Net cash used in investing activities		(7,917,569)	(5,656,946)
Cash flows from financing activities			
Repayments of bank borrowings	16	(3,412,143)	(1,187,436)
Repayment of lease liabilities	17	(900,000)	(800,000)
Net cash used in financing activities		(4,312,143)	(1,987,436)
Net (decrease)/increase in cash and cash equivalents		(2,371,693)	2,718,422
Cash and cash equivalents at the beginning of the year		4,486,816	1,768,394
Cash and cash equivalents at the end of the year	23	2,115,123	4,486,816

The accompanying notes 1 to 29 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

1 General information

a) **BRUNTON WIRE ROPES FZCO** ("The Company") is a free zone company with limited liability registered on 1st September 1998 with Jebel Ali Free Zone Authority, United Arab Emirates, under the industrial license no. 2024 and trading license no. 2025. The management and control vests with the board of directors of Usha Martin Limited, India and Usha Martin Americas Inc, USA (the shareholders of the company).

b) The company is registered to carry out manufacturing and trading of metal ropes and was mainly engaged in manufacturing and trading of steel wire ropes, slings, crane pendants, pennant wires and design and supply of mooring systems, lifting slings, marine and lifting equipments and technical support of own products.

The company has incorporated subsidiary, Brunton Wire Ropes Industrial Company Limited, a mixed liability company registered in Al Khobar, Kingdom of Saudi Arabia (KSA) under commercial registration no. 2051251604 with 51% interest in share capital of the investee company dated 5 November 2023. The capital was subscribed on 4 April 2024. The principal activity of subsidiary is integrated administrative services for offices, manufacture of items made of wire, including barbed wire, expanded mesh fencing under service license number 12130344111212155. The subsidiary commenced generating revenue from August 2024.

2 Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2024 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.

2.2 These financial statements do not include the financial statements of its subsidiary companies. A separate special purpose consolidated financial statements are prepared by the management. These standalone financial statements are prepared to meet the local statutory requirements.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are being measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

2 Basis of preparation (continued)

2.4 Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3.1 Critical judgements in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment, investment in a subsidiary, long term loan to a subsidiary and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Revenue from contracts with customers

- Timing for transfer of control of goods

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of the goods to the agreed location has occurred, as a result, the company has a present right to payment and retains none of the significant risks and rewards of the goods.

- Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year from the due date. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

3 Use of estimates and judgments

3.2 Key sources of estimation uncertainty (continued)

Residual values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of property, plant and equipment

Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Provision for expected credit losses of trade receivables

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

Impairment of non-financial assets

Assessments of net recoverable amounts of property, plant, equipment, right to use assets, capital work-in progress, investment in a subsidiary and long term loan to a subsidiary are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Revenue from contracts with customers

- Determining the transaction price:

The Company's revenue is from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the company, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume rebates.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

3 Use of estimates and judgments

3.2 Key sources of estimation uncertainty (continued)

- Allocating the transaction prices:

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the Company is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

- Provision of rights to return goods, volume rebates and other similar obligations:

The Company reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

4 Application of new and revised International Financial Reporting Standards (IFRSs)

4.1 New and revised International Financial Reporting Standards

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Amendments to IFRS 16 – Lease liability in a sale and leaseback.
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Non-current liabilities with Covenants.
- Amendments to IAS 7 and IFRS 7 -Supplier Finance Arrangements

During the current year, the management has adopted the above amendments to the extent applicable to them from their effective dates. These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

4.2 International Financial Reporting Standards issued but not effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 21 - Lack of Exchangeability. The effective date of the amendments is set for annual periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7- Amendments to the classification and measurements of financial instruments. The effective date of the amendments is set for annual periods beginning on or after 1 January 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

IFRS 19 – Subsidiaries without public accountability: Disclosures- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

5 Significant accounting policies

5.1 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated by equal annual installments over their estimated useful lives as under:

Factory building and residential units	5-10 years
Plant and machinery	5-10 years
Furniture, office equipment and vehicles	4 years

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.

5.2 Leases

Right to use assets

The Company recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if any.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the respective lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of workers' and staff accommodations (i.e., those leases that have a lease term of 12 months or less). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

5.3 Capital work in progress

Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and will be transferred to property, plant and equipment and intangible assets.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

5 Significant accounting policies (continued)

5.4 Investment in a subsidiary

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- a) The Investor has power over the investee
- b) It is exposed to rights of variable returns and
- c) It has the ability to use its power to affect the amount of the returns.

Investment in a subsidiary is stated at cost less provision for impairment if any.

5.5 Financial instruments

Recognition and Initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Financial assets at amortised cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables, other current financial assets and cash and cash equivalents. Due to the short term nature of current receivables, their carrying amounts are considered to be the same as their fair values.

Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include trade and other payables and short term bank borrowings. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

5 Significant accounting policies (continued)

5.5 Financial instruments (continued)

- a) the Company has transferred substantially all the risks and rewards of the asset, or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages.

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

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5.6 Inventories

Raw materials and work in progress are stated at cost including direct expenses using weighted average method.

Finished goods and trading goods are valued at the lower of cost and net realizable value.

Cost comprises of material cost, consumables, packing material and attributable overheads.

Net realizable value is based on estimated selling price less any estimated cost to completion and disposals.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

5 Significant accounting policies (continued)

5.6 Inventories (continued)

General capital stores and other consumable items which are not of a critical nature and are of a general nature, i.e. not plant specific and can be used in multiple plants or production lines and any other items which may be required at any time for facilitating plant operations. They are generally classified as consumables and spar parts under inventory, unless they exceed the threshold and have a useful life of more than one year, under which case they are recorded under property, plant and equipment.

Goods in transit (shipped by the suppliers before the reporting date and yet not received by the company till the reporting date) is accounted at cost.

5.7 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

5.8 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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

5.9 Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

5.10 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

5 Significant accounting policies (continued)

5.10 Taxes (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

5.11 Revenue recognition

Sales of goods:

The company is in business carry out manufacturing and trading of metal ropes and was mainly engaged in manufacturing and trading of steel wire ropes, slings, crane pendants, pennant wires and design and supply of mooring systems, lifting slings, marine and lifting equipments and technical support of own products.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and the company has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

BRUNTON WIRE ROPES FZCO**Notes to the Financial Statements***For the year ended 31 March 2025***5 Significant accounting policies (continued)****5.11 Revenue recognition (continued)****Commission income:**

Commission income is accounted on accrual basis in accordance with the terms of individual contracts.

Interest income:

Interest income is presented as financial income where it is earned from financial assets that are held for cash management purpose.

Other income is accounted on accrual basis.

5.12 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

5.13 Borrowing costs

Finance expense comprises interest expense on bank borrowings and lease liabilities are recognised in statement of comprehensive income.

5.14 Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting gain or loss is taken to the statement of comprehensive income.

5.15 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

5.16 Dividend

Dividend is paid out of accumulated profits, when declared.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

6 Property, plant and equipment

	<i>Factory building and residential units</i>	<i>Plant and machinery</i>	<i>Furniture and off equipm</i>
	<u>AED</u>	<u>AED</u>	<u>A</u>
Cost			
At 1 April 2023	9,289,536	27,613,658	709,4
Additions	331,430	357,119	29,7
Disposals	-	-	-
Write-offs	(150,000)	(19,797)	(9,2
Transfers (refer note 7)	-	274,381	-
At 31 March 2024	9,470,966	28,225,361	729,9
Additions	-	726,994	189,4
Disposals	-	(1,068,439)	-
Write-offs	-	-	(1,4
Transfers (refer note 7)	6,624,479	159,202	153,4
At 31 March 2025	16,095,445	28,043,118	1,071,4
Accumulated depreciation			
At 1 April 2023	8,064,759	21,513,942	501,0
Depreciation expense	218,194	916,324	74,3
Relating to disposals	-	-	-
Write-offs	(150,000)	(19,797)	(9,2
At 31 March 2024	8,132,953	22,410,469	566,1
Depreciation expense	611,383	932,662	96,3
Relating to disposals	-	(1,068,439)	-
Write-offs	-	-	(1,4
At 31 March 2025	8,744,335	22,274,693	661,0
Carrying amount			
At 31 March 2024	1,338,013	5,814,892	163,8
At 31 March 2025	7,351,110	5,768,425	410,4

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

6 Property, plant and equipment (continued)

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2025 <u>AED</u>	2024 <u>AED</u>
Cost of sales (Note 19)	1,544,045	1,134,518
Expenses (Note 21)	<u>381,463</u>	<u>370,568</u>
	<u>1,925,508</u>	<u>1,505,086</u>

Factory building is constructed on leasehold land (refer note 8).

In the opinion of the management, there was no impairment in respect of any property, plant and equipment. Hence, the fair values of the property, plant and equipment as at 31 March 2025 are the same as their net book values.

7 Capital work in progress

	2025 <u>AED</u>	2024 <u>AED</u>
Cost		
Opening balance	5,219,133	60,551
Additions (refer note 16)	4,162,514	5,432,963
Transferred to property, plant and equipment (refer note 6)	<u>(6,937,082)</u>	<u>(274,381)</u>
	<u>2,444,565</u>	<u>5,219,133</u>

Represents the amount paid for new maintenance, pantry and rest room and machineries (previous year shed extension and machineries), which are not installed / put to use as of the reporting date. These shed extension and machine installation is expected to be completed by June 2025. For capital commitments, refer note 26.

8 Leases (the Company as Lessee)

Right-of-use assets

	2025 <u>AED</u>	2024 <u>AED</u>
Cost	6,547,929	6,547,929
Accumulated depreciation		
Opening balance	(982,188)	(327,395)
Charge for the year	<u>(654,793)</u>	<u>(654,793)</u>
	<u>(1,636,981)</u>	<u>(982,188)</u>
	<u>4,910,948</u>	<u>5,565,741</u>

Note on Right of use assets

The company has long term operating lease contract for its lease hold land at Plot No MO0301, Jabel Ali Free Zone, Dubai, U.A.E., are on cancellable long term lease. The duration of lease is 10 years commencing from October 2022 to September 2032 with an annual rent of AED 700,000/- for 1st year, AED 900,000/- for years 2 to 5 and AED 1,035,000/- for years 6 to 10.

BRUNTON WIRE ROPES FZCO**Notes to the Financial Statements***For the year ended 31 March 2025***9 Investment in a subsidiary**

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Brunton Wire Ropes Industrial Company Limited, Saudi Arabia	499,460	-

Represents 51% equity investment in share capital (510 shares of SAR 1,000/- each) of Brunton Wire Ropes Industrial Company Limited, a mixed liability company registered in Kingdom of Saudi Arabia.

10 Long term loan to a subsidiary

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Brunton Wire Ropes Industrial Company Limited, Saudi Arabia	2,495,537	-

Represents unsecured and interest free loan given to a subsidiary and is receivable by 31 July 2027 as per agreement signed between the parties (refer note 18).

11 Inventories

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Raw materials and consumables	22,694,017	22,696,514
Finished goods	10,657,994	7,725,644
Trading goods	5,623,936	5,004,919
Provision for slow moving inventories	(833,821)	(1,045,810)
Work in progress	1,125,599	1,120,255
Goods in transit	5,269,197	6,215,075
	44,536,922	41,716,597

BRUNTON WIRE ROPES FZCO**Notes to the Financial Statements***For the year ended 31 March 2025***12 Trade and other receivables**

	<i>2025</i> <u><i>AED</i></u>	<i>2024</i> <u><i>AED</i></u>
Trade receivables (refer note 18)	44,552,391	37,287,617
Provision for doubtful debts	<u>(76,646)</u>	<u>(48,000)</u>
	44,475,745	37,239,617
Advance to suppliers	1,228,352	2,150,192
Deposits	469,229	293,509
Prepayments	1,344,686	1,316,015
Other receivables (refer note 18)	<u>191,664</u>	<u>195,214</u>
	<u>47,709,676</u>	<u>41,194,547</u>

13 Cash and cash equivalents

	<i>2025</i> <u><i>AED</i></u>	<i>2024</i> <u><i>AED</i></u>
Cash on hand	53,108	30,853
Bank balances in current accounts	2,062,015	4,455,963
Bank balances in term deposit accounts	306,516	304,811
Bank balances in margin deposits accounts (refer note 27)	<u>1,139,311</u>	<u>1,201,421</u>
	<u>3,560,950</u>	<u>5,993,048</u>

14 Share capital

	<i>2025</i> <u><i>AED</i></u>	<i>2024</i> <u><i>AED</i></u>
Authorised, issued and paid up share capital: 152 shares of AED 100,000 each	<u>15,200,000</u>	<u>15,200,000</u>

15 Trade and other payables

	<i>2025</i> <u><i>AED</i></u>	<i>2024</i> <u><i>AED</i></u>
Trade payables (refer note 18)	20,832,507	20,474,958
Advances from customers	683,226	473,047
Other payables	<u>3,837,141</u>	<u>4,730,529</u>
	<u>25,352,874</u>	<u>25,678,534</u>

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

16 Bank borrowings

	2025 <u>AED</u>	2024 <u>AED</u>
Import financing	-	3,412,143

Bank borrowings from EXIM bank (not utilised as of the year end) are secured against:

- 1) Corporate guarantee of Usha Martin Limited, India (Shareholder).
- 2) Pledge of entire stake of Usha Martin Limited, India in the company.
- 3) Promissory notes covering value of consignments financed under buyer's credit.
- 4) Trust receipt from the company realting to each shipment of goods financed under buyer's credit.

In addition, there are various conditions and financial covenants attached to the bank facilities, which are in the normal course of business.

17 Lease liabilities

The movement in lease liabilities is as follows:

	2025 <u>AED</u>	2024 <u>AED</u>
As at the date of initial application	6,098,446	6,435,915
Amortization of interest expense during the year	432,584	462,531
Repayment of lease liabilities during the year	<u>(900,000)</u>	<u>(800,000)</u>
As at the end of the year	<u>5,631,030</u>	<u>6,098,446</u>

Lease liabilities recognized and maturity analysis:

	2025 <u>AED</u>	2024 <u>AED</u>
Amount due for settlement within 12 months		
Not later than 1 year (shown under current liabilities)	502,483	467,416
Amount due for settlement after 12 months		
Later than 1 year and not later than 5 years	2,782,877	2,459,610
Later than 5 years	<u>2,345,670</u>	<u>3,171,420</u>
	<u>5,128,547</u>	<u>5,631,030</u>
	<u>5,631,030</u>	<u>6,098,446</u>

18 Related party transactions

For the purpose of this financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

18 Related party transactions (continued)

The relationship of related parties is as under –

a) Shareholders

1. Usha Martin Limited, India
2. Usha Martin Americas Inc, USA

b) Companies under common management control

1. Usha Martin UK Limited, UK
2. Usha Siam Steel Industries Public Company Limited, Thailand
3. Usha Martin Singapore Pte Limited, Singapore
4. Brunton Shaw UK Limited, UK
5. Usha Martin Italia Srl, Italy
6. De Ruiter Staalkabel BV, Netherlands
7. Usha Martin Europe BV, Netherlands
8. Eurpoean Management & Marine Corporation, UK

c) Subsidiary

1. Brunton Wire Ropes Industrial Company Limited, Saudi Arabia

a) Transactions

During the year, the Company entered into the following transactions with the related parties:

	2025	2024
	<u>AED</u>	<u>AED</u>
Sales	14,610,865	10,537,066
Purchases and direct expenses (refer note 19)	77,214,439	78,789,764
Commission received (refer note 20)	-	92,264
Claim income (refer note 20)	171,544	413,597
Administrative expenses (refer note 21)	338,619	341,251
Payment made for capital work in progress (refer note 7)	-	53,931
Sale of plant and equipment	<u>230,633</u>	<u>-</u>

At the reporting date balances with related parties were as follows:

	2025	2024
	<u>AED</u>	<u>AED</u>
Included under non-current assets:		
Long term loan to a subsidiary	2,495,537	-
Included under current assets:		
Trade receivables	3,884,771	4,459,823
Commission receivable	-	28,317
Included under current liabilities:		
Trade payables	17,206,154	11,022,920

BRUNTON WIRE ROPES FZCO**Notes to the Financial Statements***For the year ended 31 March 2025***19 Cost of sales**

Cost of sales includes amount of materials consumed, wages and benefits to labourers, other direct expenses, depreciation on factory building and plant and machinery and right to use assets (refer notes 6, 8 and 18).

20 Other income

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Profit on sale of property, plant and equipment	282,063	13,810
Discount received	-	25,510
Commission received (refer note 18)	-	92,264
Bank interest income	-	2,496
Provisions no longer required written back	1,398,554	57,188
Claim income (refer note 18)	171,544	413,597
	<u>1,852,161</u>	<u>604,865</u>

21 Expenses

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Staff salaries and benefits	5,052,118	4,667,762
Rent	435,720	468,804
Freight outward and custom duty	3,477,465	2,985,417
Sales commission	328,671	599,155
Other administration expenses (refer note 18)	5,449,580	6,233,901
Depreciation of property, plant and equipment	381,463	370,568
Bad debts written off	20,203	2,331
Provision for slow moving inventories	-	105,738
Provision for doubtful debts	28,646	48,000
	<u>15,173,866</u>	<u>15,481,676</u>

22 Finance costs

	<u>2025</u> <u>AED</u>	<u>2024</u> <u>AED</u>
Interest charges	456,630	448,396
Finance charges	78,995	78,959
Interest expense on lease liabilities (refer note 17)	432,584	462,531
	<u>968,209</u>	<u>989,886</u>

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

23 Cash and cash equivalent for cash flow purpose

	2025 <u>AED</u>	2024 <u>AED</u>
Cash on hand	53,108	30,853
Bank balances in current accounts	<u>2,062,015</u>	<u>4,455,963</u>
	<u>2,115,123</u>	<u>4,486,816</u>

24 Financial instruments: Credit, Market risk and Liquidity risk exposures

The company has exposure to the following risks from use of its financial instruments:

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables and bank balances.

Trade and other receivables

As at 31 March 2025, the company's maximum exposure to credit risk (other than related parties) from trade receivables situated outside U.A.E., amounted to Nil (previous year AED 6,866,752/- due from three customers) and situated within U.A.E., amounted to AED 4,305,977/- due from a customer (previous year AED 4,692,948/- due from two customers).

There is no significant concentration of credit risk from trade receivables situated outside the industry in which the company operates.

Bank balances

The company's bank balances in current, time and margin deposit accounts are placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate risk, exchange rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

Bank borrowings are at floating rates at levels, which are generally obtained in the international market.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the company's profit for the year (through the impact on floating rate borrowings).

	2025		2024	
	Changes in basis points	Sensitivity of interest expenses <i>AED</i>	Changes in basis points	Sensitivity of interest expenses <i>AED</i>
SOFR interest rates	-	-	264	90,081

There is no material impact on equity for a change in interest rate.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2025

24 Financial instruments: Credit, Market risk and Liquidity risk exposures (continued)

Exchange rate risk

Except for the following balances, there are no significant exchange rates risks (since the difference as at the reporting date rate has been provided for) as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

Foreign currency risk

Assets	2025 <u>AED</u>	2024 <u>AED</u>
Euro	8,863	248,648
INR	-	88,327
GBP	-	11,878
Liabilities		
Euro	314,096	-
GBP	-	277,572

The following table illustrates the sensitivity of profit for a reasonable change in foreign exchange rates, with all other variables held constant at 31 March 2025 and 2024.

Particulars	2025			2024		
	Balance	Change in currency rate	Effect on income statement	Balance	Change in currency rate	Effect on income statement
	AED	%	AED	AED	%	AED
Foreign currency assets						
Euro	8,863	+/- 1%	+/- 89	248,648	+/- 1%	+/- 2,486
INR	-	-	-	88,327	+/- 2%	+/- 1,767
GBP	-	-	-	11,878	+/- 2%	+/- 238
Foreign currency liabilities						
Euro	314,096	+/- 1%	+/- 3,141	-	-	-
GBP	-	-	-	277,572	+/- 2%	+/- 5,551

A change in currency rate is considered for the exchange rates have been determined based on the average market volatility in exchange rates in the year 2024-25 and 2023-24 over period of 12 months.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the directors and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

25 Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of trade and other receivables and bank balances and financial liabilities comprising of trade and other payables and bank borrowings approximate to their carrying values.

BRUNTON WIRE ROPES FZCO**Notes to the Financial Statements***For the year ended 31 March 2025***26 Capital commitments**

	2025	2024
	<u>AED</u>	<u>AED</u>
Capital commitments against new maintenance, pantry and rest room and machineries (previous year shed extension work) (refer note 7)	1,394,288	968,275

27 Contingent liabilities

	2025	2024
	<u>AED</u>	<u>AED</u>
Banker's letters of guarantees (refer note 13)	1,225,647	1,293,266

28 Income taxes relating to continuing operations

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As the Company's accounting year ends on 31 March, the first tax period will be the period from 1 April 2024 to 31 March 2025, with the respective tax return to be filed on or before 31 December 2025.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold and a rate of 0% on qualifying income of free zone entities.

Independent Tax consultant has assessed its corporate tax position and since it fulfills all conditions as required by Cabinet Decision No. 100 of 2023 on Determining Qualifying Income for the Qualifying Free Zone Person for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, accordingly corporate tax rate of 0% applies to the company. Hence, as confirmed by the independent tax consultant, there is no possible impact on the financial statements, both from current and deferred tax perspective.

29 Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

USHA MARTIN AMERICAS, INC.

**FINANCIAL REPORT FOR
The Years Ended March 31, 2025 and 2024**

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INDEPENDENT AUDITORS' REPORT

To Board of Directors
Usha Martin Americas, Inc

Opinion

We have audited the accompanying balance sheet of Usha Martin Americas, Inc. (the "Company"), as of March 31, 2025 and 2024, the related statement of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.


Auditor's Responsibility

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Braj Aggarwal, CPA, P.C.
May 6, 2025

Usha Martin Americas Inc

Balance Sheets

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 999,965	\$ 365,587
Certificate of deposits	1,058,632	1,811,419
Accounts receivable -net	6,758,017	5,980,604
Inventories	8,754,971	7,183,571
Prepaid expenses and other current assets	625,742	728,643
Total Current Assets	<u>18,197,327</u>	<u>16,069,824</u>
Investments	2,220,281	1,800,000
Property, plant and equipment, net	40,793	64,236
Operating lease right-of-use assets	1,134,448	-
Intangible asset, net	31,300	50,214
Other assets	3,296	3,458
Total Assets	<u>\$ 21,627,445</u>	<u>\$ 17,987,732</u>

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Balance Sheets

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable - trade	\$ 153,409	\$ 98,972
Accounts payable - related parties	3,820,398	3,654,505
Accrued liabilities	168,877	246,688
Taxes payable	596,605	585,473
Operating lease liability, current portion	207,720	-
Loan payable, current portion	-	5,331
Customer advances	370,625	379,921
Total Current Liabilities	<u>5,317,634</u>	<u>4,970,890</u>
Operating lease liability, non-current portion	1,031,546	-
Total Liabilities	<u>6,349,180</u>	<u>4,970,890</u>
Equity		
Common stock, \$1 par value, 4,750,000 shares authorized, 4,000,000 shares issued and outstanding	4,000,000	4,000,000
Retained earning	11,278,265	9,016,842
Total Stockholders' Equity	<u>15,278,265</u>	<u>13,016,842</u>
Total Liabilities & Stockholders' Equity	<u>\$ 21,627,445</u>	<u>\$ 17,987,732</u>

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Statements of Operations

	March 31, 2025	March 31, 2024
Net sales	23,574,387	21,154,648
Cost of goods sold	17,538,802	15,625,676
Gross Profit	6,035,585	5,528,972
Operating expenses:		
Depreciation and amortisation	184,160	56,160
Employee benefits expense	1,638,623	1,637,006
Legal & professional expense	134,421	112,822
Other operating expenses	1,181,874	1,224,339
Total operating expenses	3,139,078	3,030,327
Operating Profit	2,896,507	2,498,645
Other income (expense):		
Interest income	47,218	68,223
Commission income	-	35,815
Other miscellaneous income	20,967	73,774
Total other income	68,185	177,812
Profit before Interest and Tax	2,964,692	2,676,457
Less: Interest	64,169	-
Operating Profit before Tax	2,900,523	2,676,457
Provision for income tax	639,100	607,862
Net Income	\$ 2,261,423	\$ 2,068,595

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc
Statements of Changes in Stockholder's Equity

	<u>Preferred Stock</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Stockholder's Equity</u>
Balance as at March 31, 2023	-	4,000,000	7,428,247	11,428,247
Net Income	-	-	2,068,595	2,068,595
Dividend	-	-	(480,000)	(480,000)
Balance as at March 31, 2024	\$ -	\$ 4,000,000	\$ 9,016,842	\$ 13,016,842
Net Income	-	-	2,261,423	2,261,423
Balance as at March 31, 2025	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ 11,278,265</u>	<u>\$ 15,278,265</u>

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Statements of Cash Flows

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Cash flow from operating activities		
Net income	2,261,423	2,068,595
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	184,160	56,160
Lease expense	(36,821)	-
Allowance for bad debts	62,647	168,682
Changes in working capital		
(Increase)/decrease in accounts receivable	(840,060)	(373,122)
(Increase)/decrease in inventory	(1,571,400)	(2,065,714)
(Increase)/decrease in other current assets	119,023	1,279,329
Increase/(decrease) in accounts payable	220,329	245,431
Increase/(decrease) in other liabilities	(97,429)	(439,195)
Cash used in operating activities (A)	<u>301,872</u>	<u>940,166</u>
Cash flow from investing activities		
Investment in USSIL Thailand	(420,281)	-
Proceeds from redemption of certificate of deposits	-	206,801
Purchase of certificate of Deposits	752,787	(1,255,681)
Cash flow from investing activities (B)	<u>332,506</u>	<u>(1,048,880)</u>
Cash provided by financing activities		
(Repayment)/proceeds car loan	-	(7,175)
Dividend payment	-	(480,000)
Cash provided by financing activities (C)	<u>-</u>	<u>(487,175)</u>
Net cash flow changes during the period (A+B+C)	634,378	(595,889)
Cash & equivalents at beginning of year	365,587	961,476
Cash & equivalents at year end	<u>999,965</u>	<u>365,587</u>

The accompanying notes and schedules are integral part of these financial statements

USHA MARTIN AMERICAS, INC.

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Usha Martin Americas, Inc., (the "Company"), a Texas Corporation, was formed on April 10, 1996 and is a wholly owned subsidiary of Usha Martin Limited ("UML"). The Company is located in Houston, Texas and markets and sells wire rope manufactured by UML and related companies. In addition, the Company sells other ancillary products that it imports primarily from Asia. Products are sold directly and through distributors to companies in the oil and gas, heavy marine, construction, mining, elevator and other industries throughout the United States, Canada, Central South America and the Caribbean Islands.

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual reports may differ materially from those estimates.

Cash and Cash Equivalents

Cash equivalents include short-term investments with original maturities of three months or less except for those investments held for long-term purposes.

Concentrations of Credit Risk

The Company primarily invests its excess cash in deposits with various banks, and at times, these deposits may exceed the federally insured limits. The Company manages this risk by selecting depository institutions based, in part, upon its review of the financial stability of the institutions and has not experienced any losses on such accounts.

The Company sells wire rope to companies in the oil and gas, heavy machine, elevator, mining and construction industries. Consequently, the Company's ability to collect amounts due from customers may be affected by economic fluctuations in those industries.

The Company imports virtually all of its products from India, Thailand, UAE and UK, either from UML, Usha Siam Steel Industries, Brunton Wolf UAE or Brunton Shaw UK. Therefore, changes in domestic and international economic or political conditions could have a significant adverse effect on the Company's future financial position or results of operations.

Reclassifications

Certain reclassifications may be made to the 2023-24 financial statements in order to conform to the 2024-25 presentation. Such reclassifications did not change total assets, total liabilities, revenues, expenses or changes in net assets as reflected in the previously issued 2023-24 financial statements.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, the core principle of which is that the Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the Company expects to be entitled to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of the revenue when, or as, performance obligations are satisfied

USHA MARTIN AMERICAS, INC.

NOTES TO AUDITED FINANCIAL STATEMENTS

Revenue from sale of goods is recognized at the point in time when control is transferred to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Payment terms and conditions vary by contract, although terms generally include a requirement of payment within 30 to 90 days.

Accounts Receivable, net of allowances

The allowance for doubtful accounts is based on past experience and other factors which, in management's judgment, deserve current recognition in estimating possible bad debts. Such factors include growth and composition of accounts receivable, the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance, based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the respective receivable account. The allowance for doubtful accounts as of March 31, 2025, and 2024 was \$434,301 and \$375,426 respectively.

Property and Equipment

Property, plant and equipment are stated at cost. Additions, renewals and betterments are capitalized, whereas expenditures for maintenance and repairs are charged to expense. The cost and accumulated depreciation and amortization of assets retired or sold are removed from the appropriate asset and depreciation and amortization accounts, and the resulting gain or loss is reflected in income.

Depreciation for financial reporting purposes is computed using the straight-line method over the estimated useful life of various asset classes as follows:

	<u>Expected Useful Life</u>
Building and improvements	10-39 years
Vehicles	5 years
Office equipment	5 years
Computer software	5 years
Furniture and fixtures	7 years
Warehouse equipment	5-10 years

Depreciation expenses totaled \$23,446 and \$34,365 for the years ended March 31, 2025, and 2024, respectively.

Freight Expenses

The Company classifies shipping and handling costs as a component of selling, general and administrative expenses. Shipping and handling costs were approximately \$277,690 and \$295,539 for the years ended March 31, 2025, and 2024, respectively.

Fair Value of Financial Instruments

Certain items are required to be measured at fair value on a recurring basis, primarily cash equivalents held in banks. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level hierarchy is followed for disclosure to show the extent and level of judgment used to estimate fair value measurements:

Level 1 – Inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date.

Level 2 – Inputs used to measure fair value, other than quoted prices included in Level 1, are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment

USHA MARTIN AMERICAS, INC.

NOTES TO AUDITED FINANCIAL STATEMENTS

since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

Level 3 – Inputs used to measure fair value are unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

At March 31, 2025, and 2024, the carrying value of cash and cash equivalents is based on Level 1 measurements.

Impairment of Assets

The Company's long-lived assets and other assets to be held and used are reviewed for impairment in accordance with the guidance of FASB ASC 360-10, Property, Plant, and Equipment, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. The Company has determined that there are no impairment losses for the years ended March 31, 2025, and 2024.

Intangible Assets

Intangible Assets are recorded at cost and are amortized on a straight-line basis over their expected useful life of fifteen years. Amortization expenses totaled \$18,914 and \$21,795 for the years ended March 31, 2025, and 2024 respectively.

Advertising and Marketing

The Company's policy is to expense all advertising costs as incurred. Advertising costs totaled \$51,486 and \$121,794 for the years ended March 31, 2025, and 2024, respectively.

Leases

At inception, it is determined if an agreement is a lease. Leases are recorded on the Company's statement of financial position under right-of-use (ROU) assets and lease liabilities. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of these leases do not provide an implicit interest rate, the Company uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease pre-payments made and excludes lease incentives. The terms of the lease may include options to extend or terminate the lease when it is reasonably certain that option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease agreements with lease and non-lease components are not accounted for separately.

For all underlying classes of assets, the Company has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

Fair Value of Financial Instruments

The amounts reported in the balance sheets for cash and cash equivalents, certificates of deposits, accounts receivable, inventory, other assets, note payable, accounts payable and accrued liabilities approximate their fair value because of the short-term maturities of these instruments.

Inventory

Inventory consists of wire rope products held for resale and are stated at the lower of cost or net realizable value, cost being determined using the specific identification method. The inventory balance as of March 31, 2025, and 2024 is \$8,754,970 and \$7,183,571.

USHA MARTIN AMERICAS, INC.

NOTES TO AUDITED FINANCIAL STATEMENTS

Income taxes

Income taxes are provided based on the liability method, resulting in deferred income tax assets and liabilities arising due to temporary differences. Temporary differences are differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period the change in rate is enacted.

The Company is subject to the Texas franchise tax equal to one half of 1% of the lesser of: (a) 70% of Texas sourced gross revenue, (b) 100% of Texas sourced gross revenue less cash compensation and benefits, or (c) 100% of Texas sourced gross profit.

2. RELATED PARTY TRANSACTIONS

The Company purchases substantially all of its inventory from related companies, UML, Brunton Wolf, Brunton Shaw and Usha Siam. During the years ended March 31, 2025, and 2024, the Company's purchases from these companies approximated \$18,372,038 and \$17,542,157 respectively.

For the year ended March 31, 2025, and 2024, UML charged the Company approximately \$22,864 and \$18,678 for management fee.

3. CUSTOMER CONCENTRATION

During the year ended March 31, 2025, approximately \$7,244,411 or 31% of the Company's sales were to two customers, and \$7,945,966 or 38% of the Company's sales were to two customers for the year ended March 31, 2024. Accounts receivable from these customers approximated \$2,299,754 as of March 31, 2025, and \$3,427,887 as of March 31, 2024.

4. INCOME TAXES

Income tax expense (benefit) for the years ended March 31, 2025, and 2024 consisted of the following:

Income Tax Expense

Current Tax	2025	2024
Income Taxes:		
Federal	639,100	607,862
State	-	-
Total current tax	639,100	607,862

Because of management's uncertainty as to whether the Company will be able to generate taxable income to utilize the remaining deferred tax benefits, deferred tax assets have been fully reserved. Subsequent recognition of these deferred tax assets would result in an income tax benefit in the year of such recognition. As of March 31, 2025, the Company has Nil net operating loss available for carryforward to offset federal taxable income in future years.

Deferred income taxes are presented on the Balance Sheet as of March 31, 2025 and 2024 are as follows:

Deferred Tax Assets	2025	2024
Federal	-	-
Deferred Tax Allowance	-	-
Net deferred tax asset/(liability)	-	-

USHA MARTIN AMERICAS, INC.
NOTES TO AUDITED FINANCIAL STATEMENTS

5. CONTINGENCIES

There are no material pending proceedings to which the Company is a party or to which any of its property is subject. However, the Company is from time to time involved in litigation, certain other claims and arbitration matters arising in the ordinary course of its business.

6. LEASES

The Company is obligated under office cum warehouse operating lease agreements valid through November 2029.

As of March 31, 2025, ROU assets and lease liabilities were \$1,134,448 and \$1,239,266, respectively. The weighted- average discount rate used to calculate the present value of future lease payment was 8.5% and the weighted average lease term is 5.16 years.

Aggregate remaining maturities or operating lease liabilities as of March 31, 2025, are as follows:

Year ending March 31		
2026	\$	305,187
2027		315,869
2028		326,924
2029		336,927
2030		227,901
Total Minimum Lease Payments		1,512,808
Less: Imputed Interest		273,542
Present Value of Minimum Lease Payments	\$	1,239,266

Lease expenses consist of the following under ASC 842:

Year ending March 31, 2025		
Operating Lease Depreciation	\$	141,806
Operating Lease Interest Expense		63,568
Net Lease Expense	\$	205,374

7. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date and until May 6, 2025, the date financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statement.

Financial statements
Usha Martin Singapore Pte Ltd

31 March 2025



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PrimeGlobal | *The Association of Advisory and Accounting Firms*
Member of PrimeGlobal, representing in more than 100 countries

Independent auditor's report to the member of Usha Martin Singapore Pte Ltd

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the member of Usha Martin Singapore Pte Ltd (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent auditor's report to the member of Usha Martin Singapore Pte Ltd (Cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the attached Basis of Preparation to the report, which describes the basis of accounting. The report is prepared for the company to submit to Usha Martin Limited. Our report is intended solely for the company and Usha Martin Limited, and should not be distributed to or used by parties other than the company and Usha Martin Limited.



Joe Tan & Associates PAC
Public Accountants and
Chartered Accountants

Singapore

22 MAY 2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 US\$	2024 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,652,899	10,782,827
Right-of-use assets	5	1,312,045	1,596,368
Investment properties	6	-	-
Subsidiaries	7	1,146,810	576,810
Financial assets at fair value through other comprehensive income	8	2,141,983	2,364,193
Deferred tax assets	20	1,210,203	1,210,203
		<u>16,463,940</u>	<u>16,530,401</u>
Current assets			
Inventories	9	10,610,022	10,142,982
Trade and other receivables	10	5,475,794	8,437,978
Amounts due from related parties	11	5,701,482	3,082,297
Cash and cash equivalents	12	4,060,564	3,455,369
		<u>25,847,862</u>	<u>25,118,626</u>
Total assets		<u>42,311,802</u>	<u>41,649,027</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	572,738	572,738
Retained earnings		14,311,418	12,455,696
Revaluation reserve		6,979,942	6,675,493
Fair value reserve	14	1,778,379	2,000,589
Equity attributable to owners of the Company		<u>23,642,477</u>	<u>21,704,516</u>
Non-current liabilities			
Bank borrowings	18	2,890,909	3,854,545
Lease liabilities	19	1,168,190	1,284,706
Deferred tax liabilities	20	149,792	199,836
Provision	21	238,035	236,886
		<u>4,446,926</u>	<u>5,575,973</u>
Current liabilities			
Trade and other payables	15	588,287	664,080
Contract liabilities	16	94,885	1,122,218
Amounts due to related parties	17	11,105,583	10,533,118
Bank borrowings	18	963,636	963,636
Lease liabilities	19	127,047	181,421
Provision for taxation		1,342,961	904,065
		<u>14,222,399</u>	<u>14,368,538</u>
Total liabilities		<u>18,669,325</u>	<u>19,944,511</u>
Total equity and liabilities		<u>42,311,802</u>	<u>41,649,027</u>

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

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

	Note	2025 US\$	2024 US\$
Revenue	22	32,169,758	28,631,232
Cost of sales		(26,908,145)	(23,117,029)
Gross profit		5,261,613	5,514,203
Other income	23	2,391,848	1,636,287
Marketing and distribution expenses		(60,401)	(43,099)
Administrative expenses		(4,751,334)	(4,708,062)
Finance costs	24	(423,888)	(520,377)
Profit before tax	26	2,417,838	1,878,952
Income tax expense	27	(562,116)	(512,566)
Profit after tax		1,855,722	1,366,386
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Revaluation of property, plant and equipment		304,449	(349,017)
- Equity investments at FVOCI - net change in fair value		(222,210)	1,159,351
		82,239	810,334
Profit for the year, representing total comprehensive income for the year		1,937,961	2,176,720

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

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

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

	Share capital US\$	Revaluation reserve US\$	Fair value reserve US\$	Retained earnings US\$	Total US\$
At 1 April 2023	572,738	7,024,510	841,238	11,089,310	19,527,796
Profit for the year	-	-	-	1,366,386	1,366,386
Other comprehensive income					
Revaluation of property, plant and equipment	-	(349,017)	-	-	(349,017)
Equity investments at FVOCI - net change in fair value	-	-	1,159,351	-	1,159,351
	-	(349,017)	1,159,351	-	810,334
Total comprehensive income for the year	-	(349,017)	1,159,351	1,366,386	2,176,720
At 31 March 2024	<u>572,738</u>	<u>6,675,493</u>	<u>2,000,589</u>	<u>12,455,696</u>	<u>21,704,516</u>
At 1 April 2023	572,738	6,675,493	2,000,589	12,455,696	21,704,516
Profit for the year	-	-	-	1,855,722	1,855,722
Other comprehensive income					
Revaluation of property, plant and equipment	-	304,449	-	-	304,449
Equity investments at FVOCI - net change in fair value	-	-	(222,210)	-	(222,210)
	-	304,449	(222,210)	-	82,239
Total comprehensive income for the year	-	304,449	(222,210)	1,855,722	1,937,961
At 31 March 2024	<u>572,738</u>	<u>6,979,942</u>	<u>1,778,379</u>	<u>14,311,418</u>	<u>23,642,477</u>

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

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

Note	2025 US\$	2024 US\$
Cash flows from operating activities		
Profit before tax	2,417,838	1,878,952
Adjustments for:		
Depreciation of property, plant and equipment	4 845,530	820,709
Depreciation for right-of-use assets	5 272,935	308,518
Interest income	23 (96,764)	(39,125)
(Reversal)/provision for gratuity expenses	21 -	(166,754)
Exchange differences	1,148	(8,822)
Plant and equipment written off	2,580	-
Write-down/(reversal) in value of inventories	9 94,447	(16,359)
Interest expense	24 423,888	520,377
	3,961,602	3,297,496
Inventories	(561,486)	395,423
Trade and other receivables	1,934,851	(1,054,485)
Trade and other payables	(75,793)	(53,333)
Net cash generated from operating activities	5,259,174	2,585,101
Payment for gratuity expenses	(173,264)	(13,201)
Net cash generated from operating activities	5,085,910	2,571,900
Cash flows from investing activities		
Acquisition of property, plant and equipment	4 (402,345)	(49,112)
Increase in investment in subsidiary	(570,000)	-
Amounts due from related parties	(2,619,185)	870,166
Interest received	96,764	39,125
Increase in placement of security deposit	(1,150)	(59,666)
Net cash (used in)/generated from investing activities	(3,495,916)	800,513
Cash flows from financing activities		
Repayment of bank borrowings	(963,636)	(481,819)
Repayment of lease liabilities	(170,890)	(216,584)
Amounts due to related parties	572,465	(1,510,297)
Interest paid	(423,688)	(520,377)
Net cash used in financing activities	(985,949)	(2,729,077)
Net increase in cash and cash equivalents	604,045	643,336
Cash and cash equivalents at 1 April	3,395,703	2,752,367
Cash and cash equivalents at 31 March	12 3,999,748	3,395,703

Note A - Reconciliation of liabilities arising from financing activities.

The following is the disclosure of the reconciliation of liabilities arising from financing activities, excluding equity items:

-----Non-Cash Flow-----				
		Interest	Interest	
1 April	Net proceeds/ (repayment)	payment	expense	31 March
US\$	US\$	US\$	US\$	US\$
2025				
Bank borrowings	4,818,181	(963,636)	(346,460)	3,854,645
Lease liabilities	1,466,127	(170,890)	(77,429)	1,295,237
Amounts due to related parties	10,633,118	572,465	-	11,105,583
	16,817,426	(562,061)	(423,888)	16,255,365

-----Non-Cash Flow-----				
		Interest	Interest	
1 April	Net proceeds/ (repayment)	payment	expense	31 March
US\$	US\$	US\$	US\$	US\$
2024				
Bank borrowings	5,300,000	(481,819)	(432,789)	4,818,181
Lease liabilities	1,682,711	(216,584)	(87,588)	1,466,127
Amounts due to related parties	12,043,415	(1,510,297)	-	10,533,118
	19,026,126	(2,208,700)	(520,377)	16,817,426

Notes to the financial statements for the financial year ended 31 March 2025**1 General information**

The Company is incorporated in the Republic of Singapore and has its registered office and place of business at No. 91 Tuas Bay Drive, Singapore 637307.

The principal activities of the Company are those related to investment holding, manufacture of metal wire and cable products, and trading of steel wire ropes. There have been no significant changes in the nature of these activities during the year.

The Company is a subsidiary of Usha Martin Limited, incorporated in India, which is also the Company's ultimate holding company.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

2(a) Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRSs").

The financial statements have been prepared on the historical cost basis except as disclosed on the accounting policies below.

The financial statements are presented in the United States dollars (US\$), which is the Company's functional currency. All financial information has been presented in United States dollars (US\$), unless otherwise stated.

Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The critical accounting estimates and assumptions used and area involving significant judgements are described below.

Notes to the financial statements for the financial year ended 31 March 2025**2(a) Basis of preparation (Cont'd)****Significant judgements in applying accounting policies**Deferred taxation on investment properties (Note 20)

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Company's investment property portfolios and concluded that the Company's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Company's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted. The Company has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Income tax (Note 20, Note 27)

Significant judgement is involved in determining the provision for income taxes. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is probable that that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Company has recognised a deferred tax asset in respect of unabsorbed tax losses of certain subsidiaries in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The recognition involves best estimation and judgement, including the subsidiaries' future financial performance based on the latest available profit forecasts.

Critical accounting estimates and assumptions used in applying accounting policiesImpairment of non-financial assets (Note 4, Note 5, Note 6)

Property, plant and equipment, right-of-use assets and subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit (or company of cash-generating-units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

Useful lives of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 5% (2020 - 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 1% (2020 - 1%) variance in the Company's profit or loss for the financial year.

Provision for expected credit losses ("ECL") for financial assets (Note 10)

The Company uses a provision matrix to calculate ECLs for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

Notes to the financial statements for the financial year ended 31 March 2025**2(a) Basis of preparation (Cont'd)****Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)**

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Allowances for inventories (Note 9)

A review is made periodically for excess inventory, obsolescence and declines in net realisable value below cost and management records an allowance against the inventory balance for any such declines. These reviews require management to estimate future demand for their products. Possible changes in these estimates could result in revisions to the valuation of inventory. Management is of the view that the allowances disclosed in Note 9 are adequate.

Valuation of investment properties (Note 6)

The Company's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets.

2(b) Adoption of new and amended standards and interpretations

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

Notes to the financial statements for the financial year ended 31 March 2025**2(b) Adoption of new and amended standards and interpretations (Cont'd)**

The following are new / revised / amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 March 2025 which are effective for annual reporting periods beginning after 1 April 2024:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
FRS 119 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

2(c) Material accounting policy information**Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, all other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Property, plant and equipment (Cont'd)**

Leasehold premises are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuation is performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold premises at the end of the reporting period. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold premises	30 years
Furniture and fittings	10 years
Office equipment	8 years
Computer and peripherals	1 year
Motor vehicles	5 years
Plant and machinery	10 years
Renovations	3 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Leases**The Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Leases (Cont'd)**The Company as lessee (Cont'd)Lease liabilities (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Company has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented within “borrowings” in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Leases (Cont'd)**Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leased office premises	14.75 years
Motor vehicles	5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meet the definition of investment property) are presented within “property, plant and equipment” in the statement of financial position.

A right-of-use asset which meets the definition of an investment property is presented within “investment properties” in the statement of financial position.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Company.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Investment properties (Cont'd)**Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- possession of financial ability to retain the properties with a view to earn rental income and capital appreciation, for a transfer from properties under development to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Financial instruments**(I) Financial assets**Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Financial instruments (Cont'd)****(I) Financial assets (Cont'd)**Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains or losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding the asset.

The three measurement categories for classification of debt instruments are:

Amortised cost

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

The Company's financial assets at amortised cost includes trade receivables, and contract asset.

Financial assets designated at fair value through OCI (equity instruments)

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non – listed equity investments under this category.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Financial instruments (Cont'd)****(I) Financial assets (Cont'd)***Financial assets at fair value through profit and loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investment which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity instruments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non – financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instruments with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit and loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would be otherwise Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Financial instruments (Cont'd)****(I) Financial assets (Cont'd)**Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Financial instruments (Cont'd)****(I) Financial assets (Cont'd)**Impairment of financial assets (Cont'd)

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses that internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(II) Financial liabilitiesInitial recognition and measurement

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

All financial liabilities are recognised initially at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Financial instruments (Cont'd)****(II) Financial liabilities (Cont'd)**Subsequent measurement (Cont'd)Financial liabilities at fair value through profit or loss (Cont'd)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 109 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities that not carried at fair value through profit or loss

After initial recognition, financial liabilities that are not carried at fair value through profit or loss such as interest – bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well through the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate method. The effective interest rate method amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(III) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances, net of bank deposit pledged and short-term deposits with maturities of three months or less from the date of acquisition that are subject to insignificant risk of changes in their fair value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method.

Net realisable value is based on estimated selling prices in less any estimated costs to be incurred to completion and disposal.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Impairment of non-financial assets (Cont'd)**

For the purpose of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indicators that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has been recognised. A reversal of impairment loss is recognised in the statement of comprehensive income.

Revenue recognition*Sale of goods*

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

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

Interest income

Interest income is recognised using the effective interest method.

Rental income

Rental and related income from operating leases on investment properties are recognised on a straight-line basis over the lease term.

Income tax

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Income tax (Cont'd)**

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model in countries where there is no capital gain tax, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

Current and deferred income tax are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefitsShort-term employee benefits

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

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Employee benefits (Cont'd)**Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors (and certain general managers) are considered key management personnel.

Related parties

A related party is a person or entity that is related to the Company and includes:

- (a) A person or a close member of that person's family which is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity which is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Foreign currencyForeign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Company entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated in terms of historical cost in a foreign currency are translated using the closing exchange rate at the reporting date.

Notes to the financial statements for the financial year ended 31 March 2025**2(c) Material accounting policy information (Cont'd)****Foreign currency (Cont'd)**Foreign currency transactions and balances (Cont'd)

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when fair values are determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Contract balancesContract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Notes to the financial statements for the financial year ended 31 March 2025**3 Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful lives will be adjusted accordingly. The carrying amounts of the Company's property, plant and equipment as at 31 March 2025 were US\$10,652,899 (2024: US\$10,782,827) respectively.

(ii) Impairment of property, plant and equipment

The property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company assesses impairment of these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of these assets is estimated to determine the impairment loss. The Company evaluates the recoverable amount of these assets based on the net present value of future cash flows (value in use) derived from such assets using cash flow projections which have been discounted at an appropriate rate.

As at 31 March 2025, no allowance for impairment loss of the property, plant and equipment was made for the financial year ended 31 March 2025 as the recoverable amount was in excess of the carrying amount.

Notes to the financial statements for the financial year ended 31 March 2025**3 Significant accounting judgements and estimates (Cont'd)****(a) Key sources of estimation uncertainty (Cont'd)****(iii) Impairment of investment in subsidiaries**

At the end of the financial year, an assessment is made on whether there is indication that the investment in subsidiaries is impaired. The management's assessment is based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries as at 31 March 2025 was US\$1,146,810 (2024: US\$576,810).

(iv) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amounts of the Company's inventories as at 31 March 2025 were US\$10,610,022 (2024: US\$10,142,982) respectively.

(v) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for companyings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 10.

The carrying amount of the Company's trade receivables as at 31 March 2025 were S\$5,159,417 (2024: US\$8,126,054) respectively.

(vi) Provision for income taxes

The Company recognise liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The provision for the Company's income tax as at 31 March 2024 were US\$1,342,961 (2024: US\$904,065) respectively.

Notes to the financial statements for the financial year ended 31 March 2025

4 Property, plant and equipment

Company	Leasehold premises US\$	Furniture and fittings US\$	Office equipment US\$	Plant and machinery US\$	Computer and peripherals US\$	Motor vehicles US\$	Renovation US\$	Total US\$
<u>Cost</u>								
At 1 April 2023	12,783,609	381,040	31,064	3,659,811	48,393	165,224	366,526	17,435,667
Additions	-	16,677	5,126	21,904	5,405	-	-	49,112
Reversal from investment property	1,967,943	-	-	-	-	-	-	1,967,943
Revaluation	(349,017)	-	-	-	-	-	-	(349,017)
Written off	-	-	-	-	(23,831)	-	(261,409)	(285,240)
At 31 March 2024	14,402,535	397,717	36,190	3,681,715	29,987	165,224	105,117	18,818,465
Additions	-	248,131	7,372	67,625	6,605	-	72,612	402,345
Reversal from right-of-use assets	-	-	-	-	-	136,656	-	136,656
Revaluation	304,449	-	-	-	-	-	-	304,449
Written off	-	(185,013)	(11,503)	(43,234)	-	-	-	(239,750)
At 31 March 2025	14,706,984	460,835	32,059	3,706,106	36,572	301,880	177,729	19,422,165
<u>Accumulated depreciation</u>								
At 1 April 2023	3,955,209	339,825	28,184	2,414,715	40,835	165,224	310,233	7,254,225
Depreciation	554,083	6,069	5,724	211,170	8,624	-	35,039	820,709
Reversal from investment property	245,944	-	-	-	-	-	-	245,944
Written off	-	-	-	-	(23,831)	-	(261,409)	(285,240)
At 31 March 2024	4,755,236	345,894	33,908	2,625,885	25,628	165,224	83,863	8,035,638
Depreciation	630,500	15,271	2,873	148,689	7,487	11,388	29,322	845,530
Reversal from right-of-use assets	-	-	-	-	-	125,268	-	125,268
Written off	-	(185,013)	(11,503)	(40,654)	-	-	-	(237,170)
At 31 March 2025	5,385,736	176,152	25,278	2,733,920	33,115	301,880	113,185	8,769,266
<u>Net book value</u>								
At 31 March 2024	9,647,299	51,823	2,282	1,055,830	4,339	-	21,254	10,782,827
At 31 March 2025	9,321,248	284,683	6,781	972,186	3,457	-	64,544	10,652,899

Notes to the financial statements for the financial year ended 31 March 2025**5 Right-of-use assets**

The Company	Motor vehicles US\$	Office Leases US\$	Total US\$
<u>Cost</u>			
At 1 April 2023	988,505	1,313,411	2,301,916
Additions	473,815	-	473,815
Disposals	(260,861)	-	(260,861)
Adjustment	-	34,534	34,534
At 31 March 2024	1,201,459	1,347,945	2,549,404
Reversal to plant and equipment	(136,656)	-	(136,656)
At 31 March 2025	1,064,803	1,347,945	2,412,748
<u>Accumulated depreciation</u>			
At 1 April 2024	375,369	269,149	644,518
Depreciation	240,023	68,495	308,518
At 31 March 2024	615,392	337,644	953,036
Depreciation	204,440	68,495	272,935
Reversal to plant and equipment	(125,268)	-	(125,268)
At 31 March 2025	694,564	406,139	1,100,703
<u>Carrying amount</u>			
At 31 March 2024	586,067	1,010,301	1,596,368
At 31 March 2025	370,239	941,806	1,312,045

6 Investment properties

	2025 US\$	2024 US\$
At 1 April	-	1,722,000
Transfer to property, plant and equipment	-	(1,722,000)
At 31 March	-	-

The investment property is carried at fair value at the end of the reporting period as determined by an independent firm of professional valuers who have appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair values are made annually based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Investment property is valued on a highest and best use basis. The current use of the Company's investment property is considered to be the highest and best use, unless there is evidence to the contrary.

The fair value of investment property, classified as Level 3, has been derived using the direct comparison method which is checked against the fair value derived from the capitalisation method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach involves the estimation and projection of net rental incomes over a period and discounting them to present value.

The investment property is leased to non-related parties under-operating leases.

Notes to the financial statements for the financial year ended 31 March 2025**6 Investment properties (Cont'd)**

As the Company has ceased renting its premises during the financial year, the cost and accumulated depreciation of the investment property has been fully reclassified to leasehold premises under Property, plant and equipment (Note 4).

The carrying amount of investment property approximates its fair value.

The following amounts are recognised in profit or loss:

	2025 US\$	2024 US\$
Rental income	-	105,598
Direct operating expenses arising from investment property that generated rental income	-	7,994

7 Subsidiaries

	2025 US\$	2024 US\$
Unquoted equity shares, at cost	1,646,810	1,076,810
Less: Impairment loss	(500,000)	(500,000)
	<u>1,146,810</u>	<u>576,810</u>
Allowance for impairment loss: At 1 April/31 March	<u>500,000</u>	<u>500,000</u>

There were no indicators that the impairment loss previously recognised may have decreased or no longer existed.

The details of the subsidiaries are as follows:

<u>Names of subsidiaries</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective equity interest held by the Group</u>	
			<u>2025</u> %	<u>2024</u> %
Usha Martin Australia Pty Ltd	Australia	(1) Importing and selling steel wire ropes	100%	100%
Usha Martin Vietnam Company Limited	Vietnam	(2) Importing and selling steel wire ropes	100%	100%
PT Usha Martin Indonesia	Indonesia	(3) Importing and selling steel wire ropes	100%	100%
Usha Martin China Co. Ltd	People's Republic of China	(4) Importing and selling steel wire ropes	100%	100%

- (1) Audited by Page Harrison & Co Chartered Accountants Co Ltd
(2) Audited by U and I Certified Public Accountants
(3) Audited by Joe Tan & Associates PAC for consolidation purposes
(4) Audited by SBA Stone Forest Certified Public Accountants Co Ltd

Notes to the financial statements for the financial year ended 31 March 2025**8 Financial assets at fair value through other comprehensive income**

	2025 US\$	2024 US\$
<u>Current assets</u>		
Unquoted shares in fellow subsidiaries		
Equity instrument designated at FVOCI	2,364,193	1,204,842
Fair value (loss)/gain during the year	(222,210)	1,159,351
	<u>2,141,983</u>	<u>2,364,193</u>

Determination of fair value

As the unquoted equity investments are not publicly traded, as at 31 March 2025, the fair values presented are determined based on the discounted cash flow calculations of the underlying investees.

9 Inventories

	2025 US\$	2024 US\$
Finished goods, at net realisable value	10,144,768	9,430,399
Stock-in-transit, at cost	465,254	712,583
	<u>10,610,022</u>	<u>10,142,982</u>

During the year ended 31 March 2025, the cost of inventories recognised as an expense and included in cost of sales in the statement of comprehensive income was US\$26,701,899 (2024 – US\$22,846,720).

During the year ended 31 March 2025, write-down in the value of inventories were US\$70,694 (2024 - US\$ Nil).

The Company has reversed US\$23,753 (2024 - US\$16,359) being part of the inventories write down in prior years to current year profit or loss due to the inventories sold above its carrying amount. The reversal is included in the cost of sales.

10 Trade and other receivables

	2025 US\$	2024 US\$
Trade receivables		
- Third parties	5,192,959	8,159,596
Less: Impairment loss	(33,542)	(33,542)
	<u>5,159,417</u>	<u>8,126,054</u>
Other receivables		
- Deposits	14,592	13,439
- Other receivables	43,819	-
Financial assets at amortised cost	5,217,828	8,139,493
- Prepayments	35,223	41,033
- Goods and services tax receivable	151,324	209,769
- Withholding tax	71,419	47,683
	<u>5,475,794</u>	<u>8,437,978</u>

Trade receivables are unsecured, non-interest bearing and have credit terms of 30 to 120 days (2024 - 30 to 120 days).

Notes to the financial statements for the financial year ended 31 March 2025**10 Trade and other receivables (Cont'd)**

They are recognised at their original invoice amounts which represents their fair values on initial recognition.

The carrying amount of trade and other receivables approximate their fair values.

Trade and other receivables are denominated in the following currencies:

	2025 US\$	2024 US\$
Singapore dollar	493,218	902,169
United States dollar	4,982,576	7,535,809
	5,475,794	8,437,978

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2025 US\$	2024 US\$
At 1 April	(33,542)	(33,542)
At 31 March	(33,542)	(33,542)

11 Amounts due from related parties

	2025 US\$	2024 US\$
Amounts due from:		
- Ultimate holding company (other transactions)	13,609	61,327
- Subsidiary company (trade)	4,696,554	2,533,861
(other transactions)	47,123	114,310
- Related Companies (trade)	704,196	146,391
(other transactions)	240,000	226,408
	5,701,482	3,082,297

Non-trade amounts due from related parties, comprising mainly advances, are interest free, unsecured and repayable on demand.

Amounts due from related parties are denominated in the following currencies:

	2025 US\$	2024 US\$
United States dollar	4,684,183	1,770,688
Singapore dollar	970,177	1,197,299
Australian dollar	47,122	114,310
	5,701,482	3,082,297

Notes to the financial statements for the financial year ended 31 March 2025**12 Cash and cash equivalents**

	2025 US\$	2024 US\$
Cash and bank balances	1,560,564	1,955,369
Short-term deposits	2,500,000	1,500,000
	<u>4,060,564</u>	<u>3,455,369</u>

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and bank balances are denominated in the following currencies:

	2025 US\$	2024 US\$
Singapore dollar	765,249	721,061
United States dollar	3,295,315	2,734,308
	<u>4,060,564</u>	<u>3,455,369</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2025 US\$	2024 US\$
Cash and bank balances	1,560,564	1,955,369
Short-term deposits	2,500,000	1,500,000
Less : Bank balance pledged for security deposit	(60,816)	(59,666)
	<u>3,999,748</u>	<u>3,395,703</u>

Bank balance is pledged as security for security deposit for performance of obligations under contract agreement with a customer.

13 Share capital

	2025 US\$	2024 US\$
Issued and fully paid, with no par value		
1,000,000 ordinary shares	<u>572,738</u>	<u>572,738</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regard to the Company's residual assets. The shares have no par value.

14 Fair value reserve

The reserve comprises the cumulative net changes in the fair value of FVOCI financial assets until the investments are derecognised.

Notes to the financial statements for the financial year ended 31 March 2025**15 Trade and other payables**

	2025 US\$	2024 US\$
Deposit received	45,689	-
Other payables and accruals	542,598	664,080
	588,287	664,080

Other payables are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.

The carrying amounts of trade and other payables approximate their fair values.

Trade and other payables are denominated in the following currencies:

	2025 US\$	2024 US\$
United States dollar	173,794	210,628
Singapore dollar	414,493	453,452
	588,287	664,080

16 Contract liabilities

Contract liability relating to those upfront payment by customers for the purchase of goods.

	2025 US\$	2024 US\$
At 1 April	1,122,218	18,307
Revenue recognised against the contract liability	(1,120,016)	(12,165)
Advance received/ repaid during the year	92,683	1,116,076
At 31 March	94,885	1,122,218
	2025 US\$	2024 US\$
Advance received/ repaid during the year:		
Subsidiary company	-	1,111,286
Third parties	92,683	4,790
	92,683	1,116,076

Contract liabilities are denominated in the following currencies:

	2025 US\$	2024 US\$
United States Dollar	94,885	1,122,218

Notes to the financial statements for the financial year ended 31 March 2025**17 Amounts due to related parties**

	2025 US\$	2024 US\$
Amounts due to:		
- Ultimate holding company		
(trade)	6,960,834	6,406,062
(non trade)	19,505	11,278
- Related Companies		
(trade)	4,125,244	4,115,778
	11,105,583	10,533,118

Non-trade amounts due to related parties, comprising mainly advances, are interest free, unsecured and repayable on demand.

The carrying amounts from amounts due to related parties approximate their fair values.

Amounts due to related parties are denominated in the following currencies:

	2025 US\$	2024 US\$
United States Dollar	11,105,583	10,506,396
Euro	-	26,722
	11,105,583	10,533,118

18 Bank borrowings

	2025 US\$	2024 US\$
Bank loans		
- Current	963,636	963,636
- Non-current	2,890,909	3,854,545
	3,854,545	4,818,181

The loan is secured by a mortgage over the building at 91 Tuas Bay Drive, Singapore 637307, fixed and floating charge over the assets of the Company, assignment of rental in respect of the Company's investment property and bank balance, and letter of comfort of the ultimate holding company.

Bank loan bears interest from 7.77% to 8.74% (2024 – 7.51% to 8.95%) per annum and is denominated in United States dollars.

Notes to the financial statements for the financial year ended 31 March 2025

19 Lease liabilities

	2025 US\$	2024 US\$
Presented as:		
- Current	127,047	181,421
- Non-Current	1,168,190	1,284,706
	<u>1,295,237</u>	<u>1,466,127</u>
Undiscounted lease payments due:		
- within 1 year	197,296	259,298
- within 2 to 5 years	593,408	665,799
- after 5 years	1,012,914	1,123,795
	<u>1,803,618</u>	<u>2,048,892</u>
Less: Unearned interest cost	(508,381)	(582,765)
Lease Liabilities (Note 30(b))	<u>1,295,237</u>	<u>1,466,127</u>

The effective interest rates charged during the financial year range from 3.78% to 5.24% (2024: 3.78% to 5.24%) per annum.

All leases are on a fixed repayment basis. The finance obligations are secured by the underlying assets. (Note 5).

Lease Liabilities are denominated in the following currencies:

	2025 US\$	2024 US\$
Singapore Dollar	<u>1,295,237</u>	<u>1,466,127</u>

20 Deferred tax assets/liabilities

	2025 US\$	2024 US\$
Deferred tax assets		
At 1 April	1,210,203	1,210,203
At 31 March	<u>1,210,203</u>	<u>1,210,203</u>
	2025 US\$	2024 US\$
Deferred tax liabilities		
At 1 April	199,836	222,204
Movement in temporary differences	(50,044)	(22,368)
At 31 March	<u>149,792</u>	<u>199,836</u>

Deferred tax liabilities relate to property, plant and equipment.

Notes to the financial statements for the financial year ended 31 March 2025

21 Provision

	2025 US\$	2024 US\$
Gratuity		
At 1 April	236,886	425,663
Payments	-	(13,201)
Reversals	-	(166,754)
Exchange Differences	1,149	(8,822)
At 31 March	<u>238,035</u>	<u>236,886</u>

22 Revenue

	2025 US\$	2024 US\$
Sale of steel wire ropes (At a point in time)	<u>32,169,758</u>	<u>28,631,232</u>

23 Other income

	2025 US\$	2024 US\$
Management fee income	711,072	106,285
Other income	1,009,323	1,380,103
Rental income	-	105,598
Government grant income	4,690	564
Interest income	96,764	39,125
Investment income	570,000	4,612
	<u>2,391,849</u>	<u>1,636,287</u>

24 Finance costs

	2025 US\$	2024 US\$
Interest expense - lease liabilities	65,743	68,052
Interest on hire purchase	11,685	19,536
Interest on loan	346,460	432,789
	<u>423,888</u>	<u>520,377</u>

Notes to the financial statements for the financial year ended 31 March 2025**26 Profit before taxation**

The following items have been included in arriving at profit before taxation:

	2025 US\$	2024 US\$
Key management personnel - Directors' remuneration	591,506	704,296
Salaries, wages and other related costs	1,975,906	1,731,091
Contribution to defined contribution plans	206,992	228,469
	2,774,404	2,663,856
Foreign exchange loss	13,032	6,189
Depreciation of property, plant and equipment (Note 4)	845,530	820,709
Depreciation of right-of-use assets (Note 5)	272,935	308,518
Assurance services	34,559	41,876
Other services	58,819	24,488
	93,378	66,364
Interest on loan	346,460	432,789
Interest expense - lease liabilities	65,743	68,052
Interest on hire purchase	11,685	19,536
	423,888	520,377

27 Income tax expense

	2025 US\$	2024 US\$
Current tax expense		
Current taxation	537,160	499,934
Under provision of income tax in prior years	75,000	35,000
Deferred tax expense		
Movements in temporary differences (Note 20)	(50,044)	(22,368)
	562,116	512,566

Reconciliation of effective tax rate:

	2025 US\$	2024 US\$
Profit before taxation	2,417,838	1,878,952
Tax using the Singapore tax rate of 17% (2024 - 17%)	411,032	319,422
Non-deductible expenses	186,231	193,501
Non-taxable income	(97,153)	(96)
Under provision of income tax in prior years	75,000	35,000
Statutory stepped income exemption	(12,994)	(12,931)
Tax effect on temporary differences	-	(22,330)
	562,116	512,566

Notes to the financial statements for the financial year ended 31 March 2025**28 Related party transactions**

Other than as disclosed elsewhere in the financial information, significant transactions with related parties are as follows:

	2025 US\$	2024 US\$
<u>Purchases</u>		
Usha Martin Limited	14,510,703	11,249,525
Usha Siam Steel Industries Co. Ltd	9,217,163	7,197,139
Usha Siam Specialty Wire Rope Co. Ltd.	305,359	-
Brunton Shaw UK	836,948	663,875
Brunton Wolf Wire Ropes FZCO	240,655	109,622
De Ruiter Staakabel B.V	87,722	602,794
European Management & Marine Corporation	-	23,689
<u>Sales</u>		
Usha Martin Limited	-	11,569
De Ruiter Staakabel B.V	218,753	503,028
Brunton Wolf Wire Ropes FZCO	698,671	136,821
Usha Martin Australia Pty Ltd	3,107,954	4,079,634
PT Usha Martin Indonesia	8,024,881	-
Usha Martin Vietnam Co Ltd	1,492,402	1,789,487
European Management & Marine Corporation	36,594	14,300
<u>Marketing consultation fee</u>		
Usha Martin Limited	60,400	43,099
<u>Investment income</u>		
Usha Siam Steel Industries Co. Ltd	-	4,612
PT Usha Martin Indonesia	570,000	-
<u>Management fee income</u>		
Usha Martin Australia Pty Ltd	97,835	98,743
PT Usha Martin Indonesia	613,237	7,542
Usha Martin UK Limited	960,000	1,200,000

29 Key management personnel compensation

Key management personnel compensation included in staff costs (Note 26) is as follows:

	2025 US\$	2024 US\$
Director's remuneration	591,506	446,026
Director's welfare	-	220,300
Director's accommodation	-	37,970
	591,506	704,296

Notes to the financial statements for the financial year ended 31 March 2025**30 Leases**The Company as a lessee

The Company has lease contracts for land and motor vehicles. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Details of right-of-use assets are disclosed in Note 5.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 19 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed under liquidity risk in Note 32.

(c) Amounts recognised in profit or loss

	2025 US\$	2024 US\$
Depreciation of right-of-use assets	272,935	308,518
Interest expense - lease liability	65,743	68,052
Interest on hire purchase	11,685	19,536
Total amount recognised in profit or loss	350,363	396,106

(d) Total cash outflow

The Company had total cash outflows for leases of US\$245,697 in 2025 (2024: US\$279,274).

31 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2025 and 31 March 2024.

Notes to the financial statements for the financial year ended 31 March 2025**31 Capital management (Cont'd)**

The Company monitors capital using Gearing Ratio which is defined as net debt divided by total capital. Net debt is calculated as total liabilities less cash and bank balances. Total capital is calculated as equity plus net debt.

	2025 US\$	2024 US\$
Total liabilities	18,669,325	19,944,511
Less:		
Cash and bank balances	(4,060,564)	(3,455,369)
Net debt	14,608,761	16,489,142
Total equity	23,642,477	21,704,516
Capital and net debt	38,251,238	38,193,658
Gearing Ratio	38%	43%

32 Financial risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks relevant to the Company include foreign currency risk, credit risk and liquidity risk.

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

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

31 March 2025**Financial assets**

Financial assets at fair value through comprehensive income (Note 8)	2,141,983	-	-	2,141,983
Trade and other receivables # (Note 10)	-	5,217,828	-	5,217,828
Amounts due from related parties (Note 11)	-	5,701,482	-	5,701,482
Cash and cash equivalents (Note 12)	-	4,060,564	-	4,060,564
	2,141,983	14,979,874	-	17,121,857

Financial liabilities

Trade and other payables (Note 15)	-	-	588,287	588,287
Amounts due to related parties (Note 17)	-	-	11,105,583	11,105,583
Bank borrowings (Note 18)	-	-	3,854,545	3,854,545
Lease liabilities (Note 19)	-	-	1,295,237	1,295,237
	-	-	16,843,652	16,843,652

Notes to the financial statements for the financial year ended 31 March 2025

32 Financial risk management (Cont'd)

31 March 2024

Financial assets

Financial assets at fair value through comprehensive income (Note 8)	2,364,193	-	-	2,364,193
Trade and other receivables # (Note 10)	-	8,139,493	-	8,139,493
Amounts due from related parties (Note 11)	-	3,082,297	-	3,082,297
Cash and cash equivalents (Note 12)	-	3,455,369	-	3,455,369
	2,364,193	14,677,159	-	17,041,352

Financial liabilities

Trade and other payables (Note 15)	-	-	664,080	664,080
Amounts due to related parties (Note 17)	-	-	10,533,118	10,533,118
Bank borrowings (Note 18)	-	-	4,818,181	4,818,181
Lease liabilities (Note 19)	-	-	1,466,127	1,466,127
	-	-	17,481,506	17,481,506

Exclude prepayments, goods and services tax receivable

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currency of the Company. The currencies in which these transactions primarily are denominated are the Singapore Dollar, Australian Dollar and Euro.

The Company's currency exposures to the Singapore Dollar, Australian Dollar and Euro at the reporting date were as follows:

	Singapore Dollar US\$	Australian Dollar US\$	Euro US\$	Total US\$
2025				
Financial assets				
Trade and other receivables #	317,668	-	-	317,668
Amounts due from related parties	970,177	47,123	-	1,017,300
Cash and cash equivalents	765,249	-	-	765,249
	2,053,094	47,123	-	2,100,217
Financial liabilities				
Trade and other payables	414,493	-	-	414,493
Lease liabilities	1,295,238	-	-	1,295,238
	1,709,731	-	-	1,709,731
Currency exposure	343,363	47,123	-	390,486

Notes to the financial statements for the financial year ended 31 March 2025

32 Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

2024	Singapore Dollar US\$	Australian Dollar US\$	Euro US\$	Total US\$
<u>Financial assets</u>				
Trade and other receivables #	876,322	-	-	876,322
Amounts due from related parties	1,197,299	114,310	-	1,311,609
Cash and cash equivalents	721,061	-	-	721,061
	<u>2,794,682</u>	<u>114,310</u>	<u>-</u>	<u>2,908,992</u>
<u>Financial liabilities</u>				
Trade and other payables	453,452	-	-	453,452
Amounts due to related parties	-	-	26,722	26,722
Lease liabilities	1,466,126	-	-	1,466,126
	<u>1,919,578</u>	<u>-</u>	<u>26,722</u>	<u>1,946,300</u>
Currency exposure	<u>875,104</u>	<u>114,310</u>	<u>(26,722)</u>	<u>962,692</u>

Exclude prepayments, goods and services tax receivables and withholding tax.

Foreign currency risk (Cont'd)

Sensitivity analysis

A 5% (2024 - 5%) strengthening of United States Dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax	
	2025 US\$	2024 US\$
Singapore Dollar	14,250	36,317
Australian Dollar	1,956	4,744
Euro	-	(1,109)

A 5% (2024 - 5%) weakening of United States Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the financial statements for the financial year ended 31 March 2025**32 Financial risk management (Cont'd)****Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises from its variable rate bank borrowing.

The Company does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity.

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a 50 basis points change in interest rates at the reporting date would have increase/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	2025 US\$	2024 US\$
Profit before taxation		
- Increase/(decrease)	19,273	26,500
Equity		
- Increase/(decrease)	(19,273)	(26,500)

Market risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices.

The Company is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables.

At the reporting date, other than as disclosed in the ageing analysis in Note 10, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk in respect of trade and other receivables.

Notes to the financial statements for the financial year ended 31 March 2025**32 Financial risk management (Cont'd)****Credit risk (Cont'd)**Exposure to credit risk

The tables below detail the credit quality of the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Measurement method	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
31 March 2025					
Trade and other receivables (Note 10)	(1),(2)	Lifetime ECL	5,251,370	(33,542)	5,217,828
Amounts due from related parties (Note 11)	(3)	Lifetime ECL	5,701,482	-	5,701,482
31 March 2024					
Trade and other receivables (Note 10)	(1),(2)	Lifetime ECL	8,173,035	(33,542)	8,139,493
Amounts due from related parties (Note 11)	(3)	Lifetime ECL	3,082,297	-	3,082,297

(1) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

(2) Other receivables

Loss allowance for other receivables is measured at an amount equal to lifetime ECL, which is consistent with the approach adopted for trade receivables. The ECL on other receivables are estimated by reference to track records of the counterparties, their business and financial conditions where information is available and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required.

(3) Amounts due from related parties

The amounts due from related parties are considered to have low credit risk. As the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of advances to assist with the related parties' cash flow management is in line with the Company capital management. There has been no significant increase in the credit risk of the amounts due from related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of the related parties.

Cash at bank

Cash is held with banks of good credit rating.

Notes to the financial statements for the financial year ended 31 March 2025

32 Financial risk management (Cont'd)**Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	Carrying amount US\$	Total US\$	Within 1 year US\$	Within 2 to 5 years US\$	More than 5 years US\$
At 31 March 2025					
Financial assets					
Trade and other receivables # (Note 10)	5,217,828	5,217,828	5,217,828	-	-
Amounts due from related parties (Note 11)	5,701,482	5,701,482	5,701,482	-	-
Cash and bank balances (Note 12)	4,060,564	4,060,564	4,060,564	-	-
	14,979,874	14,979,874	14,979,874	-	-
Financial Liabilities					
Trade and other payables (Note 15)	588,287	588,287	588,287	-	-
Amounts due to related parties (Note 17)	11,105,583	11,105,583	11,105,583	-	-
Bank borrowings (Note 18)	3,854,545	4,456,942	1,247,772	3,209,170	-
Lease liabilities (Note 19)	1,295,237	1,803,618	197,296	593,408	1,012,914
	16,843,652	17,954,430	13,138,938	3,802,578	1,012,914
Total net undiscounted financial liabilities	(1,863,778)	(2,974,556)	1,840,936	(3,802,578)	(1,012,914)

Notes to the financial statements for the financial year ended 31 March 2025

32 Financial risk management (Cont'd)**Liquidity risk (Cont'd)**

	Carrying amount US\$	Total US\$	Within 1 year US\$	Within 2 to 5 years US\$	More than 5 years US\$
<u>At 31 March 2024</u>					
Financial assets					
Trade and other receivables # (Note 10)	8,139,493	8,139,493	8,139,493	-	-
Amounts due from related parties (Note 11)	3,082,297	3,082,297	3,082,297	-	-
Cash and bank balances (Note 12)	3,455,369	3,455,369	3,455,369	-	-
	14,677,159	14,677,159	14,677,159	-	-
Financial Liabilities					
Trade and other payables (Note 15)	664,080	664,080	664,080	-	-
Amounts due to related parties (Note 17)	10,533,118	10,533,118	10,533,118	-	-
Bank borrowings (Note 18)	4,818,181	5,901,982	1,371,172	4,530,810	-
Lease liabilities (Note 19)	1,466,127	2,048,892	259,298	665,799	1,123,795
	17,481,506	19,148,072	12,827,668	5,196,609	1,123,795
Total net undiscounted financial liabilities	(2,804,347)	(4,470,913)	1,849,491	(5,196,609)	(1,123,795)

Exclude prepayments, goods and services tax receivables and withholding tax.

33 Fair value measurementDefinition of fair value

FRSs define fair value as 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.

Fair value measurement of financial instruments

The carrying values of variable rate bank loan approximates its fair value.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

Finance lease liabilities

The carrying amounts of finance lease liabilities approximate fair value as they bear interest at rates which approximate the current incremental borrowing rates for similar types of lending and borrowing arrangements.

Notes to the financial statements for the financial year ended 31 March 2025**33 Fair value measurement (Cont'd)**Fair value measurement of financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different Levels have been defined as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of non-financial asset measured at fair value as at 31 March 2025 and 31 March 2024:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2025				
Financial assets at fair value through other comprehensive income (Note 8)	-	-	2,141,983	2,141,983
Investment properties (Note 6)	-	-	-	-
2024				
Financial assets at fair value through other comprehensive income (Note 8)	-	-	2,364,193	2,364,193
Investment properties (Note 6)	-	-	-	-

The following table shows the Company's valuation technique used in measuring Level 3 fair value in respect of investment properties as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Direct comparison method	<ul style="list-style-type: none"> - Price per square meter - Adjustment factor 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> - price per square meter was higher (lower) - adjustment factor was favourable/(not favourable)
Financial assets at fair value through other comprehensive income	Discounted cash flows	Discount rate	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

Notes to the financial statements for the financial year ended 31 March 2025

34 Contingent liabilities

At the end of the reporting period, there were unsecured contingent liabilities not provided in the financial statements as follows:

	2025 US\$	2024 US\$
Banker's guarantee	60,816	59,666

The banker's guarantee is a security deposit, guaranteed by the bank on behalf of the Company, to ensure the performance of its obligations under the contract with the customer.

35 Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 22 MAY 2025

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Financial Statements

For the year ended 31 March 2025

Postal Address: PO Box 1152, North Sydney NSW 2059 ABN 87 220 762 178

TEL: 02 9922 7144 info@pageharrison.com.au FAX: 02 9929 0977

Liability Limited by a scheme approved under Professional Standards Legislation



Page Harrison & Co

CHARTERED • ACCOUNTANTS

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Auditor's independence declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2025, there have been no contraventions of:

- the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Page Harrison & Co
Chartered Accountants

Gregory Richards

Dated: 30 April 2025

Postal Address: PO Box 1152, North Sydney NSW 2059 ABN 87 220 762 178

TEL: 02 9922 7144 info@pageharrison.com.au FAX: 02 9929 0977

Liability Limited by a scheme approved under Professional Standards Legislation

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 March 2025

	Note	2025 \$	2024 \$
Revenue	4	12,442,016	15,085,493
Finance income	5	48,219	-
Other income	4	87,000	79,750
Total income		12,577,235	15,165,243
Changes in inventories of finished goods		708,344	(191,786)
Depreciation and amortisation		278,825	283,003
Employee benefits		987,319	1,009,936
Directors' benefits		312,300	369,514
Finance expenses		18,979	10,506
Materials, freight and consumables used		8,698,862	11,971,312
Other expenses		755,480	893,301
Bad and doubtful debts		1,110	-
Provision for inventory diminution		41,778	30,137
Total expenses		11,802,997	14,375,923
Profit before income tax		774,238	789,320
Income tax expense	7	(208,242)	(228,855)
Profit/ (loss) for the year		565,996	560,465

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Statement of financial position
As at 31 March 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,021,122	630,348
Trade and other receivables	9	3,052,148	3,647,478
Inventories	10	4,682,288	5,389,932
Deferred tax assets	17	144,182	122,320
Other assets	13	97,278	82,922
Total current assets		8,997,018	9,873,000
Non-current assets			
Property, plant and equipment	11	5,794	6,818
Investment in associated company	12	53,515	5,781
Right-of-use assets	14	208,525	482,786
Total non-current assets		267,834	495,385
Total assets		9,264,852	10,368,385
Liabilities			
Current liabilities			
Trade and other payables	15	4,345,430	5,637,808
Current tax liabilities	17	107,325	232,747
Lease liabilities	14	249,411	303,600
Employee benefits	16	98,555	92,983
Total current liabilities		4,800,721	6,267,138
Non-current liabilities			
Lease liabilities	14	-	249,411
Employee benefits	16	100,634	54,335
Total non-current liabilities		100,634	303,746
Total liabilities		4,901,355	6,570,884
Net assets		4,363,497	3,797,501
Equity			
Share capital	20	200,000	200,000
Retained earnings		4,163,497	3,597,501
Total equity		4,363,497	3,797,501

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Statement of changes in equity For the year ended 31 March 2025

2024	Ordinary shares	Retained earnings	Total
	\$	\$	\$
Balance at 1 April 2023	200,000	3,037,036	3,237,036
Profit for the year	-	560,465	560,465
Balance at 31 March 2024	200,000	3,597,501	3,797,501

2025	Ordinary shares	Retained earnings	Total
	\$	\$	\$
Balance at 01 April 2024	200,000	3,597,501	3,797,501
Profit for the year	-	565,996	565,996
Balance at 31 March 2025	200,000	4,163,497	4,363,497

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Statement of Cash Flows for the year ended 31 March 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,913,618	14,161,443
Dividend received		48,211	-
Interest received		8	-
Payments to suppliers and employees		(12,833,432)	(13,437,547)
Interest paid		(18,979)	(10,506)
Income tax received / (paid)		(355,526)	(15,409)
Net cash (used in)/generated from operating activities	24	753,900	697,981
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in related party		(47,735)	-
Payment for property, plant and equipment		(3,538)	(2,115)
Net cash used in investing activities		(51,273)	(2,115)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(303,600)	(279,386)
Net cash used in financing activities		(303,600)	(279,386)
Net increase/ decrease in cash held		399,027	416,480
Effects of exchange rate changes on cash and cash equivalents		(8,253)	(4,853)
Cash on hand at the beginning of the financial year		630,348	218,721
Cash on hand at the end of the financial year	8	1,021,122	630,348

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Notes to the financial statements
For the year ended 31 March 2025

1. Introduction

The financial report covers Usha Martin Australia Pty Ltd as an individual entity. Usha Martin Australia Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Usha Martin Australia Pty Ltd is Australian dollars.

The principal activities of the Company for the year ended 31 March 2025 involved the importation and sale of steel wire ropes and products.

The financial report was authorised for issue by the Directors on the same date as per the directors report.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3. Material accounting policy information

a. Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence (usually in the form of an executed sales agreement) of an arrangement exists and:

- there has been a transfer of risks and rewards to the customer;
- no further work or processing is required by the company;
- the quantity and quality of the goods has been determined with reasonable accuracy;
- the price is fixed or determinable;
- collectability is reasonably assured.

Revenue is therefore generally recognised when title passes which is usually at the point of delivery. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Usha Martin Australia Pty Ltd

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

a. Revenue Recognition (continued)

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

b. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is receivable from, or payable to, the ATO are classified as operating cash flows.

c. Leasing

The company applies AASB 16 Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The company has lease contracts for premises and vehicles. Under AASB 16, the company has applied a single recognition and measurement approach for all leases that it is the lessee, except for short term leases and leases of low-value assets. The company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Right of use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are subject to impairment. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Usha Martin Australia Pty Ltd

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

c. Leasing (continued)

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating a lease, if the lease term reflects the company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

d. Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the year in which these are incurred.

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

e. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

f. Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the financial year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. No deferred tax asset relating to unused tax losses has been recognised at balance date.

Usha Martin Australia Pty Ltd

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

f. Income Tax (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

h. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a specific item basis.

i. Investments

Current investments are valued at lower of cost and net realisable value. Long term investments are stated at cost and a diminution provision is carried where the market value is less than cost.

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

j. Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

- Plant and equipment 1–5 years
- Furniture and fixtures 6–10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

k. Impairment of non-financial assets

At the end of each reporting period the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Usha Martin Australia Pty Ltd

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

k. Impairment of non-financial assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that could have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l. Financial instruments

Financial assets

Financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognises the financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following financial assets: loans and receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial liabilities

Financial liabilities are recognised initially on the date, which is the date that the company becomes a party to the contractual provisions of the instrument.

Usha Martin Australia Pty Ltd

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

l. Financial instruments (continued)

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either settle on a net basis to realise the asset and settle the liability simultaneously.

The company classified financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

m. Foreign currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign currency monetary assets and liabilities are translated at the balance date rates. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

n. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. 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.

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Notes to the financial statements

For the year ended 31 March 2025

3. Material accounting policy information (continued)

o. Use of Estimates and Judgments

The preparation of financial statements in conformity with the Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

There are no judgements made by management in the application of the Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

p. Adoption of new and revised accounting standards

The Company has adopted all Standards which became effective for the first time at 31 March 2025, none of the new standards had a material impact on the reported financial position or performance.

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Notes to the financial statements
For the year ended 31 March 2025

4. Revenue and other income

a. Revenue from continuing operations

	2025 \$	2024 \$
Revenue from contracts with customers		
Sales of goods	12,494,467	15,141,719
Revenue from other sources		
Currency gain/(loss)	(52,451)	(56,226)
	<u>12,442,016</u>	<u>15,085,493</u>

b. Other income

Rental income	<u>87,000</u>	<u>79,750</u>
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c. Expenses

Expenses

Cost of sales	9,448,984	11,809,663
Bad and doubtful debts	1,110	-
Management fees	150,000	150,000
Operating lease	<u>139,851</u>	<u>139,680</u>

5. Finance income

Interest income	8	-
Dividend received	48,211	-
	<u>48,219</u>	<u>-</u>

6. Result for the year

The result for the year includes the following specific expenses:

Expenses

Cost of sales	9,448,984	11,809,663
Management fees	150,000	150,000
Operating lease	<u>139,851</u>	<u>139,680</u>

Usha Martin Australia Pty Ltd

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Notes to the financial statements
For the year ended 31 March 2025

7. Income tax expense

a. Components of income tax expense comprise:

	2025	2024
	\$	\$
Current tax	186,379	209,555
Deferred tax	21,863	19,300
	<u>208,242</u>	<u>228,855</u>

b. The prima facie tax payable on profit from ordinary activities is reconciled to the income tax expense/benefit as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2024: 30%)	232,271	236,796
Less tax effect of:		
Tax effect of permanent differences	(24,029)	(7,941)
Income tax attributable to parent entity	<u>208,242</u>	<u>228,855</u>

8. Cash and cash equivalents

a. Bank accounts

Westpac Business One 0483	760,037	523,732
Westpac USD Account 3400	261,085	106,616
	<u>1,021,122</u>	<u>630,348</u>

b. Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to items in the Statement of financial position as follows:

Cash	<u>1,021,122</u>	<u>630,348</u>
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Usha Martin Australia Pty Ltd

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Notes to the financial statements
For the year ended 31 March 2025

9. Trade and other receivables

Current	2025 \$	2024 \$
Trade and other receivables*	3,052,148	3,647,478
Trade Debtors*		
- External Parties	2,954,403	3,551,596
- Related parties	97,745	95,882
	3,052,148	3,647,478

Trade receivables are recognised and carried at original invoice amount less any allowance for uncollectable amounts. Terms of settlement vary up to 120 days. The carrying amount of the receivable is deemed to reflect fair value.

Provision for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

a. Age of receivables that are past due but not impaired

	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
31 March 2024					
Trade debtors	1,622,488	634,240	1,260,051	130,699	3,647,478
31 March 2025					
Trade debtors	1,495,761	903,388	359,503	293,496	3,052,148

Movement in the provision for doubtful debts

Balance at beginning of the period	-	-
Net provision written back	-	-
Balance at end of the year	-	-

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Notes to the financial statements
For the year ended 31 March 2025

10. Inventories

Current	2025 \$	2024 \$
Stock in transit	878,385	835,905
Stock on hand	4,006,645	4,714,990
Provision for diminution in value	(202,742)	(160,963)
	<u>4,682,288</u>	<u>5,389,932</u>

11. Property, plant and equipment

Plant and equipment

At Cost	158,566	155,028
Less Accumulated Depreciation	(153,812)	(149,664)
	<u>4,754</u>	<u>5,364</u>

Furniture, fixtures and fittings

At Cost	13,170	13,170
Less Accumulated Depreciation	(12,130)	(11,716)
	<u>1,040</u>	<u>1,454</u>
	<u>5,794</u>	<u>6,818</u>

Movements in carrying amounts of property, plant and equipment

	Plant and equipment \$	Furniture and fixtures \$	Total \$
Year ended 31 March 2024			
Balance at beginning of the year	11,886	1,558	13,444
Additions	1,752	363	2,115
Depreciation expense	(8,274)	(467)	(8,741)
	<u>5,364</u>	<u>1,454</u>	<u>6,818</u>
Year ended 31 March 2025			
Balance at beginning of the year	5,364	1,454	6,818
Additions	3,538	-	3,538
Depreciation expense	(4,148)	(414)	(4,562)
	<u>4,754</u>	<u>1,040</u>	<u>5,794</u>

12. Investment in associated company

PT Usha Martin Indonesia	<u>53,515</u>	<u>5,781</u>
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Usha Martin Australia Pty Ltd

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Notes to the financial statements
For the year ended 31 March 2025

13. Other assets

Current	2025 \$	2024 \$
Deposits paid	73,600	73,600
Prepayments	23,678	9,322
	<u>97,278</u>	<u>82,922</u>

14. Leases

a. Company as a lessee

The Company has leases over two buildings - Western Australia (WA) and New South Wales (NSW). The building lease for the NSW is for the corporate office and warehouse. There are 2 years remaining with a 5 year option extension at the discretion of the Company. The rentals are subject to a fixed increase of 3.5% for the initial term of 10 years. Whereas the building lease locating in WA is sublease as warehouse.

i. Right-of-use assets

Lease building	1,237,006	1,237,006
Accumulated depreciation	(1,028,481)	(754,220)
	<u>208,525</u>	<u>482,786</u>

ii. Lease liabilities

1 year	255,025	322,580
1 - 5 years	-	255,025
Total undiscounted lease liabilities	<u>255,025</u>	<u>577,605</u>

Lease liabilities included in the statement of financial position

Lease liabilities - current	249,411	303,600
Lease liabilities - non-current	-	249,411
Total Lease liabilities	<u>249,411</u>	<u>553,011</u>

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Notes to the financial statements
For the year ended 31 March 2025

14. Leases (continued)

a. Company as a lessee (continued)

iii. Statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2025	2024
	\$	\$
Interest expense on lease liabilities	18,979	10,506
Depreciation rights-of-use assets	274,262	274,262
	<u>293,241</u>	<u>284,768</u>

Statement of Cash Flows

Total cash outflow for leases	<u>322,580</u>	<u>312,603</u>
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15. Trade and other payables

Current

Trade payables*	4,030,792	5,291,203
Other payables	314,638	346,605
	<u>4,345,430</u>	<u>5,637,808</u>

*Trade payables

- External parties	123,526	141,284
- related parties	3,907,266	5,149,919
	<u>4,030,792</u>	<u>5,291,203</u>

16. Employee benefits

a. Employee benefit details

Current

Employee entitlements	<u>98,555</u>	<u>92,983</u>
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Current

Employee entitlements	<u>100,634</u>	<u>54,335</u>
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Usha Martin Australia Pty Ltd

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Notes to the financial statements
For the year ended 31 March 2025

17. Tax assets and liabilities

Current tax assets	2025	2024
	\$	\$
Deferred tax	144,182	122,320
Current tax liabilities		
Provision for income tax	107,325	232,747

18. Financial risk management

Financial assets

Cash and cash equivalents	1,021,122	630,348
Trade and other receivables	3,052,148	3,647,478
Investment	53,515	5,781
	4,126,785	4,283,607

Financial liabilities

Trade and other payables	4,594,841	5,941,408
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The company's financial instruments consist of deposits with banks, accounts receivable and payable, loans and leases.

Categories of financial instruments

a. Interest rate risk

The company has no external borrowings. Its parent entity provides any required financial support.

b. Foreign currency risk

The company is exposed to currency fluctuations as it acquires inventory in US dollars and Australian dollars and sells product in US dollars and Australian dollars.

The company adopts a natural hedge strategy by generally aligning the US currency purchases with US currency sales and Australian currency purchases with Australian currency sales.

c. Liquidity risk

The company manages liquidity risk by monitoring cash flow forecasts and securing long payment terms in respect of purchases.

d. Credit risk

There is no material credit risk.

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Notes to the financial statements

For the year ended 31 March 2025

18. Financial risk management (continued)

e. Price risk

The company is exposed to commodity price variances in respect of steel. However, 100% of inventory purchases are acquired from related parties.

19. Key management personnel remuneration

The remuneration paid to key management personnel of Usha Martin Australia Pty Ltd during the year is as follows:

Short-term employee benefits	312,300	369,514
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20. Share capital

a. Share capital summary

	2025 No.	2025 \$	2024 No.	2024 \$
Ordinary shares	200,000	200,000	200,000	200,000

b. Ordinary shares

Ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

21. Auditor's remuneration

	2025 \$	2024 \$
Assurance services	37,000	35,000
Other services	24,000	20,200
	61,000	55,200

22. Contingencies

In the opinion of the directors, the Company did not have any contingencies at 2025 (2024: None).

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Notes to the financial statements
For the year ended 31 March 2025

23. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent company

The determination of operating profit before income tax included the following items, which resulted from transactions with the parent company:

	2025	2024
	\$	\$
Purchase of materials	4,759,959	6,232,348
Management fees	150,000	150,000
Aggregate amounts payable to the parent company	2,521,692	2,454,464

Associated companies

Transactions with associated companies:

The determination of operating profit before income tax included the following items, which resulted from:

Purchase of steel wire products

Usha Martin India Limited	1,011,561	1,488,551
Usha Siam Steel Industries Public Company	2,154,293	2,646,948
Brunton Shaw UK	159,929	599,364
EMM Corporation	-	55,359
BAJ	111,575	-

Commission Received

Usha Martin India Limited	-	33,580
Usha Martin Americas Inc	35,615	65,278

Aggregate amounts receivable from associated companies

Usha Martin Americas Inc	97,745	92,883
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Aggregate amounts payable to associated companies

Usha Martin India Limited	651,806	1,004,172
Usha Siam Steel Industries Public Company	773,005	1,011,825
Brunton Shaw UK	108,764	242,753

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Notes to the financial statements
For the year ended 31 March 2025

24. Cash flow information

	2025 \$	2024 \$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit/ (loss) from ordinary activities after income tax	565,996	560,465
Non-cash flows in profit	-	
Depreciation	4,563	8,741
Depreciation - right of use asset	274,262	274,262
Effects of exchange rate changes on cash and cash equivalents	8,253	4,853
Changes to provisions	-	
Inventory diminution	41,779	30,137
Employee entitlements	51,871	(34,382)
Changes in assets and liabilities	-	
(Increase)/decrease in trade debtors	595,330	(1,326,663)
(Increase)/decrease in other debtors	(14,357)	76,973
(Increase)/decrease in inventory	665,865	194,019
(Increase)/decrease in deferred taxes	(21,862)	(19,301)
(Decrease)/increase in trade creditors	(1,260,411)	606,254
(Decrease)/increase in other creditors	(31,967)	89,876
(Decrease)/increase in provision for income tax	(125,422)	232,747
Cash flow from operations	753,900	697,981

25. Economic dependence

The continued activity of the company is dependent on the supply of product from its parent and associated entities worldwide.

The company has a material customer that comprised 26% of the gross sales revenue of the company for the year.

26. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Notes to the financial statements

For the year ended 31 March 2025

27. Company details

The registered office and principal place of business of the Company is:

Usha Martin Australia Pty Ltd
199 Hassall Street
Wetherill Park NSW Australia
2164

The parent entity is:

Usha Martin Singapore Pte. Ltd.

28. Segment reporting

The company operates in one business segment being the sale of steel wire ropes and products.

The company operates predominantly in one geographical segment being Australia and New Zealand.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Directors' declaration

In the directors opinion:

The financial statements and notes for the year ended 31 March 2025 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 31 March 2025 and of the performance for the year ended on that date of the Company.

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Anurag Bhatia
Director

Dated: 30 April 2025



Mr Tapas Gangopadhyay
Director



Page Harrison & Co

CHARTERED • ACCOUNTANTS

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Usha Martin Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Company's financial position as at 31 March 2025 and of its financial performance for the year ended; and
- complying with the Australian Accounting Standards Standard and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Postal Address: PO Box 1152, North Sydney NSW 2059 ABN 87 220 762 178

TEL: 02 9922 7144 info@pageharrison.com.au FAX: 02 9929 0977

Liability Limited by a scheme approved under Professional Standards Legislation

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report

Basis for opinion (continued)

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the general purpose financial report that gives a true and fair view in accordance with the Australian Accounting Standards in accordance with the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Usha Martin Australia Pty Ltd'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 intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

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

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

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report

Auditor's Responsibilities for the Audit of the Financial Report (continued)

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Page Harrison & Co
Chartered Accountants



Gregory Richards

Dated: 30 April 2025

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Compilation Report to Usha Martin Australia Pty Ltd

Scope

On the basis of information provided by the directors of Usha Martin Australia Pty Ltd, we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of Usha Martin Australia Pty Ltd for the year ended 31 March 2025 as set out on the following pages.

The specific purpose for which the special purpose financial report has been prepared is to provide confidential information to the directors and the member. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the directors and for the purpose that the financial report was prepared.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The financial report was prepared for the benefit of the company and its member and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Page Harrison & Co

Chartered Accountants



Gregory Richards

Dated: 30 April 2025

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2025

	2025	2024
	\$	\$
Sales	12,494,467	15,141,719
Cost of sales		
Opening stock	4,714,990	4,523,204
Purchases	8,154,835	11,408,375
Provision for diminution in inventory	41,778	30,137
Container repair	344	-
Cutting cost	1,045	-
Freight inwards	189,596	219,536
Freight outwards	129,479	78,798
	32,100	-
Hire of equipment	16,083	26,624
Labour hire	2,100	541
Materials testing	-	(8,366)
Detention fees	1,747	7,529
Storage	4,247	481
Import duty	72,167	133,170
Gas	1,832	2,109
Port service charges	93,287	102,515
	13,455,630	16,524,653
Closing stock	(4,006,645)	(4,714,990)
Total cost of sales	9,448,984	11,809,663
Gross profit from trading	3,045,483	3,332,056

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2025

	2025 \$	2024 \$
Income		
Gross profit from trading	3,045,483	3,332,056
	48,211	-
Interest received	8	-
Currency gain/(loss)	(52,451)	(56,226)
Rental income	87,000	79,750
Total income	3,128,251	3,355,580
Expenses		
Accountancy	24,000	20,200
Advertising and promotion	13,718	17,116
Audit fees	37,000	35,000
Bad and doubtful debts	1,110	-
Bank fees and charges	820	1,061
Cleaning and rubbish removal	5,064	6,994
Computer expenses	7,105	8,802
Commissions	35,374	44,388
Consulting fees	65,125	251,964
Depreciation expenses	278,825	283,003
Electricity and gas	1,500	5,019
Filing fees	521	310
Fringe benefits tax	28,593	30,081
Health & Safety check	-	7,967
Insurance	54,920	67,700
Interest expenses	18,979	10,506
Leave travel allowance	6,500	7,500
Legal and professional fees	-	3,348
Management fees	150,000	150,000
Medical expenses	6,691	7,432
Motor vehicle lease	48,304	57,137
Payroll tax	13,142	24,016
Postage, printing and stationery	1,398	4,832
Private Health Insurance	5,292	-
Protective clothing	227	251
Provision for employee entitlements	51,371	(35,882)
Rent	139,851	139,680
Rent Sublet Expenses	-	8,443
Repairs and maintenance	12,908	9,597
Staff amenities and training	676	3,172

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2025

	2025	2024
	\$	\$
Standard certification	-	(9,000)
Subscriptions	4,508	2,189
Superannuation	117,730	120,935
Telephone	4,424	4,433
Travel expenses	107,663	97,827
Wages and salaries	1,093,200	1,163,797
Workers' compensation insurance	17,474	16,442
Total Expenses	2,354,013	2,566,260
Profit/(loss) before income tax	774,238	789,320

USHA MARTIN VIETNAM COMPANY LIMITED

(Incorporated in Vietnam)

Tax code: 0307287151

RẢN LƯU U&I

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

No.: 07.07-160425/ULSG

INDEPENDENT AUDITORS' REPORT

To: Owner and General Director of Usha Martin Vietnam Company Limited

We have audited the accompanying financial statements of Usha Martin Vietnam Company Limited ("the Company"), approved on April 16, 2025, which comprise the balance sheet as at March 31, 2025, the related income statement, the cash flow statement for the year then ended, and the notes to the financial statements, as set out on pages 3 to 18.

General Director's responsibility for the financial statements

General Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, Vietnamese enterprise accounting system and applicable regulations relevant to the preparation and presentation of financial statements and for such internal control as General Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by General Director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, Vietnamese enterprise accounting system and applicable regulations relevant to the preparation and presentation of financial statements in Vietnam.



Pham Nguyen Truong Son

General Director

Registered No.: 0853-2023-051-1

For and on behalf of

U&I AUDITING COMPANY LIMITED

April 16, 2025

Tran Thuy Duong

Auditor

Registered No.: 4258-2023-051-1

U&I AUDITING COMPANY LIMITED

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USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

BALANCE SHEET

As at March 31, 2025

FORM B 01 - DN

Currency: VND

ASSETS	Code	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		40,573,694,457	35,840,953,687
I. Cash and cash equivalents	110	V.1	3,477,276,635	1,519,939,659
Cash	111		3,477,276,635	1,519,939,659
II. Short-term accounts receivable	130		8,044,463,312	11,698,479,825
1. Short-term trade accounts receivable	131	V.2	8,019,463,312	11,543,959,160
2. Short-term advances to suppliers	132		-	10,500,000
3. Other short-term receivables	136	V.3	25,000,000	144,020,665
III. Inventories	140		28,274,335,186	22,087,808,460
Inventory	141	V.4	28,274,335,186	22,087,808,460
IV. Other current assets	150		777,619,324	534,725,743
1. Short-term prepaid expenses	151		-	18,901,106
2. Value-added tax deductible	152	V.5	656,064,225	461,387,833
3. Taxes and amounts receivable from State budget	153	V.10	121,555,099	54,436,804
B. NON-CURRENT ASSETS	200		977,070,752	1,159,876,322
I. Long-term receivables	210		173,685,000	173,685,000
Other long-term receivables	216	V.3	173,685,000	173,685,000
II. Fixed assets	220		772,787,289	940,115,244
Tangible fixed assets	221	V.6	772,787,289	940,115,244
- Cost	222		1,739,045,455	1,698,136,364
- Accumulated depreciation	223		(966,258,166)	(758,021,120)
III. Other non-current assets	260		30,598,463	46,076,078
1. Long-term prepaid expenses	261	V.7	30,598,463	24,749,877
2. Deferred income tax assets	262		-	21,326,201
TOTAL ASSETS	270		41,550,765,209	37,000,830,009

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

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

BALANCE SHEET

As at March 31, 2025

FORM B 01 - DN

Currency: VND

RESOURCES	Code	Notes	Closing balance	Opening balance
C. LIABILITIES	300		21,405,607,962	16,219,871,790
Short-term liabilities	310		21,405,607,962	16,219,871,790
1. Short-term trade accounts payable	311	V.8	20,935,015,894	16,015,940,559
2. Short-term advances from customers	312	V.9	310,792,000	35,808,000
3. Taxes and amounts payable to State budget	313	V.10	63,444,550	61,324,935
4. Short-term accrued expenses	315	V.11	96,355,518	106,798,296
D. OWNER'S EQUITY	400		20,145,157,247	20,780,958,219
Capital sources and funds	410	V.12	20,145,157,247	20,780,958,219
1. Owner's capital	411		6,308,700,000	6,308,700,000
2. Retained earnings	421		13,836,457,247	14,472,258,219
- Retained earnings brought forward	421a		14,472,258,219	14,388,278,428
- Retained earnings in current year	421b		(635,800,972)	83,979,791
TOTAL RESOURCES	440		41,550,765,209	37,000,830,009



Phạm Phú Quý
General Director
April 16, 2025

Tran Thi Ngoc An
In charge of report cum Chief Accountant

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

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

INCOME STATEMENT

For the year ended March 31, 2025

FORM B 02 - DN

Currency: VND

ITEMS	Code	Notes	Current year	Prior year
1. Gross sales	01		38,346,000,014	43,029,105,543
2. Less deductions	02		111,482,420	-
3. Net sales	10	VI.1	38,234,517,594	43,029,105,543
4. Cost of sales	11	VI.2	33,653,002,336	37,794,748,631
5. Gross profit	20		4,581,515,258	5,234,356,912
6. Financial income	21	VI.3	377,690,763	142,195,532
7. Financial expenses	22	VI.4	1,048,389,755	1,051,967,412
In which: Interest expenses	23		-	-
8. Selling expenses	25	VI.5	235,646,500	166,902,350
9. General and administration expenses	26	VI.6	4,264,304,801	4,281,482,624
10. Profit from operating activities	30		(589,135,035)	(123,799,942)
11. Other income	31		1,070	307,804,125
12. Other expenses	32		25,340,806	80,514,147
13. Profit from other activities	40		(25,339,736)	227,289,978
14. Net profit before tax	50		(614,474,771)	103,490,036
15. Current corporate income tax expense	51	VI.7	-	18,483,608
16. Deferred corporate income tax expense	52	VI.8	21,326,201	1,026,637
17. Net profit after tax	60		(635,800,972)	83,979,791



Phạm Phú Quý
General Director
April 16, 2025

Tran Thi Ngoc An
In charge of report cum Chief Accountant

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

Financial statements for the year ended March 31, 2025

(Indirect method)

Currency: VND



Tran Thi Ngoc An
In charge of report cum Chief Accountant

6

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

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

I. CORPORATE INFORMATION

1. Form of ownership

Usha Martin Vietnam Company Limited ("the Company") has been incorporated in Vietnam as a wholly foreign-owned enterprise in the form of a limited liability company under the investment certificate No. 411043000983 granted by the People's Committee of Ho Chi Minh City on February 24, 2009, as replaced by the investment registration certificate with the project code No. 2157937915 dated December 12, 2018, and the enterprise registration certificate No. 0307287151 dated February 24, 2009, together with the amended certificates.

Operational period of the Company's investment project is 50 years from February 24, 2009.

The Company was granted the branch registration certificate No. 5014000001 by the People's Committee of Long An Province - the Economic Zone Authority on February 10, 2012, as amended for the first time on March 27, 2012 for establishment of the Company's branch at F.2A, Long Hau - Hiep Phuoc Road, Long Hau Industrial Park, Long Hau Commune, Can Giuoc District, Long An Province, Vietnam.

The head office of the Company is located at No. 36/34, Nguyen Gia Tri Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

The Company has leased the warehouse from Toan Phat Services Trading Logistics Joint Stock Company for storage of goods at No. 100/1G, Dong An 2 Quarter, Binh Hoa Ward, Thuan An City, Binh Duong Province, Vietnam.

Owner of the Company is Usha Martin Singapore Pte. Ltd., incorporated in Singapore.

The Company's total number of staffs at the end of the year is 03 employees (that was 03 employees at the beginning of the year).

2. Business activities

The business activities of the Company in current year are exercising the right to export, the right to import, the right to wholesale distribute (without wholesale establishment), and the right to retail distribute (without retail establishment) goods with the following HS codes: 7206, 7207, 7211, 7213, 7214, 7215, 7217, 7227, 7228, 7229, and 7312 for clients who are traders, units and organizations having the right to distribute the corresponding goods or use such goods in the manufacture and construction processes under the law of Vietnam.

3. Ordinary business cycle

Ordinary business cycle of the Company does not exceed 12 months.

II. FISCAL YEAR, CURRENCY IN BOOKKEEPING

1. Fiscal year

The Company's fiscal year is from April 01 to March 31.

2. Currency

Currency officially used in bookkeeping is Vietnamese Dong (VND).

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

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

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting system

The Company has applied Vietnamese Accounting System in accordance with Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 75/2015/TT-BTC dated May 18, 2015 and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance.

2. Declaration of adopting Accounting Standards and Accounting System

The financial statements have been prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The financial statements have been translated from Vietnamese version issued in Vietnam into English.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been adopted by the Company in the preparation of these financial statements as follows:

1. Foreign currency transactions

Transactions which are not in VND are translated into VND at the real exchange rates as the one which approximates the average transfer selling and buying rate of the commercial bank where the Company has regular transactions. The approximate exchange rate must ensure its difference does not exceed +/-1% compared with the average transfer selling and buying rate.

The average transfer selling and buying rate is determined daily on the basis of arithmetic average between the daily transfer buying rate and selling rate of the commercial bank where the Company has regular transactions.

At the balance sheet date, the Company shall use the transfer exchange rate of the commercial bank where the Company has regular transactions to revalue the monetary assets and liabilities denominated in foreign currencies. This transfer exchange rate may be the average transfer selling and buying rate of the commercial bank where the Company has regular transactions.

Foreign exchange differences derived from the above transactions are all disclosed in the Income statement.

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments for a period not exceeding three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Receivables

Receivables reflect the amounts which shall be receivable from customers and others, which are presented at net book value as reduced by provision for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***4. Inventories**

Inventories are stated at the historical cost. In case the net realizable value is lower than the historical, inventories are stated at the net realizable value. The cost of inventories should comprise all costs of purchase, costs of conversion and other directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to make the sale.

Inventories are calculated using the specific identification method.

Inventories are accounted for using the perpetual method.

5. Prepaid expenses

Prepaid expenses comprise short-term and long-term prepaid expenses, reflecting the actual costs incurred but not yet fully charged to the expenses of the period as those costs relate to many bookkeeping periods and are allocated into the expenses over the time in which the economic benefits associated with those costs flow to the enterprise.

6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenses incurred after initial recognition are only entitled to record to increase the historical costs of tangible fixed assets if it is definite that, by using those assets, future economic benefits will surely be obtained from those expenses. Incurred expenses do not satisfy the above criteria are determined as business and operation expenses in the fiscal year.

In case of transfer or disposal of tangible fixed assets, the historical costs and accumulated depreciation are written off while the profit or loss from the transfer or liquidation is recorded into income or expenses in the fiscal year.

Depreciation is charged so as to write off the cost over their estimated useful lives according to the straight-line method. Their estimated useful lives are shown specifically as follows:

	<u>Years</u>
Means of transport and transmission	8 - 10
Office equipment	3

7. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts which shall be paid in the future related to the goods purchased and the services utilized, irrespective of whether the Company has received the invoices from the suppliers or not.

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***8. Revenue and income***Sales from selling goods*

Sales from selling goods should be recognized when it can be measured reliably and satisfied all the following conditions:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- Sales are determined reliably. When contracts define that buyers are entitled to return products, goods purchased under specific conditions, the Company shall only record sales if such specific conditions no longer exist and buyers are not entitled to return products, goods (unless the customer is entitled to return the goods under the form of exchange for other goods or services); and
- The economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

9. Operating leases

Leases other than financial lease are classified as operating leases. Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

10. Taxes

Corporate income tax disclosed in the income statement includes current income tax and deferred income tax.

Current income tax is based on enacted tax rates and the results for the year as adjusted for items, which are deemed non-assessable or disallowed including losses carried forward, if any.

Deferred income tax is calculated using the balance sheet liability method, on temporary differences arising between the tax bases of assets or liabilities and their carrying amount in the balance sheet. Deferred income tax is calculated at the tax rates that are expected to apply in the period when the asset is realized or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Other taxes are applied in accordance with the prevailing tax laws of Vietnam.

11. Related parties

Parties are considered as related parties if the party is able to control or impact significantly on the other party in proposing decisions on financial and operation policies. Parties are also considered to be related if they are subject to same control or same significant influences.

In considering the relationship of the parties involved, it is focused on the nature of the relationship other than the legal form.

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***V. ADDITIONAL DETAILS OF ITEMS STATED IN THE BALANCE SHEET****1. Cash and cash equivalents**

	Closing balance VND	Opening balance VND
Cash on hand	94,854,690	49,578,690
Cash in bank	3,382,421,945	1,470,360,969
Total	3,477,276,635	1,519,939,659

2. Short-term trade accounts receivable

	Closing balance VND	Opening balance VND
Third parties		
Tran Thanh Phong Establishment	3,622,285,260	4,264,201,560
United Mekong Holding	899,140,000	971,748,800
Amos Vietnam Pte Ltd	834,005,700	305,030,000
Nguyen Xuan Thu household business	822,668,800	1,358,502,000
Others	1,841,363,552	4,644,476,800
Total	8,019,463,312	11,543,959,160

3. Other receivables

	Closing balance VND	Opening balance VND
Long-term deposits and mortgages	173,685,000	173,685,000
Container deposit charges	17,000,000	75,500,000
Short-term deposits and mortgages	8,000,000	3,300,000
Recovery of value-added tax on imports	-	44,832,756
Others	-	20,387,909
Total	198,685,000	317,705,665
Short-term	25,000,000	144,020,665
Long-term	173,685,000	173,685,000
Total	198,685,000	317,705,665

4. Inventories

	Closing balance VND	Opening balance VND
Goods in transit	5,610,960,466	2,730,072,513
Goods	22,663,374,720	19,357,735,947
Total	28,274,335,186	22,087,808,460

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***5. Value added tax deductible**

	Opening balance VND	Additions VND	Deductible VND	Closing balance VND
Value added tax deductible	461,387,833	3,822,134,851	3,627,458,459	656,064,225
Total	461,387,833	3,822,134,851	3,627,458,459	656,064,225

6. Tangible fixed assets

	Means of transport & transmission VND	Office equipment VND	Total VND
Cost			
Opening balance	1,698,136,364	-	1,698,136,364
Addition	-	40,909,091	40,909,091
Closing balance	1,698,136,364	40,909,091	1,739,045,455
Depreciation			
Opening balance	(758,021,120)	-	(758,021,120)
Charge for the year	(195,737,046)	(12,500,000)	(208,237,046)
Closing balance	(953,758,166)	(12,500,000)	(966,258,166)
Carrying amount			
Opening balance	940,115,244	-	940,115,244
Closing balance	744,378,198	28,409,091	772,787,289

7. Long-term prepaid expenses

	Current year VND	Prior year VND
Opening balance	24,749,877	19,790,438
Additions	24,200,000	20,449,000
Allocation	(18,351,414)	(15,489,561)
Closing balance	30,598,463	24,749,877

8. Short-term trade accounts payable

	Closing balance VND	Opening balance VND
Related parties		
Usha Martin Singapore Pte. Ltd.	20,910,946,806	16,015,940,559
Third parties		
Others	24,069,088	-
Total	20,935,015,894	16,015,940,559

As at March 31, 2025, the Company has no outstanding overdue trade accounts payable.

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***9. Short-term advances from customers**

	Closing balance VND	Opening balance VND
Third parties		
H.M.E Marine Equipment Company Limited	200,000,000	-
Long Son International Port Joint Stock Company	70,968,800	-
Kisrope Viet Nam Steel Cable Technology Limited Company	33,475,200	-
Others	6,348,000	35,808,000
Total	310,792,000	35,808,000

10. Taxes and amounts receivable from, payable to State budget

	Opening balance VND	Payable VND	Paid, withheld VND	Closing balance VND
Value-added tax	-	3,638,606,701	(3,638,606,701)	-
Value-added tax on imports	-	3,519,223,121	(3,519,223,121)	-
Import export duties	-	216,087,707	(216,087,707)	-
Corporate income tax	(54,436,804)	-	(67,118,295)	(121,555,099)
Personal income tax	61,324,935	278,432,018	(276,312,403)	63,444,550
Licensing fee	-	3,000,000	(3,000,000)	-
Total	6,888,131	7,655,349,547	(7,720,348,227)	(58,110,549)

	Closing balance VND	Opening balance VND
Taxes and amounts receivable from State budget	121,555,099	54,436,804
Taxes and amounts payable to State budget	63,444,550	61,324,935

11. Short-term accrued expenses

	Closing balance VND	Opening balance VND
Sales incentives	61,700,000	84,040,000
Auditing fee	22,758,296	22,758,296
Others	11,897,222	-
Total	96,355,518	106,798,296

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***12. Owner's equity**

According to the Company's investment registration certificate and enterprise registration certificate, the Company's investment capital and charter capital are USD 1,000,000 and USD 300,000 respectively. The paid-up capital by the Company's owner as at March 31, 2025 is as follows:

Per investment registration certificate and enterprise registration certificate	Contributed capital			
	Closing balance		Opening balance	
	USD	USD	VND	VND
Usha Martin Singapore Pte. Ltd.	300,000	300,000	6,308,700,000	6,308,700,000
Total	300,000	300,000	6,308,700,000	6,308,700,000

Increases, decreases in owner's equity	Share capital VND	Retained earnings VND	Total VND
Opening balance of prior year	6,308,700,000	14,388,278,428	20,696,978,428
Net profit of prior year	-	83,979,791	83,979,791
Closing balance of prior year,			
Opening balance of current year	6,308,700,000	14,472,258,219	20,780,958,219
Net profit earned in current year	-	(635,800,972)	(635,800,972)
Closing balance	6,308,700,000	13,836,457,247	20,145,157,247

13. Off balance sheet items

	Closing balance	Opening balance
Foreign currencies (USD)	8,771.80	2,116.94

VI. ADDITIONAL DETAILS OF ITEMS DISCLOSED IN INCOME STATEMENT**1. Net sales**

	Current year VND	Prior year VND
Goods sold	38,346,000,014	43,029,105,543
	38,346,000,014	43,029,105,543
Less:		
Sales returns	111,482,420	-
	111,482,420	-
Net sales	38,234,517,594	43,029,105,543

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***2. Cost of sales**

	Current year VND	Prior year VND
Opening balance of goods	22,087,808,460	15,675,392,295
Value of imports in current year	38,711,380,831	43,158,876,189
Import duty on goods	216,087,707	198,774,490
Transportation of goods	696,578,129	774,984,170
Other costs	215,482,395	74,529,947
Less: Closing balance of goods	(28,274,335,186)	(22,087,808,460)
Total	33,653,002,336	37,794,748,631

3. Financial income

	Current year VND	Prior year VND
Interest on demand deposits	5,093,124	8,217,150
Foreign exchange gain arising in the period	372,597,639	133,978,382
Total	377,690,763	142,195,532

4. Financial expenses

	Current year VND	Prior year VND
Foreign exchange loss arising in the period	942,254,742	806,539,259
Foreign exchange loss from year-end revaluation	106,135,013	245,428,153
Total	1,048,389,755	1,051,967,412

5. Selling expenses

	Current year VND	Prior year VND
Transportation of goods	217,271,500	142,250,000
Sales commissions	-	11,527,350
Others	18,375,000	13,125,000
Total	235,646,500	166,902,350

6. General and administration expenses

	Current year VND	Prior year VND
Salaries	2,402,033,500	2,462,560,998
Warehouse and office leases	920,103,871	904,119,393
Others	942,167,430	914,802,233
Total	4,264,304,801	4,281,482,624

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***7. Current corporate income tax expense**

The Company is obliged to pay the corporate income tax at the standard rate.

	Current year VND	Prior year VND
Profit before tax	(614,474,771)	103,490,036
Effect of:		
Adjustments to increase profit before tax	103,927,849	175,825,680
Adjustments to decrease profit before tax	(108,338,990)	(112,625,589)
Taxable income	(618,885,912)	166,690,127
Tax loss brought forward	-	(74,272,089)
Assessable income	(618,885,912)	92,418,038
Current corporate income tax expense	-	18,483,608

No provision for current corporate income tax expense has been provided as the Company has no taxable income arising for the year ended March 31, 2025.

Corporate income tax expense for the year ended March 31, 2025 is calculated on the estimated assessable income. Corporate income tax expense will be determined again by the tax authority through their tax reviews.

As the application of tax laws and regulations for different transactions, including the determination of arm's length prices in business transactions between related parties, may be understood in various ways, the corporate income tax expense recognized above may be adjusted in accordance with the conclusive decision of the tax authority.

8. Deferred corporate income tax expense

	Current year VND	Prior year VND
Deferred corporate income tax expense arising from reimbursement of deferred income tax assets	21,326,201	22,352,838
Deferred corporate income tax income arising from deductible temporary differences	-	(21,326,201)
Total	21,326,201	1,026,637

9. Expenses classified by factors

	Current year VND	Prior year VND
Staff	2,402,033,500	2,462,560,998
Outsourcing services	2,001,201,162	1,895,883,510
Purchases of goods	257,762,070	198,774,490
Depreciation and amortisation	208,237,046	195,737,040
Others	752,305,384	743,717,543
Total	5,621,539,162	5,496,673,581

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***VII. OTHER INFORMATION****1. Operating lease commitment**

The Company entered into agreements under operating leases as follows:

- Office lease contract No. 36/34.F501/2023/GIC-HDCTVP dated September 01, 2023 with GIC Viet Nam Development and Investment Corporation.
- Warehouse lease contract No. 338-2022/HD/TPL-UMV dated July 19, 2022 with Toan Phat Services Trading Logistics Joint Stock Company.

As at March 31, 2025, future lease amounts due under operating leases are as follows:

	Current year VND	Prior year VND
On demand or within one year	296,720,125	808,774,575
In the second to the fifth year inclusive	-	294,300,125
Total	296,720,125	1,103,074,700

2. Related-party transactionsRelated partiesRelationship

Usha Martin Singapore Pte. Ltd.
Mr. Pham Phu Qui

Owner
General Director

In the year ended March 31, 2025, the Company entered into significant economic transactions with its related parties as shown in the following table:

Usha Martin Singapore Pte. Ltd.:

	USD	Current year VND	USD	Prior year VND
Import of goods	1,492,401.67	37,807,348,031	1,789,486.92	43,158,876,189
<i>Quantity (Ton)</i>		<i>854.135</i>		<i>975.557</i>
Other income			12,869.80	307,801,847

	Current year VND	Prior year VND
Salaries and remuneration of General Director	1,545,402,000	1,615,550,998

3. Events arising after the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made to the financial statements.

USHA MARTIN VIETNAM COMPANY LIMITED

Financial statements for the year ended March 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

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

VIII. APPROVAL TO FINANCIAL STATEMENTS

The financial statements were approved by General Director of the Company for issue on April 16, 2025.



Phạm Phú Qui
General Director
April 16, 2025

Tran Thi Ngoc An
In charge of report cum Chief Accountant



PT USHA MARTIN INDONESIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
AND INDEPENDENT AUDITOR'S REPORT

PT USHA MARTIN INDONESIA

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KAP KANEL & REKAN

IU No. KEP-1435/KM.1/2021



*The Association of Advisory
and Accounting Firms*

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS, BOARD OF COMMISSIONERS, AND DIRECTORS

Report No: 00047/2.1363/AU.1/05/1809-1/1/IV/2025

PT Usha Martin Indonesia

Opinion

We have audited the accompanying financial statements of PT Usha Martin Indonesia ("the Company") which comprise statement of financial position as of 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 31 March 2025, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Usha Martin Indonesia as of 31 March 2025, and its financial performance and cash flows for the year ended 31 March 2025, in accordance with Indonesian Financial Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements paragraph in our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, 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 opinion.

Other Matter

The financial statements of the Company dated March 31, 2024, and for the year then ended, which are presented as comparative figures to the financial statements as of March 31, 2025 and for the year then ended, audited by KAP Kanel and Partners, signed by other independent auditor Ivan Kanel (Public Accountant license No. AP.0968) with independent auditor report 00034/2.1363/AU.1/05/0968-1/1/IV/2024 which expressed an unmodified opinion on the financial statements on April 16, 2024.

Management's Responsibility and Those Charged With Governance of Financial Statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities on Audit of 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 Standards on Auditing 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.

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KAP KANEL & REKAN

IU No. KEP-1435/KM.1/2021



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Auditor's Responsibilities on Audit of Financial Statements (Continued)

As part of an audit in accordance with Standards on Auditing, 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

KANEL DAN REKAN

Wenny Sugianto, SE., CPA
Public Accountant License No. AP. 1809
April 16, 2025



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PT USHA MARTIN INDONESIA
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
31 MARCH 2025
(Expressed US Dollar, unless otherwise stated)

	31 March 2025	Notes	31 March 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	454,184	3b, 3c, 5	441,409
Trade receivables			
Third parties - net	2,541,292	3d, 6	-
Other receivables			
Third parties	80	3e, 7	81,496
Inventory	1,053,197	3f, 8	18,900
Advances	-	9	1,113,896
Prepaid tax	568,174	3l, 17a	356,463
TOTAL CURRENT ASSETS	4,616,927		2,012,164
NON-CURRENT ASSETS			
Plant and equipment – net	17,148	3g, 3i, 10	21,230
Right of use assets – net	2,049	11	3,641
Deferred tax assets	40,725	3l, 17d	91,974
Other non current assets	3,908	12, 26	4,087
TOTAL NON-CURRENT ASSETS	63,830		120,932
TOTAL ASSETS	4,680,757		2,133,096

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT USHA MARTIN INDONESIA
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
31 MARCH 2025
(Expressed US Dollar, unless otherwise stated)

	31 March 2025	Notes	31 March 2024
EQUITY AND LIABILITIES			
LIABILITIES			
SHORT-TERM LIABILITIES			
Trade payables			
Related party	2,388,474	3e, 13, 24	-
Other payables			
Third party	29,497	3e, 14	-
Accrued expenses	30,210	16	36,250
Tax payables	2,979	3k, 17b	1,146
Advance from customer	1,487	15	-
Current maturities of long-term liabilities:			
Lease liabilities	-	3h, 11	1,409
TOTAL SHORT-TERM LIABILITIES	2,452,647		38,805
LONG-TERM LIABILITIES			
Employee benefit obligations	21,044	3l, 18	-
TOTAL LONG-TERM LIABILITIES	21,044		-
TOTAL LIABILITIES	2,473,691		38,805
EQUITY			
As of March 31, 2025, the Share capital – par value is USD1 per share. Authorized capital – 700.000 shares. Issued and fully paid-up capital – 700.000 shares.	700,000	19	100,000
As of March 31, 2024, the Share capital – par value is USD1 per share. Authorized capital – 100.000 shares. Issued and fully paid-up capital – 100.000 shares.			
Retained earnings	1,507,066		1,994,291
TOTAL EQUITY	2,207,066		2,094,291
TOTAL EQUITY AND LIABILITIES	4,680,757		2,133,096

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT USHA MARTIN INDONESIA
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
31 MARCH 2025
(Expressed US Dollar, unless otherwise stated)

	2025	Notes	2024
Sales – net	8,757,613	3j, 20	58,923
Cost of good sold	(7,267,814)	3j, 21	(43,865)
GROSS PROFIT	1,489,799		15,058
OPERATING EXPENSES			
General and administrative expenses	(1,170,915)	3j, 22, 26	(430,468)
OPERATING INCOME (LOSS)	318,884		(415,410)
Others income (expenses)	(154,860)	3j, 23, 26	(3,201)
INCOME (LOSS) BEFORE INCOME TAX EXPENSES	164,024		(418,611)
INCOME TAX BENEFIT (EXPENSES)			
Current tax	-	3k	(13,854)
Deferred tax	(51,249)	3k, 17d	91,974
NET INCOME (LOSS) FOR THE YEAR	112,775		(340,491)
Other comprehensive income to be reclassified to profit or loss in subsequent period :			
Remeasurement of defined benefit obligations	-		-
The effect of deferred tax assets on the remeasurement of defined benefit liability	-	3l, 18	-
OTHER COMPREHENSIVE INCOME – NET	-		-
NET COMPREHENSIVE INCOME (LOSS)	112,775		(340,491)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT USHA MARTIN INDONESIA
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 MARCH 2025 AND 2024
(Expressed in US Dollar, unless otherwise stated)

	Share capital	Retained earnings	Other comprehensive Income	Total Equity
Balance as of 1 April 2023	100,000	2,334,782	-	2,434,782
Net profit (loss) 2024	-	(340,491)	-	(340,491)
Balance as of 31 March 2024	100,000	1,994,291	-	2,094,291
Additional paid in capital	600,000	-	-	600,000
Dividends	-	(600,000)	-	(600,000)
Net profit (loss) 2025	-	112,775	-	112,775
Balance as of 31 March 2025	700,000	1,507,066	-	2,207,066

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT USHA MARTIN INDONESIA

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED
31 MARCH 2025 AND 2024**

(Expressed in US Dollar, unless otherwise stated)

	31 March 2025	31 March 2024
Cash Flows from Operating Activities		
Profit before taxation	164,024	(418,611)
Adjustments to reconcile net income with net cash from (for) operating activities:		
Depreciation of plant and equipment	6,771	7,171
Depreciation of right-of-use assets	9,787	13,482
Employee benefit	21,044	-
Exchange forex currency	367	(3,171)
Acquisition of right-of-use assets	(8,195)	(12,338)
Receipt of lease liabilities	8,195	12,338
Change in working capital:		
Decrease (Increase) in trade receivables	(2,541,291)	1,795,323
Decrease (Increase) in other receivables	81,415	(81,496)
Decrease (Increase) in inventory	(1,034,297)	47,638
Decrease (Increase) in prepaid and advances	1,113,896	(1,113,279)
Decrease (Increase) in prepaid tax	(211,711)	475,808
Increase (Decrease) in trade payable	2,388,474	(472,001)
Increase (Decrease) in other payable	29,494	-
Increase (Decrease) in accrued expenses	(6,042)	(52,605)
Increase (Decrease) in tax payables	1,833	(5,731)
Increase (Decrease) in advance from customer	1,487	-
Net cash generated / (used in) from operating activities	25,251	192,528
Cash Flows from Investing Activities		
Acquisition of plant and equipment	(2,689)	(1,229)
Net cash flows used for investing activities	(2,689)	(1,229)
Cash Flows from Financing Activities		
Payment of lease liabilities	(9,787)	(12,960)
Net cash flows used by financing activities	(9,787)	(12,960)
Increase in Cash and Cash Equivalents	12,775	178,339
Cash and Cash Equivalents at The Beginning of Year	441,409	263,070
Cash and Cash Equivalents at End of Year	454,184	441,409

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT USHA MARTIN INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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(Expressed in US Dollars, unless otherwise stated)

1. GENERAL

a. Establishment of The Company and general information

PT Usha Martin Indonesia ("The Company") was established in Republic of Indonesia based on deed of establishment No. 08 dated July 28, 2009 by Elliza Asmawel, SH, in Jakarta. The deed of establishment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on Decree No. AHU-51068.AH.01.01. TAHUN 2009 dated October 22, 2009.

The Company's Articles of Association have been amended several times and the latest by Deed No. 42 dated October 28, 2024 by Irma Bonita, SH, Notary in Jakarta, regarding changes in the Company's share capital and has been approved by the Minister of Laws and Human Rights of the Republic of Indonesia based on AHU-0072315.AH.01.02 in 2024 dated October 28, 2024.

In accordance with deed No. 08 dated July 28, 2009 Article 3 by Elliza Asmawel, SH, Notary in Jakarta, the purpose and objectives and business activities of the Company is to run a business in importing and selling steel wire ropes.

As of 31 March 2025 and 2024, the Company is a subsidiary of Usha Martin Singapore Pte Ltd, incorporated in Singapore, which is also the Company's holding company.

The Company's office is located at Gedung Konika It 3A Jl. Gunung Sahari Raya No. 78, Kel. Gunung Sahari Selatan, Kemayoran.

b. Board of commissioners, board of directors and employees

As of 31 March 2025 and 2024 the composition of The Company's Board of Commissioners and Board of Directors was as follows:

Board of Commissioners

Commissioner : Anurag Bhatia

Board of Directors

President Director : Tapas Gangopadhyay
Director : Tin Muljatno

As of 31 March 2025 and 2024 The Company has 3 and 4 permanent employees, respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

Amendments to Standards issued not yet adopted

The adoption of the following amendments to PSAK that are relevant to its operation does not result in changes to the Company's accounting policies and has no material effect on the disclosures or amounts reported for the current or prior years, but may affect future transactions:

Effective for periods beginning on or after January 1, 2025

- PSAK 221 (amendment) The Effects of Changes in Foreign Exchange Rates: Lack of ex-changeability.

At the date of authorization of these financial statements, the following amendments to PSAK relevant to the Company, are issued but not yet effective, with early application permitted, as follows:

As of the issuance date of the financial statements, the effects of the adoption of those amendments to standards on the financial statements are not known nor reasonably estimable by management.

PT USHA MARTIN INDONESIA
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3. MATERIAL ACCOUNTING POLICIES INFORMATION

a. Basis of financial statements

The financial statements have been prepared and presented in accordance with Financial Accounting Standards (SAK) in Indonesia, which include the Statement of Financial Accounting Standards (*PSAK*) and the interpretation of Financial Accounting Standards (*ISAK*) issued by the Financial Accounting Standards Board Accounting Association of Indonesia (*DSAK-IAI*).

The financial statements have been prepared using the accrual basis and historical cost concept.

The statements of cash flows were prepared using the indirect method by classifying cash flows on the basis of operating, investing, and financing activities.

The reporting currency used in the preparation of financial statements is the US Dollar (USD) which is the Company's functional currency.

b. Foreign currency transaction and balance

The Company maintains its accounting records in US Dollars (USD). Transactions during the year involving foreign currencies are recorded in US Dollar amounts at the rates of exchange prevailing at the date of transactions.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to US Dollar amounts to reflect the exchange rate of the Minister of Finance at such date. The resulting gain or losses are credited or charged to the statement of profit or loss and other comprehensive income of the current year.

	<u>31 March 2025</u>	<u>31 March 2024</u>
1 USD/ Rupiah	16,588	15,853
1 SGD/ Rupiah	12,406	11,766
1 THB/ Rupiah	489	435

c. Cash and Cash Equivalents

Cash represents available and eligible payment instruments to finance the Company's business. Cash equivalents represent very liquid investments, which are short-term with original maturities of three months or less and quickly convertible to cash at a predetermined amount without any risk of a significant value change. Cash and cash equivalents that have been restricted for a certain purpose or that can not be used freely are not defined as cash and cash equivalents.

d. Trade receivables

Trade receivables are amounts due from customers for goods sold performed in the ordinary course of business. Other receivables are amounts due from third or related parties for transactions outside the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

e. Transactions with related parties

In accordance with PSAK 224 "Disclosure of related parties", a related party is a person or entity that is related to the Company (the reporting entity):

- a. A person or a close member of that person's family is related to the reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following conditions apply:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

f. Inventories

Provision for decline in value of inventory due to obsolescence, damage, loss, and slow velocity is determined based on a review of the circumstances of each inventory to reflect the net realizable value at the end of the period. Total provision for impairment of inventories to net realizable value and all losses of inventories recognized as an expense in the period the impairment or loss occurs.

Provision for decline in value of inventory due to obsolescence, damage, loss, and slow velocity is determined based on a review of the circumstances of each inventory to reflect the net realizable value at the end of the period. Total provision for impairment of inventories to net realizable value and all losses of inventories recognized as an expense in the period the impairment or loss occurs.

g. Property, plant, and equipment

If the land rights are substantially similar to land purchases, the Company applies PSAK No. 216, "Property, plant and equipment" under which land rights are recognized at cost and not depreciated.

In accordance with PSAK 216 "Property, plant, and equipment" " property, plant and equipment are stated at cost of acquisition, less accumulated depreciation and impairment, if any. Depreciation of building, vehicles, office equipment, project equipment, and factory equipment is calculated using a straight line based on the estimated useful lives of the assets as follows:

	Years	Percentage
Office equipment	4	25%
Furniture and fittings	4	25%
Vehicles	8	12,5%
Renovations	10	10%

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

g. Property, plant, and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets useful lives and residual values are reviewed and adjusted if appropriate. This review will occur by at least at the financial year-end. The effects of any revisions are recognized in the profit or loss when the changes arise.

When property, plant and equipment are disposed of, their carrying values are eliminated from the financial statements, and the resulting gains and losses on the disposal of fixed assets are recognized in the profit or loss.

h. Leases

A lease is an agreement in which the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

The Company has adopted PSAK 116 using the retrospective approach. The details of the changes in accounting policies are disclosed below.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on the reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

h. Leases (continued)

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use asset is periodically reduced by impairment losses, if any, and adjusted to certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

i. Decrease value of non-financial assets

In accordance with PSAK 236 "Impairment of Assets, at the period end date, the Company undertakes a review to determine whether there is any indication of asset impairment.

Fixed assets and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Reversal of an impairment provision is recorded as income in the period in which the reversal occurs.

j. Revenue and expense recognition

Based on PSAK 115 "Revenue from Contracts with Customers" Since January 1, 2020, in determining revenue recognition, the Company performs analysis of transactions through the following five steps of assessment:

1. Identify contracts with customers with certain criteria as follows:
 - The contract has been agreed by the parties involved in the contract;
 - The Company can identify the rights of relevant parties and the term of payment for the goods or services to be transferred;
 - The contract has commercial substance; and
 - It is probable that the Company will receive benefits for the goods or services transferred.

Identify the performance obligations in the contract, to transfer distinctive goods or services to the customer.

Allocate the, transaction price to each performance obligation on the basis of the selling prices of each goods or services promised in the contract.

Recognize revenue when performance obligation is satisfied (over time or at a point in time).

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

j. Revenue and expense recognition (continued)

The Company recognizes trading, industrial, transportation, service, mining, and construction revenues based on contracts from customers.

Expenses are recognized when incurred (accrual basis).

k. Income tax

In accordance with PSAK 212 "Income Tax", the tax expense for the year comprises current and deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which an applicable tax regulation is subject to interpretation. Where appropriate, it establishes provisions based on the amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Tax loss carried forward is recognized as a deferred tax asset when it is probable that there will be future taxable profit available against which the unused tax losses can be utilized.

l. Liabilities long-term employee benefits

Based on PSAK No. 219 (revised 2018), about "Employee Benefit". This PSAK requires the Company to recognize all employee benefits offered through the program or formal and informal agreements, law or industry regulations, which include post-employment benefits, short-term employee benefits and rewards of short-term and other long-term employment, severance, and termination compensation equity-based.

Based on this PSAK, the calculation of estimated liabilities for employee benefits is based on the Undang-Undang Cipta Kerja No. 11/2020 which in its implementation follows PP No. 35/2021 regarding post-employment benefits.

Actuarial gains or losses are recognized as income or expense if the net of gains or losses is not recognized at the end of the previous reporting period and exceeds the greater amount between 10% of the present value of the defined benefit obligation or 10% of the fair value of plan assets (if any) on that date. Actuarial gains or losses are divided over the expected average remaining working lives of the employees.

Furthermore, past service costs expensed as the benefits concerned become rights (vested) with a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately after the introduction of a defined benefit plan or program is changed, the past service cost is recognized immediately.

The amount of the defined benefit obligation recognized in the statements of financial position is the sum of the net present value of the defined benefit obligation at the end of the reporting period (that is discounted using the interest rate of government bonds on the active market) plus the profits (minus losses) not recognized, reduced unrecognized past service cost and less the fair value of plan assets to be used for direct settlement of liabilities (if any).

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

m. Financial instruments

Financial Assets

Financial assets are classified into categories of (i) fair value through profit or loss, (ii) amortized cost, and (iii) fair value through other comprehensive income. At initial measurement, financial assets are determined based on fair value, added with transaction costs attributable directly to financial assets. Management determines the classification of its financial assets prior to initial recognition based on an assessment of the business model for managing the financial assets or contractual cashflows giving rise to solely payments of principal and interest.

Classification

The Company and its subsidiary classify its financial assets into the following categories:

1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading. The entity may determine at initial classification of an uncancellable chosen category of a financial asset on a certain equity instrument which commonly measures the fair value through profit and loss risechange in the fair value presented under fair value through other comprehensive income.

2) Amortised cost

Financial assets are determined under amortized cost if met criteria as outlined below:

- i. Financial assets held within a business whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. Determining contractual financial assets gives rise to solely payments of principal and assets

Financial assets are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

3) A Fair value through other comprehensive income

Fair value through other comprehensive income is non-derivative financial assets with fixed or determined payments and fixed maturities that the management has positive intention and ability to hold to maturity, other than:

- i. Financial assets managed under a business model whose objective is to both collect the contractual cash flows and sell the financial assets; and
- ii. Contractual cash flow characteristics test resulting rights on certain basic term of cashflows meets the sole payments of principal and interest.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period to get net carrying amount on initial recognition.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

m. Financial instruments (continued)

Financial Assets (continued)

Impairment of Financial Assets

Impairment measured under PSAK 109 requires immediate recognition of the impact of changes in expected credit losses after initial recognition of financial assets that are not measured at fair value based on expected credit losses. The Company and its subsidiary measured the loss allowance for financial instruments at ECL over their entire lives in the previous reporting period, but determined at the current reporting date that the conditions for ECL over their entire lives were no longer met, the Company measured the loss allowance at 12 months ECL at the current reporting date, except for assets using the simplified approach.

The Company and its subsidiary recognize impairment gains or losses in profit or loss for all financial instruments with a corresponding adjustment to the carrying amount through the allowance for losses account.

Expected credit losses are measured in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Individual assessment is performed on the significant financial assets. The financial assets that are not individually significant and have similar credit characteristics are assessed collectively.

Allowance for impairment losses on impaired financial assets is assessed individually by using the discounted cash flows method. The calculation of the present value of the estimated future cash flows of the collateralized financial assets reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

In assessing earning assets collectively, the Company calculates:

- Probability of Default ("PD") – these models assess the probability that the customer will fail to make full and timely repayment.
- Recoverable amount – based on identification of future cash flow and estimation of discounted cash flow.
- Loss Given Default ("LGD") – The Company estimates the economic loss that may be suffered by the Company on financing receivables in the event of default. The LGD of a facility represents the amount of debt that cannot be recovered and it is typically expressed as a percentage of the Exposure at Default ("EAD"). The Company's LGD models take into account the type of borrower, and the presence of any security or collateral held.
- Exposure at Default ("EAD") – The Company estimates the expected level of utilization of a financing receivables at the time of a borrower's default.

PD and LGD are derived from the observation on financing receivable data for at least three years.

Allowance for impairment losses that are collectively assessed is performed by multiplying the outstanding financing receivable at the report date by the Probability of Default (PD) and Loss Given Default (LGD).

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

m. Financial instruments (continued)

Financial Assets (continued)

Impairment of Financial Assets (continued)

The amount of the loss is measured as the difference between the carrying value of financial assets and the present value of estimated future cash flows (excluding future financing losses that have not been incurred) discounted at the original effective interest rate of the financial assets.

The impairment loss is recognized in profit or loss and the carrying amount of the financial assets or group of financial assets is reduced by allowance for impairment losses reserved. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating or the issuer), the previously recognized impairment loss is reversed through profit or loss and the carrying amount of financial assets at the date of impairment loss recovery does not exceed the amortized cost prior to the recognition of impairment loss. When the impairment losses are recognized, interest income is recognized based on the carrying amount after impairment loss using the interest rate used for discounting the estimated future cash flows in calculating the impairment.

The Company writes a consumer financing receivables and finance lease receivables when the Company determines that the asset is uncollectible. Collection or recovery of financial assets which had been written off is recorded as other income.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company substantially has all the risks and rewards of ownership of transferred financial assets, the Company continues to recognize the financial assets and also recognizes collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of financial assets other than its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial assets between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

m. Financial instruments (continued)

Financial Liabilities and Equity Instrument

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instrument

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

Financial Liabilities

The Company's financial liabilities are classified as at amortised cost.

Financial Liabilities at Amortised Costs

Financial liabilities are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Cash Flow Hedges

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting change in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the statement of profit or loss and other comprehensive income as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a nonfinancial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

m. Financial instruments (continued)

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. A right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency, or bankruptcy.

n. Earnings (loss) per share

In accordance with PSAK No. 233, "Earnings Per Share", net income per share is computed by dividing net income and the weighted average number of issued and fully paid shares during the year, which calculations were based on 700,00 shares for the year 2025 and 2024.

4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS OF SIGNIFICANT ACCOUNTING

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- **Determination of functional currency**

The functional currency of each of the entities under the Company is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue and cost of rendering services.

- **Allowance for impairment of trade receivables**

The Company evaluates specific accounts on which it has information that the customers are unable to meet their financial obligations.

In these cases, the Company uses judgment, based on available facts and circumstances, including but not limited to, the length of its relationship with the customers and the customers' current credit status based on any available third-party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce the Company's receivable amounts that it expects to collect.

These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of the allowance for impairment of trade receivables.

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4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS OF SIGNIFICANT ACCOUNTING (CONTINUED)

b. Estimation and assumptions

The preparation of financial statements in conformity with financial accounting standards in Indonesia requires management to make estimates and assumptions that affect:

- The reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements.
- The reported amounts of revenues and expenses during the reporting year.

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates. Financial Accounting Standards in Indonesia also require management to exercise its judgment in the process of applying the Company's accounting policies.

1) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions on the amounts reported. Because of the lack of certainty in making estimates, actual results reported in the future will be different from these estimates. Differences between estimates and actual results are charged or credited to current operations.

2) Consideration of significant accounting estimates

The preparation of financial statements in accordance with Financial Accounting Standards in Indonesia. Significant accounting policies adopted by the Company are described in Note 2. The preparation of financial statements requires management to make judgments and estimates that affect the amounts and certain disclosures.

In preparing the financial statements, management is required to make judgments and estimates at its best over a certain amount. Judgments and estimates used in these financial statements is based on management's evaluation of relevant facts and circumstances at the date of the financial statements. Actual results could differ from these estimates, and these estimates can be further adjusted.

The Company believes that the following is a summary of significant judgments and estimates as well as influences and associated risks in the financial statements.

2.a) Uncertainty estimation source

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 period are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS OF SIGNIFICANT ACCOUNTING (CONTINUED)

b. Estimation and assumptions (continued)

2. Consideration of significant accounting estimates (continued)

2.b) Allowance for impairment losses

The Company makes allowance for impairment losses of financing receivables based on an analysis of the collectability of receivables and loans. Allowance established against loans and receivables whenever events or changes in circumstances indicate that the balance will be uncollectible. Identification of the loans and receivables are not collectible requires judgements and estimates.

If the expectation is different from the initial estimate, then this difference will impact the carrying value of loans and receivables and bad debt expense in the period where the change in estimate occurs. Judgements and estimates are the basis for calculating the allowance for impairment of the collectability of receivables using established methods.

2.c) Estimated useful lives of fixed assets.

The useful life of each asset in the Company is determined based on the expected utility of the use of the asset. These estimates are determined based on internal technical evaluation and experience of The Company for similar assets. The useful life of each asset are reviewed periodically and adjusted if forecasts differ from previous estimates due to wear and tear, technical and commercial obsolescence, legal or other limitations on the use of the asset.

However there is the possibility that the future results of operations may be significantly affected by changes in the amount and period of record costs resulting from changes in the factors mentioned above.

Changes in the useful lives of fixed assets can affect the amount of depreciation expense recognized and the carrying value of fixed assets.

Impairment testing carried out if there is an indication of impairment. Determination of the value in use of assets require estimates of expected cash flows to be generated from the use of the asset (cash-generating units) and the sale of assets and the appropriate discount rate to determine the present value.

Although the assumptions used in estimating the value in use of assets are reflected in the financial statements have been deemed appropriate and reasonable.

2.d) Impairment of assets

However, significant changes in the assumptions would have a material effect on the determination of the amount that can be recovered and consequently incurred an impairment loss will have an impact on results of operations.

2.e) Depreciation of fixed assets

The cost of property and equipment is depreciated over its useful economic life. In depreciating its property and equipment, the Company uses the straight-line method. Management estimates the useful lives of property and equipment in accordance with Note 3.g.

This is the useful life generally expected in the industry in which the Company conducts its business.

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4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS OF SIGNIFICANT ACCOUNTING (CONTINUED)

b. Estimation and assumptions (continued)

2) 2 Consideration of significant accounting estimates (continued)

2.f) Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. The company as taxpayers calculate their tax liability as a self-assessment based on current regulations. The calculation is assumed to be true as long as there are provisions of the Director General of Taxes on the amount of tax payable or as up to a period of five (5) years (period expired tax) is no assessment is issued.

The difference in the amount of income tax payable can be caused by several things such as tax audits, the discovery of new evidence, and the interpretation differences between management and the tax office officials to certain tax rules. Differences in actual results and the carrying amount may affect the amount of tax bills, tax debt, tax expense, and deferred tax assets.

2.g) Employee Benefits

The determination of the Company's obligations for employee benefits is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, annual salary increase rate, annual employee turnover rate, disability rate, retirement age, and mortality rate.

Actual results that differ from the Company's assumptions which effects are more than 10% of the defined benefit obligations are deferred and amortized on a straight-line basis over the expected average remaining service years of the qualified employees.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liabilities for employee benefits and net employee benefits expense.

5. CASH AND CASH EQUIVALENTS

	<u>31 March 2025</u>	<u>31 March 2024</u>
Cash in Hand		
US Dollar	300	300
Rupiah	170	264
Subtotal	470	564
Cash in bank		
PT Bank DBS Indonesia		
US Dollar	358,730	379,273
Rupiah	94,984	61,572
Subtotal	453,714	440,845
Total cash and cash equivalents	454,184	441,409

Cash and cash equivalents consist of cash on hand and cash in banks are not used as collateral or are not restricted.

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6. TRADE RECEIVABLES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Third parties:		
PT Nobel Rigindo	1,383,352	-
PT Spanset Indonesia	346,116	-
PT Mitra Pradana Jaya	320,746	-
PT Indosplice	163,219	-
PT Minang Sukses Makmur	106,301	-
PT All-Rig Lifting Indonesia	70,884	-
PT Goforth Perkasa Solutions	66,846	-
PT Garuda Perdana Pacific	33,525	-
PT Supra Talindo	20,011	-
PT Indrabas Purnama Makmur	19,295	-
PT Cakra Satria Pratama	6,859	-
CV Maju jaya	4,138	-
Sub total	<u>2,541,292</u>	<u>-</u>
Less allowance for credit losses	-	-
Total trade receivable - net	<u>2,541,292</u>	<u>-</u>

The detail of aging summary of receivables is as follows:

	<u>31 March 2025</u>	<u>31 March 2024</u>
Not yet due	1,367,748	-
Matured:		
1 - 30 days	329,973	-
31 - 60 days	672,299	-
61 - 90 days	19,631	-
> 90 days	151,641	-
Total trade receivables - net	<u>2,541,292</u>	<u>-</u>

As of 31 March 2025 and 2024, the Company did not establish an allowance for doubtful accounts since the Company's management believes that the trade receivables are fully collectible.

7. OTHER RECEIVABLES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Third parties:		
Employee receivable	-	104
Others	80	81,392
Total other receivables	<u>80</u>	<u>81,496</u>

8. INVENTORIES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Finished goods	256,685	18,900
Goods in transit	796,512	-
Less: Allowance for impairment of inventories	-	-
Total inventories	<u>1,053,197</u>	<u>18,900</u>

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9. ADVANCES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Advances		
Purchase advance	-	1,111,286
Others	-	2,610
Total advances	<u>-</u>	<u>1,113,896</u>

10. PLANT AND EQUIPMENT

	<u>1 April 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>31 March 2025</u>
At cost:				
Vehicles	34,017	-	-	34,017
Office equipment	11,741	2,689	1,882	12,548
Renovations	10,135	-	-	10,135
Furniture & Fitting	3,014	-	-	3,014
Total cost	<u>58,907</u>	<u>2,689</u>	<u>1,882</u>	<u>59,714</u>
Accumulated depreciation:				
Vehicles	20,686	4,252	-	24,938
Office equipment	9,500	1,505	1,882	9,123
Renovations	4,477	1,014	-	5,491
Furniture & Fitting	3,014	-	-	3,014
Total accumulated depreciation	<u>37,677</u>	<u>6,771</u>	<u>1,882</u>	<u>42,566</u>
Net book value	<u>21,230</u>			<u>17,148</u>

	<u>1 April 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>31 March 2024</u>
At cost:				
Vehicles	34,017	-	-	34,017
Office equipment	10,512	1,229	-	11,741
Renovations	10,135	-	-	10,135
Furniture & Fitting	3,014	-	-	3,014
Total cost	<u>57,678</u>	<u>1,229</u>	<u>-</u>	<u>58,907</u>
Accumulated depreciation:				
Vehicles	16,434	4,252	-	20,686
Office equipment	7,819	1,681	-	9,500
Renovations	3,463	1,014	-	4,477
Furniture & Fitting	2,790	224	-	3,014
Total accumulated depreciation	<u>30,506</u>	<u>7,171</u>	<u>-</u>	<u>37,677</u>
Net book value	<u>27,172</u>			<u>21,230</u>

Depreciation expense in 31 March 2025 and 2024 was allocated as follows:

	<u>31 March 2025</u>	<u>31 March 2024</u>
General and administrative expenses (Note 22)	6,771	7,171
Total depreciation expenses	<u>6,771</u>	<u>7,171</u>

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11. RIGHT OF-USE ASSETS AND LEASE LIABILITIES

	1 April 2024	Additions	Deductions	31 March 2025
At cost:				
Office Lease	8,998	8,195	8,998	8,195
Warehouse	3,340	-	3,340	-
Total cost	12,338	8,195	12,338	8,195
Accumulated amortization:				
Office Lease	6,749	8,395	8,998	6,146
Warehouse	1,948	1,392	3,340	-
Total accumulated depreciation	8,697	9,787	12,338	6,146
Net book value	3,641			2,049
	1 April 2023	Additions	Deductions	31 March 2024
At cost:				
Office Lease	25,914	8,998	25,914	8,998
Warehouse	10,134	3,340	10,134	3,340
Total cost	36,048	12,338	36,048	12,338
Accumulated amortization:				
Office Lease	23,755	8,908	25,914	6,749
Warehouse	7,508	4,574	10,134	1,948
Total accumulated depreciation	31,263	13,482	36,048	8,697
Net book value	4,785			3,641

Amortization expense in 31 March 2025 and 2024 was allocated as follows:

	31 March 2025	31 March 2024
General and administrative expenses (Note 22)	9,787	13,482
Total amortization expenses	9,787	13,482

Movement of lease liabilities by major classifications are as follows:

	31 March 2025	31 March 2024
Lease liabilities		
Beginning balance	1,409	4,970
Forex exchange	(176)	(3,361)
Additional lease liabilities during the year	8,195	12,338
Payment	(9,787)	(12,960)
Interest expense of right-of-use assets (note 24)	359	422
Ending balance	-	1,409
Less current portion which will be due in one year	-	1,409
Total non-current lease liabilities	-	-

12. OTHER CURRENT ASSETS

	31 March 2025	31 March 2024
Security deposit	3,908	4,087
Total other current assets	3,908	4,087

Security deposits represent guarantees for building rental used for the Company's head office operations.

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13. TRADE PAYABLES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Related party:		
Usha Martin Singapore Pte Ltd	2,388,474	-
Total trade payables	<u>2,388,474</u>	<u>-</u>

14. OTHER PAYABLE

	<u>31 March 2025</u>	<u>31 March 2024</u>
Third parties:		
Direktorat Jenderal Bea dan Cukai	29,497	-
Total other payable	<u>29,497</u>	<u>-</u>

15. ADVANCE FROM CUSTOMERS

	<u>31 March 2025</u>	<u>31 March 2024</u>
Third parties:		
PT Spanset Indonesia	1,487	-
Total accrued expenses	<u>1,487</u>	<u>-</u>

16. ACCRUED EXPENSES

	<u>31 March 2025</u>	<u>31 March 2024</u>
Professional fees	6,650	33,450
Bonus	4,750	-
Freight cost	18,810	-
Provision for employee bonus	-	2,485
Others	-	315
Total accrued expenses	<u>30,210</u>	<u>36,250</u>

17. TAXATION

a. Prepaid taxes

	<u>31 March 2025</u>	<u>31 March 2024</u>
VAT IN	49,317	3,093
Claim Tax Refund :		
Years 2025	518,857	-
Years 2023	-	353,370
Total prepaid taxes	<u>568,174</u>	<u>356,463</u>

On 1 March 2024, the company obtained an overpayment tax assessment letter (SKPLB) number 00023/406/22/078/24 with a decision to accept the submission of a tax claim amounting to USD353,370 for the amount submitted of USD434,762. On 2 April 2024, the company has received a refund of tax claim worth USD352,376 (or equivalent to Rp.5,509,040,934).

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17. TAXATION (CONTINUED)

b. Tax payables

	31 March 2025	31 March 2024
VAT Out	-	205
Income tax:		
Tax Payable 21	1,918	689
Tax Payable 23	651	11
Tax Payable 4 (2)	410	241
Total tax payable	2,979	1,146

c. Corporate income tax

Reconciliation between loss before (benefit) tax, as presented on the income statement, and provision income after tax (fiscal loss) is accounted by the Company for the years ended March 31, 2025 and 2024, as follows:

	31 March 2025	31 March 2024
Loss before income tax expense	164,024	(418,611)
Fiscal correction		
Add (less) temporary differences:		
Depreciation of fixed asset	-	(30)
Depreciation expenses right of use assets	9,787	13,482
Interest expenses of right of use assets	358	424
Lease liability payment	(9,787)	(12,960)
Post-employment benefits expense	21,044	-
Add (less) permanent differences:		
Tax on interest income	-	1,372
Interest income	-	(6,861)
Tax expense	45,207	5,246
Freight inwards cost	18,607	(18,516)
Bonus provision	4,753	2,486
Professional fee	-	15,258
Retribution and donation	-	318
Other expense	-	330
Provision for taxable income (loss)	253,993	(418,062)
Fiscal loss compensation	(253,993)	-
Provision for taxable income – rounded	-	-
Tax expenses	-	-
Prepaid income tax:		
Articles 22	518,857	-
Total prepaid income tax	518,857	-
Total income tax payable articles 28 A	518,857	-

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17. TAXATION (CONTINUED)

d. Deferred tax assets

31 March 2025				
	Beginning balance	Credited (charged) to Statements of profit or loss	Credited (charged) to Other Comprehensive Income	Ending Balance
Fiscal loss	91,974	(55,879)	-	36,095
Employee benefit	-	4,630	-	4,630
Deferred tax assets	91,974	(51,249)	-	40,725
31 March 2024				
	Beginning balance	Credited (charged) to Statements of profit or loss	Credited (charged) to Other Comprehensive Income	Ending Balance
Fiscal loss	-	91,974	-	91,974
Deferred tax assets	-	91,974	-	91,974

18. EMPLOYEE BENEFITS OBLIGATIONS

The Company has an employee benefit program based on Law No. 6 of 2023 concerning "Stipulation of Government Regulation in Lieu of Law (PERPU) No. 2 of 2022" and Government Regulation No. 35 of 2021 concerning "Job Creation"

The Company has appointed an actuary, KKA Bambang Sudradjad to calculate the employee benefits expense as required by PSAK 219 as per report no. 1116 / TEK – BS / IV / 2025 dated November 13, 2024.

The Company estimated the calculation of post-employment benefits for the periods ending March 31, 2025 and 2024, as follows:

Employee benefit obligation which is presented in the statements of financial position was as follows:

	31 March 2025	31 March 2024
Present value of defined benefit obligation	21,044	-
Fair value of program assets	-	-
Net liability	21,044	-

Employee benefit expenses which were presented in as part of operating expenses in statements of profit or loss and other comprehensive income as follows: (Note 22)

	31 March 2025	31 March 2024
Current service cost	1,745	-
Past service cost	19,299	-
Interest expense	-	-
Total	21,044	-

Mutations of long-term employee is benefit obligation for the periods ending March 31, 2025 and 2024, as follows

	31 March 2025	31 March 2024
Balance at the beginning of the year	-	-
Current service cost	1,745	-
Past service cost	19,299	-
Interest expense	-	-
Actuarial gain	-	-
Benefit payment	-	-
Total	21,044	-

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18. EMPLOYEE BENEFITS OBLIGATIONS (CONTINUED)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	<u>31 March 2025</u>	<u>31 March 2024</u>
Discount rate		
Discount rate +1%	(1,858)	-
Discount rate -1%	2,085	-
Rate of salary increase		
Rate of salary increase +1%	2,218	-
Rate of salary increase -1%	(2,001)	-

19. SHARE CAPITAL

Based on Notarial Deed No. 42 dated October 28, 2024, by Irma Bonita, SH., Notary in Jakarta. The Company has injected series b share capital amounting to Rp.9,178,200,000 (or equivalent to USD600,000). The composition of the Company's shareholders as of 31 March 2025 are as follows:

	<u>31 March 2025</u>		
	<u>Number of shares issued and fully paid</u>	<u>Percentage of ownership (%)</u>	<u>Total share capital</u>
<u>Seri A</u>			
Usha Martin Singapore PTE. LTD	95,000	13.57%	95,000
Usha Martin Australia PTY. LTD	5,000	0.71%	5,000
<u>Seri B</u>			
Usha Martin Singapore PTE. LTD	570,000	81.43%	570,000
Usha Martin Australia PTY. LTD	30,000	4.29%	30,000
Total share capital	700,000	100%	700,000

Based on a deed of establishment No. 08 dated July 28, 2009, by Elliza Asmawel, SH, in Jakarta. The Company has injected series b share capital amounting to Rp.1,006,500,000 (or equivalent to USD100,000). The composition of the Company's shareholders as of 31 March 2024 is as follows:

	<u>31 March 2024</u>		
	<u>Number of shares issued and fully paid</u>	<u>Percentage of ownership (%)</u>	<u>Total share capital</u>
Usha Martin Singapore PTE. LTD	95,000	95%	95,000
Usha Martin Australia PTY. LTD	5,000	5%	5,000
Total share capital	100,000	100%	100,000

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

Based on Notarial Deed No. 42 dated October 28, 2024, by Irma Bonita, SH., Notary in Jakarta. The Company distributed cash dividends which were paid as share capital amounting to USD600,000.

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20. SALES

The details of consumer financing revenue based on customers are as follows:

	2025	2024
Sales	8,757,613	58,923
Total sales	8,757,613	58,923

21. COST OF GOODS SOLD

The details of the cost of goods sold are as follows:

	2025	2024
Beginning balance of inventories purchases	18,900	66,538
Purchases - net	8,125,861	-
Inventories available for sales	8,144,761	66,538
Freight charges	127,865	(13,941)
Inspection cost	19,701	-
Insurance	1,144	-
laboratory fees	1,938	-
Warehouse expense	25,456	10,168
Others	146	-
Ending balance of inventories (Note 9)	(1,053,197)	(18,900)
Total costs of goods sold	7,267,814	43,865

22. GENERAL AND ADMINISTRATION EXPENSES

	2025	2024
Management fee	613,237	4,124
Professional fees	346,054	310,292
Bonus	51,737	30,220
Tax expense	45,207	5,246
Business travel	25,531	13,792
Salaries and allowances	23,619	25,743
Employee benefits expenses (Note 18)	21,044	-
Entertainment expense	11,877	7,195
Legal & license	6,889	1,544
Depreciation of plant and equipment (Note 10)	6,771	7,171
Depreciation of right-of-use assets (Note 11)	9,787	13,482
Repair and maintenance	3,528	5,310
Utilities	2,040	1,661
Office operating expenses	1,879	1,938
BPJS health	956	1,072
Advertising expenses	759	-
Bank charge	-	936
Interest expense	-	424
Retribution and donation	-	318
Total general and administrative expenses	1,170,915	430,468

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23. OTHER INCOME (EXPENSES)

	<u>2025</u>	<u>2024</u>
Other income		
Interest income	-	6,861
Others	13	643
Total other incomes	<u>13</u>	<u>7,504</u>
Other expenses		
Forex exchange rate loss	(153,060)	(9,333)
Administration bank	(1,454)	-
Interest expense from lease liabilities (Notes 10)	(359)	-
Tax on interest income	-	(1,372)
Total other expenses	<u>(154,873)</u>	<u>(10,705)</u>
Total other income (expenses)	<u>(154,860)</u>	<u>(3,201)</u>

24. RELATED PARTIES INFORMATION

- a. The relationship and nature of account balances or transactions with related parties are described as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of account balances or transactions</u>
Usha Martin Singapore PTE LTD	Holding Company	Trade payables

- b. The Details of Account Balances and Transaction with Related Parties are as follows:

	<u>31 March 2025</u>	<u>31 March 2024</u>
Trade payables from related party		
Usha Martin Singapore Pte Ltd	2,388,474	-
Total trade payables to related party	<u>2,388,474</u>	<u>-</u>
Total liabilities	2,473,689	38,805
Percentage to total liabilities	96,56	-

Purchases to related parties in 2025 and 2024 amounted to USD 8,125,861 and null (100%) of total purchases, respectively.

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25. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT

a. Categories and Classes of Financial Instruments

	31 March 2025			31 March 2024		
	Financial assets at amortized cost	Financial assets at FVTPL	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial assets at FVTPL	Financial liabilities at amortized cost
<u>Financial assets</u>						
Cash and cash equivalents	454,184	-	-	441,409	-	-
Trade receivables	2,541,293	-	-	-	-	-
Total financial assets	2,995,477	-	-	441,409	-	-
<u>Financial liabilities</u>						
Trade payables	-	-	2,388,474	-	-	-
Accrued expenses	-	-	30,208	-	-	36,250
Total financial liabilities	-	-	2,418,682	-	-	36,250

b. Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, and liquidity risk. The Board of Directors review and approve policies for managing each of these risks, which are described in more detail as follows:

a. Interest rate risk

Interest risk is the risk of loss in the Company's financial assets or liabilities due to changes in interest rates. The Company manages interest rate risk using derivative instruments, which is interest rate swaps. Through an interest rate swap, the Company agrees to exchange the difference between a fixed interest rate and a floating interest rate calculated according to the agreed notional value. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the value of future cash flows using a curve at the end of the reporting period and credit risk attached to the contract. The average value of the interest rate is determined from the balance value at the end of the reporting period. An interest rate swap contract exchanges a floating interest rate with a fixed rate, which is designated and effective as a cash flow hedge instrument.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company's credit risk is primarily attributed to their cash in banks and financing receivables. The Company places its bank balances with credit worthy financial institutions, while the receivables are entered with respected and credit worthy third parties. The Company's exposure and its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is monitored by counterparty limits that are reviewed and approved by the Directors regularly.

The main risks arising from The Company's financial instruments are interest rate risk, credit risk, and liquidity risk. The Board of Directors review and approve policies for managing each of these risks, which are described in more detail as follows.

Credit risk is a major risk because the Company is engaged in financing activity, in which the Company offers financing services to the public. Directly, the Company faces risks when consumers are not able to fulfill their obligations in accordance with the contract between consumers and the Company.

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25. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b. Financial Risk Management Objectives and Policies (continued)

c. Liquidity risk

Liquidity risk is the risk that The Company will have difficulty in meeting financial obligations due to shortage of funds.

The Company manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Company regularly evaluates its projected and actual cash flow information and continuously maintains its payables and receivables days' stability.

c. Capital management

The Company's policy is to maintain a healthy capital structure in order to secure access to funding at a reasonable cost.

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure,

The Company may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes during the year presented.

d. Fair value measurements

Fair value is the value which is used to exchange an asset or to settle a liability between parties who understand and are willing to perform a fair transaction (arm's length transaction).

In order to increase consistency and comparability in fair value measurements and related disclosures within and between reporting entities, the Company measures the fair value of the financial instruments held based on the hierarchy that categorized into three levels the inputs valuation techniques:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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26. RECLASSIFICATION ACCOUNT

Several accounts in the year ended 31 March 2024 have been reclassified to conform with financial statement for the year ended 31 March 2025.

	Before Reclassification	Reclassification	After Reclassification
Statements of financial position			
Assets			
Current assets			
Prepaid expenses and advances	1,117,983	(4,087)	1,113,896
Total current assets	1,117,983	(4,087)	1,113,896
Non-current assets			
Other current assets	-	4,087	4,087
Total non-current assets	-	4,087	4,087
Total assets	1,117,983	-	1,117,983

27. MANAGEMENT'S RESPONSIBILITY AND AUTHORIZATION OF THE FINANCIAL STATEMENT

The Company's financial statements for the years ended 31 March 2025 and 2024 are authorized for issue by the Board of Directors of the Company, as the parties responsible for the preparation and fair presentation of the financial statements, on April 16, 2025.