

KIL INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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FOR THE YEAR ENDED 31ST MARCH, 2023

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KIL INTERNATIONAL LIMITED
REPORT OF THE SOLE DIRECTOR

The sole director has pleasure to present his annual report and the audited financial statements for the year ended 31st March, 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company was engaged in trading in diamond, rough diamond and diamond jewelry.

RESULTS AND APPROPRIATIONS

The results for the year ended 31st March, 2023 and the state of affairs of the Company at that date are set out in the financial statements on pages 5 to 9.

The sole director does not recommend the payment of any dividend. (2022:Nil)

BUSINESS REVIEW

In accordance with section 388(3)(a) of the Hong Kong Companies Ordinance (Cap.622), the Company falls within the reporting exemption for the financial year and therefore it is exempted from preparing a business review.

SOLE DIRECTOR

The sole director who held office during the year was:

Harshil Premji KANANI

There being no provision in the Company's Articles of Association for rotation, all the directors continue in office.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this director's report, there was or is, any permitted indemnity provision being in force for the benefit of any of the director of the Company.

AUDITORS

The financial statements have been audited by Messrs. Alan Chan & Partners, Certified Public Accountants who retires and, being eligible, offers itself for re-appointment.

On behalf of the Board



Chairman
Hong Kong, 27 MAY 2023



陳維漢會計師事務所

Alan Chan & Company Certified Public Accountants

香港北角電氣道148號25樓2502室

Room 2502, 25/F., 148 Electric Road, North Point, Hong Kong. Tel: (852) 2824 3218 Fax: (852) 2802 7035

E-mail: alanchan.audit@gmail.com

INDEPENDENT AUDITORS' REPORT
TO THE SOLE SHAREHOLDER OF
KIL INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Kil International Limited (“ the Company ”) set out on pages 5 to 9, which comprise the statement of financial position as at 31st March, 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company for the year ended 31st March, 2023 are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“ SME-FRS ”) issued by the Hong Kong Institute of Certified Public Accountants (“ HKICPA ”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“ HKSA ”) and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. 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 HKICPA's *Code of Ethics for Professional Accountants* (“ the Code ”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The sole director is responsible for the other information. The other information comprises all the information included in the annual report, other than 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, 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.

CPA: ALAN W. H. CHAN, FCCA, FHKSA, ATiHK, BA (Hons), CPA

CONSULTANTS: M. W. YU, W. H. LEUNG, ACIS, ACCA, AHKSA, BA (Hons), CPA. GARY TSE, AHKSA, AICPA.
KWONG KIN, BA (Hons). BARRY LIU, L. N. WONG, BA (Hons). TANG SAI KWONG, BARRY H. C. TONG.
KEITH C. Y. HOR, CPA, FCCA, MSc (Fin).

INDEPENDENT AUDITORS' REPORT
TO THE SOLE SHAREHOLDER OF
KIL INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)

Responsibilities of the sole director for the financial statements

The sole director is responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the sole director 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, the sole director 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 the sole director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The sole director is responsible for 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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.

INDEPENDENT AUDITORS' REPORT
TO THE SOLE SHAREHOLDER OF
KIL INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (Cont'd)

- 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 sole director.
- Conclude on the appropriateness of the sole director'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.

We communicate with the sole director 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.



Alan Chan & Company
Certified Public Accountants
Room 2502, 25/F.,
148 Electric Road, North Point,
Hong Kong, 27 MAY 2023

KIL INTERNATIONAL LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31ST MARCH, 2023


	Note	2023 HK\$	2022 HK\$
REVENUE	3	186,423,982	214,084,231
COST OF SALES		<u>(185,260,927)</u>	<u>(212,837,987)</u>
GROSS PROFIT		1,163,055	1,246,244
OTHER REVENUE	3	18	20
ADMINISTRATIVE EXPENSES		(89,050)	(89,050)
OTHER OPERATING EXPENSES		<u>(794,394)</u>	<u>(774,238)</u>
COMPREHENSIVE INCOME BEFORE TAXATION	4	279,629	382,976
TAXATION	6	<u>(13,067)</u>	<u>(21,593)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>266,562</u></u>	<u><u>361,383</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

KIL INTERNATIONAL LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST MARCH, 2023

	Note	2023 HK\$	2022 HK\$
CURRENT ASSETS			
Inventories	7	12,544,538	21,014,753
Accounts receivable		42,032,642	50,595,236
Deposits and other receivables		24,000	24,000
Cash and bank balances		3,720,224	443,274
		<u>58,321,404</u>	<u>72,077,263</u>
CURRENT LIABILITIES			
Accounts payable		21,121,163	35,135,058
Accrual		21,000	21,000
Provision for taxation		13,067	21,593
		<u>21,155,230</u>	<u>35,177,651</u>
NET CURRENT ASSETS		<u>37,166,174</u>	<u>36,899,612</u>
EQUITY			
Share capital			
Issued and fully paid :			
32,000,000 ordinary shares	8	32,000,000	32,000,000
Retained earnings	9	5,166,174	4,899,612
TOTAL EQUITY		<u>37,166,174</u>	<u>36,899,612</u>

Approved by:



Sole Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

KIL INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

1. Reporting entity

Kil International Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office was located at Room No. 1502, 15/F, Rise Commercial Building, No. 5-11, Granville Circuit, Tsim Sha Tsui, Kowloon, Hong Kong. The principal activity of the Company was trading in diamond, rough diamond and diamond jewelry.

2. Basis of preparation and accounting policies

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following base:

Revenue from sale of goods is recognised when goods are delivered and the significant risk and rewards of ownership of the goods have been transferred to the buyer.

Bank interest income is recognised on receipt basis.

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is not provided.

(c) Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

KIL INTERNATIONAL LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2023

2. Basis of preparation and accounting policies (Cont'd)

(d) Accounts and other receivables

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of comprehensive income.

(e) Related parties

For the purpose of these financial statements, parties are considered to be related if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Company or of any entity that is a related party of the Company.

3. Revenue

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

	2023	2022
	HK\$	HK\$
Turnover		
Sale of goods	186,423,982	214,084,231
Other revenue		
Bank interest income	18	20
	<u>186,424,000</u>	<u>214,084,251</u>

4. Comprehensive income before taxation for the year

Comprehensive income before taxation for the year is arrived at after charging/(crediting) the following :

	2023	2022
Note	HK\$	HK\$
Auditors' remuneration	8,400	8,400
Bank interest income	(18)	(20)
Cost of sales	185,260,927	212,837,987
Key management personnel's remuneration	5	-
Other staff costs	360,000	360,000
- Mandatory provident fund	18,000	18,000
Operating lease charge for land and building	80,400	80,400
	<u>80,400</u>	<u>80,400</u>

KIL INTERNATIONAL LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH, 2023

5. Director's emoluments

The sole director did not receive any emolument during the year. (2022: Nil)

6. Taxation

Hong Kong Profits Tax has been provided at the rate of 8.25% (2022: 8.25%) on the estimated assessable profit for the year.

	2023 HK\$	2022 HK\$
Tax charge for the year	23,067	31,593
Less: one-time off rebate	(10,000)	(10,000)
	<u>13,067</u>	<u>21,593</u>

7. Inventories

Inventories comprise entirely of diamonds and jewelry.

8. Share capital

	2023 HK\$	2022 HK\$
Issued and fully paid: 32,000,000 ordinary shares	<u>32,000,000</u>	<u>32,000,000</u>

9. Changes in equity

	Share capital HK\$	Retained earnings HK\$	Total HK\$
Balance as at 31.3.2022	32,000,000	4,899,612	36,899,612
Profit for the year	<u>-</u>	<u>266,562</u>	<u>266,562</u>
Balance as at 31.3.2023	<u>32,000,000</u>	<u>5,166,174</u>	<u>37,166,174</u>

10. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Director on

KIL INTERNATIONAL LIMITED
 DETAILED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31ST MARCH, 2023

(For management information purposes only)

	2023 HK\$	2022 HK\$
SALES	186,423,982	214,084,231
LESS: COST OF SALES		
Opening inventories	21,014,753	15,084,312
Purchases	176,442,116	218,342,132
Certificates and declararion	38,242	40,954
Freight and transportation	310,354	385,342
	<u>197,805,465</u>	<u>233,852,740</u>
Less: closing inventories	12,544,538	21,014,753
	<u>185,260,927</u>	<u>212,837,987</u>
GROSS PROFIT	1,163,055	1,246,244
OTHER REVENUE		
Bank interest income	18	20
	<u>1,163,073</u>	<u>1,246,264</u>
ADMINISTRATIVE EXPENSES (P.11)	89,050	89,050
OTHER OPERATING EXPENSES (P.11)	794,394	774,238
	<u>883,444</u>	<u>863,288</u>
COMPREHENSIVE INCOME BEFORE TAXATION	<u>279,629</u>	<u>382,976</u>

KIL INTERNATIONAL LIMITED
 DETAILED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31ST MARCH, 2023

(For management information purposes only)

	2023	2022
	HK\$	HK\$
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	8,400	8,400
Business registration fee	250	250
Rent and rates	80,400	80,400
	<u>89,050</u>	<u>89,050</u>
OTHER OPERATING EXPENSES		
Accounting fee	12,600	12,600
Bank charges	19,627	18,462
Director's quarter expenses	192,000	192,000
Entertainment	24,674	22,860
Postage and courier	32,318	30,369
Printing and stationery	45,395	40,321
Mandatory provident fund	18,000	18,000
Salaries	360,000	360,000
Sundry expenses	40,413	35,357
Telecommunications	30,621	28,412
Travelling - local	18,746	15,857
	<u>794,394</u>	<u>774,238</u>