

KIL INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025

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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, 2025.

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, 2025 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. (2024: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-appointments.

On behalf of the Board

Chairman
Hong Kong,

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, 2025, 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, 2025 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 (“ HKSAAs ”) 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.

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 HKSA's 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 HKSA's, 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.

KIL INTERNATIONAL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2025

	Note	2025 HK\$	2024 HK\$
REVENUE	3	154,862,118	165,534,212
COST OF SALES		<u>(153,792,391)</u>	<u>(164,451,046)</u>
GROSS PROFIT		1,069,727	1,083,166
OTHER REVENUE	3	9	10
ADMINISTRATIVE EXPENSES		(89,050)	(89,050)
OTHER OPERATING EXPENSES		<u>(742,647)</u>	<u>(746,582)</u>
COMPREHENSIVE INCOME BEFORE TAXATION	4	238,039	247,544
TAXATION	6	<u>(18,137)</u>	<u>(10,422)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>219,902</u>	<u>237,122</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, 2025

	Note	2025 HK\$	2024 HK\$
CURRENT ASSETS			
Inventories	7	18,064,230	16,140,462
Accounts receivable		34,024,623	33,032,462
Deposits and other receivables		24,000	24,000
Cash and bank balances		846,233	1,086,216
		<u>52,959,086</u>	<u>50,283,140</u>
CURRENT LIABILITIES			
Accounts payable		15,296,751	12,848,422
Accrual		21,000	21,000
Provision for taxation		18,137	10,422
		<u>15,335,888</u>	<u>12,879,844</u>
NET CURRENT ASSETS		<u>37,623,198</u>	<u>37,403,296</u>
EQUITY			
Share capital			
Issued and fully paid :			
32,000,000 ordinary shares	8	32,000,000	32,000,000
Retained earnings	9	5,623,198	5,403,296
TOTAL EQUITY		<u>37,623,198</u>	<u>37,403,296</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, 2025

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. 1503, 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, 2025

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:

	2025 HK\$	2024 HK\$
Turnover		
Sale of goods	154,862,118	165,534,212
Other revenue		
Bank interest income	9	10
	<u>154,862,127</u>	<u>165,534,222</u>

4. Comprehensive income before taxation for the year

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

	Note	2025 HK\$	2024 HK\$
Auditors' remuneration		8,400	8,400
Bank interest income		(9)	(10)
Cost of sales		153,792,391	164,451,046
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		<u>80,400</u>	<u>80,400</u>

KIL INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025

5. Director's emoluments

The sole director did not receive any emolument during the year. (2024: Nil)

6. Taxation

Hong Kong Profits Tax has been provided at the rate of 8.25% (2024: 8.25%) on the estimated assessable profit for the year.

	2025 HK\$	2024 HK\$
Tax charge for the year	19,637	20,422
Less: one-time off rebate	(1,500)	(10,000)
	<u>18,137</u>	<u>10,422</u>

7. Inventories

Inventories comprise entirely of diamonds and jewelry.

8. Share capital

	2025 HK\$	2024 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 31.3.2024	32,000,000	5,403,296	37,403,296
Profit for the year	<u>-</u>	<u>219,902</u>	<u>219,902</u>
Balance as at 31.3.2025	<u>32,000,000</u>	<u>5,623,198</u>	<u>37,623,198</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, 2025

(For management information purposes only)

	2025 HK\$	2024 HK\$
SALES	154,862,118	165,534,212
LESS: COST OF SALES		
Opening inventories	16,140,462	12,544,538
Purchases	155,462,316	167,765,959
Certificates and declararion	23,412	32,771
Freight and transportation	230,431	248,240
	171,856,621	180,591,508
Less: closing inventories	18,064,230	16,140,462
	153,792,391	164,451,046
GROSS PROFIT	1,069,727	1,083,166
OTHER REVENUE		
Bank interest income	9	10
	1,069,736	1,083,176
ADMINISTRATIVE EXPENSES (P.11)	89,050	89,050
OTHER OPERATING EXPENSES (P.11)	742,647	746,582
	831,697	835,632
COMPREHENSIVE INCOME BEFORE TAXATION	238,039	247,544

KIL INTERNATIONAL LIMITED
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2025
(For management information purposes only)

	2025	2024
	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	13,255	12,645
Director's quarter expenses	192,000	192,000
Entertainment	20,654	21,423
Postage and courier	20,777	22,638
Printing and stationery	28,128	30,416
Mandatory provident fund	18,000	18,000
Salaries	360,000	360,000
Sundry expenses	35,411	38,367
Telecommunications	21,369	22,344
Travelling - local	20,453	16,149
	<u>742,647</u>	<u>746,582</u>