

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 AND
INDEPENDENT AUDITOR'S REPORT**

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
SMBC Advisory Services Saudi Arabia
(A Single Shareholder Limited Liability Company)

Opinion

We have audited the financial statements of SMBC Advisory Services Saudi Arabia (A Single Shareholder Limited Liability Company) (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 present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are 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 Financial Statements* section of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, Regulations for Companies and the Company's Articles of Association, 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.

The Company's Board of Managers are responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report on the Audit of the Financial Statements of SMBC Advisory Services Saudi Arabia (A Single Shareholder Limited Liability Company) for the year ended 31 March 2025

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, 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.

For BDO Dr. Mohamed Al-Amri & Co.

Gihad Al-Amri
Certified Public Accountant
Registration No. 362



Riyadh, on: 01 Muharram 1447 (H)
Corresponding to: 26 June 2025 (G)

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

(All amounts are in ﷻ unless otherwise stated)

	<u>Note</u>	31 March 2025	31 March 2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	4,125,022	5,371,158
Deferred tax asset	12	744,187	952,423
Total non-current assets		4,869,209	6,323,581
CURRENT ASSETS			
Accounts receivable	6	862,500	2,427,484
Due from related parties	13	5,266,997	2,469,906
Prepayments and other assets	7	322,901	288,016
Cash and cash equivalents	8	18,296,684	14,743,131
Total current assets		24,749,082	19,928,537
TOTAL ASSETS		29,618,291	26,252,118
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	18,000,000	18,000,000
Statutory reserve	9	773,645	437,209
Retained earnings		6,462,795	3,434,867
Total equity		25,236,440	21,872,076
NON-CURRENT LIABILITIES			
Lease liability – non current	14	1,196,795	1,752,872
Employees' end of service benefits	10	375,775	224,664
Total non-current liabilities		1,572,570	1,977,536
CURRENT LIABILITIES			
Accrued and other payables	11	1,372,196	758,967
Due to a related party	13	133,062	406,212
Lease liability - current	14	556,078	529,646
Income tax provision	12	747,945	707,681
Total current liabilities		2,809,281	2,402,506
TOTAL LIABILITIES		4,381,851	4,380,042
TOTAL EQUITY AND LIABILITIES		29,618,291	26,252,118

These financial statements were approved by Sumitomo Mitsui Banking Corporation, the Parent Company, on 29 Dhul Hijjah 1446 H (corresponding to 25 June 2025 G) and have been subsequently signed on its behalf by the Chief Executive Officer of the Company on 25 June 2025 G.

Kazutomo Yoshida
Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these financial statements.

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ~~£~~ unless otherwise stated)

	<u>Note</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
Revenues	15	15,788,130	13,902,965
Expenses			
Salaries and allowances		(4,436,812)	(2,557,765)
Consultancy and professional fees		(2,100,518)	(2,251,704)
Premises related expenses		(94,729)	(88,995)
Depreciation expense	4	(1,332,935)	(1,584,543)
Interest on lease liability	14	(98,555)	(55,140)
Other general and administrative expenses	16	(3,990,417)	(3,513,931)
Total operating expenses		<u>(12,053,966)</u>	<u>(10,052,078)</u>
Operating profit		3,734,164	3,850,887
Finance income	8	<u>628,700</u>	276,472
Profit before income tax		4,362,864	4,127,359
Income tax	12	<u>(998,500)</u>	244,735
Net profit for the year		3,364,364	4,372,094
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,364,364</u>	<u>4,372,094</u>

These financial statements were approved by Sumitomo Mitsui Banking Corporation, the Parent Company, on 29 Dhul Hijjah 1446 H (corresponding to 25 June 2025 G) and have been subsequently signed on its behalf by the Chief Executive Officer of the Company on 25 June 2025 G.



Kazutomo Yoshida
Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these financial statements.

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in SAR unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings / (Accumulated losses)	Total
Balance as at 1 April 2023	18,000,000	-	(500,018)	17,499,982
Net profit for the year	-	-	4,372,094	4,372,094
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	4,372,094	4,372,094
Transfer to statutory reserve	-	437,209	(437,209)	-
Balance as at 31 March 2024	18,000,000	437,209	3,434,867	21,872,076
Net profit for the year	-	-	3,364,364	3,364,364
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,364,364	3,364,364
Transfer to statutory reserve	-	336,436	(336,436)	-
Balance as at 31 March 2025	18,000,000	773,645	6,462,795	25,236,440

These financial statements were approved by Sumitomo Mitsui Banking Corporation, the Parent Company, on 29 Dhul Hijjah 1444 H (corresponding to 25 June 2025 G) and have been subsequently signed on its behalf by the Chief Executive Officer of the Company on 25 June 2025 G.



Kazutomo Yoshida
Chief Executive Officer

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ~~£~~ unless otherwise stated)

	Note	31 March 2025	31 March 2024
Cash flows from operating activities			
Profit before income tax		4,362,864	4,127,359
Adjustments for non-cash items			
Depreciation expense	4	1,332,935	1,584,543
Loss on disposal of property and equipment		-	33,862
Provision for employees' end of services benefits	10	151,111	60,798
Interest on lease liability	14	98,555	55,140
		<u>5,945,465</u>	<u>5,861,702</u>
<i>Changes in operating assets and liabilities:</i>			
Contract assets		-	2,274,942
Accounts receivables		1,564,984	(902,686)
Due from related parties		(2,797,091)	(345,504)
Prepayments and other assets		(34,885)	(47,600)
Accrued and other payables		613,229	(276,415)
Due to a related party		(273,150)	(228,743)
Cash flow generated from operating activities		<u>5,018,552</u>	<u>6,335,696</u>
Income tax paid	12	(750,000)	(1,022,485)
Net cash generated from operating activities		<u>4,268,552</u>	<u>5,313,211</u>
Cash flows from investing activity			
Purchase of property and equipment	4	(86,799)	(174,319)
Net cash used in investing activity		<u>(86,799)</u>	<u>(174,319)</u>
Cash flows from financing activity			
Payment of lease liability	14	(628,200)	(628,200)
Net cash used in financing activity		<u>(628,200)</u>	<u>(628,200)</u>
Net change in cash and cash equivalents		3,553,553	4,510,692
Cash and cash equivalents at the beginning of the year		14,743,131	10,232,439
Cash and cash equivalents at the end of the year	8	<u>18,296,684</u>	<u>14,743,131</u>
Non-cash transactions			
Addition to right of use assets	4,14	-	2,855,578

These financial statements were approved by Sumitomo Mitsui Banking Corporation, the Parent Company, on 29 Dhul Hijjah 1446 H (corresponding to 25 June 2025 G) and have been subsequently signed on its behalf by the Chief Executive Officer of the Company on 25 June 2025 G.



Kazutomo Yoshida
Chief Executive Officer

The accompanying notes 1 to 20 form an integral part of these financial statements.

SMBC ADVISORY SERVICES SAUDI ARABIA
(A Single Shareholder Limited Liability Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷲ otherwise stated)

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

SMBC Advisory Services Saudi Arabia (A Single Shareholder Limited Liability Company) ("the Company") is registered in Riyadh, Kingdom of Saudi Arabia with company no. 7007988251 and commercial registration no. 1010613941 dated 10 Rabi Al-Thani 1439H (corresponding to 28 December 2017) issued by the Ministry of Commerce. The Company operates under Saudi Arabia General Investment Authority license no. 10213390279311 dated 17 Safar 1439H (corresponding to 6 November 2017). Furthermore, the Company received its Capital Market Authority ("CMA") license no. 30-19198 dated 29 Jamad al Awwal 1440H (corresponding to 4 February 2019) to carry out arranging and advisory services.

On 30 January 2020, the Company received approval from the CMA to commence its arranging services. On 9 June 2020, the Company submitted a request for the cancellation of its advisory license which was formally approved on 29 June 2020.

The Company is currently involved in providing arranging services which includes introducing parties in relation to offering of securities, arrangement of its underwriting and advising on corporate finance business. The Company is a wholly owned subsidiary of Sumitomo Mitsui Banking Corporation ("the Parent Company") incorporated in Tokyo, Japan on 19 Muharram 1417H (corresponding to 6 June 1996) under registration no. 0100-01-008813.

The registered address of the Company, which is also its principal place of business, is at 7th Floor, Al Faisaliah Tower, P.O. Box 3333, Riyadh 12212 Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

a) *Statement of compliance*

The financial statements have been prepared in accordance with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

b) *Basis of measurement*

The accompanying financial statements have been prepared under the historical cost convention using the accrual basis of accounting and the going concern assumption.

The management of the Company has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the financial resources to continue its business and continue to generate profits in the foreseeable future. The management also believes that the Company has adequate liquidity to support its business plan. As a result of above, the Company continues to adopt the going concern basis in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts are in ﷲ otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

c) *Functional and presentation currency*

These financial statements are presented in Saudi Arabian Riyals (“ﷲ”) which is the Company’s functional and presentation currency. All amounts presented have been rounded to the nearest ﷲ.

d) *Significant accounting judgement, estimates and assumptions*

The preparation of these financial statements in conformity with IFRS 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 recognized in the period in which the estimates are revised and in any future periods affected. No significant estimates, assumptions or judgements were made in preparing these financial statements by the management. Major areas where estimates or judgements made are significant to the Company’s financial statements or where judgement was exercised in the application of accounting policies are as follows:

Going concern

In the course of applying the Company’s accounting policies, the management has evaluated the Company’s ability to continue as a going concern. The management is convinced that it has resources in order to continue the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may lead to the Company’s inability to continue as a going concern.

Recognition and measurement of accruals and provisions

Recognition and measurement of accruals and provisions requires key assumptions about likelihood and magnitude of an outflow of resources.

Useful lives and residual values of property and equipment

An estimate of the useful lives and residual values of property and equipment is made for the purposes of calculating depreciation expense. These estimates are made based on the expected useful lives of relevant assets. Residual value is determined based on experience and observable data where available.

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions are related to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company’s assets within the next financial year.

Measurement of fair values

A number of the Company’s accounting policies and disclosures require fair values measurement for both financial and non-financial assets and liabilities. When measuring an asset or liability’s fair value, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷲ otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

Measurement of fair values (continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Current tax

The Company's tax charge is on ordinary activities. The calculation of the Company's total tax charge involves a degree of estimation and judgment regarding certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits / (losses) and/or cash flows.

Deferred tax

The recognition of deferred tax assets is based on whether sufficient and suitable taxable profits will be available in the future. The Company has recognised deferred tax asset based on the future expected profits with an intention that it will be recovered.

e) *New accounting standards, amendments or interpretations adopted in these financial statements*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 but they had no material impact on these financial statements.

- Amendments - Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Classification of liabilities as Current and Non-current - Amendments to IAS 1
- Amendments - Non-current Liabilities with covenants - Amendments to IAS 1
- Amendments - Supplier Finance Arrangements - Amendments to IAS 7 & IFRS 7

f) *New standards and amendments issued but not yet effective and not early adopted*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IAS 21	Amendment – Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷻ otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting used in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a. Financial instruments

Classification and measurement of financial instruments

Recognition and initial measurement

The Company initially recognizes financial assets and financial liabilities on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

As at 31 March 2025 and 2024, the Company only held financial instruments measured at amortized cost.

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold financial assets 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.

Subsequent measurement

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method and resultant gain or loss is recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss. The 'amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Measurement of expected credit loss ("ECL")

The management recognizes ECL on financial asset measured at amortized cost which is measured as follows:

- financial assets measured at amortised cost and contract assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

As at 31 March 2025, the Company's financial assets comprised of cash and cash equivalents, accounts receivable, due from related parties, and refundable security deposits. These financial assets are short term in nature and are mainly recoverable from parties having sound credit rating therefore the impact of ECL has been considered as immaterial. The balances older than 180 days are considered as default.

Financial liabilities

The Company classifies its financial liabilities at amortized cost unless it has designated liabilities at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷲ otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a. Financial instruments (continued)

Classification and measurement of financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of:

- a. the consideration received (including any new asset obtained less any new liability assumed); and
- b. any cumulative gain or loss that had been recognized in OCI is recognized in income or loss.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and reported net in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and when the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are not offset in the statement of income or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

b. Revenue from contracts with customers

The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that the future economic benefits will flow to the Company. The revenue is recognized when (or as) each performance obligation is satisfied.

Revenue from arranging activities

Revenue from arranging activities is recognized based on services rendered under the applicable service contracts using the five-step approach to revenue recognition under IFRS 15. Arranging fees are recognized at a point in time in the statement of profit or loss when the specific performance obligation is satisfied and control of the service is transferred to the customer. This occurs upon the successful completion of the placement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷲ otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b. Revenue from contracts with customers (continued)

Retainership fees is recognized over time on a straight-line basis, as the customer simultaneously receives and consumes the benefits of the services throughout the contract period.

Revenue from Service Level Agreement (“SLA”)

The Company has entered into an SLA with Sumitomo Mitsui Banking Corporation – DIFC Branch (a related party) to provide certain services including market research. Revenue from SLA is recognized on accrual basis, based on a cost-plus markup agreement.

c. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and short-term deposit having maturity of less than or equal to three months, and available to the Company without any restrictions.

d. Contract assets

A contract asset is initially recognized for revenue earned from arranging services. It primarily relates to the Company’s conditional right to consideration for work completed but not billed at the reporting date. Once invoice is issued, the amount recognized as contract asset is reclassified to accounts receivable.

Provisioning of contract assets

The Company recognizes a provision against contract assets based on the difference between the contractual cash flows due in accordance with the contract and all the cashflows that the Company expects to receive.

e. Intangible assets

Intangible assets are recognized at cost less accumulated amortization and impairment losses, if any. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. Costs associated with maintaining computer software are recognized as an expense as and when incurred. Amortisation is charged to the statement of profit or loss by applying the straight-line basis over its useful life whereby the carrying amount of an asset is amortized over its estimated useful life to the Company unless such life is indefinite. The estimated useful life of intangible assets (computer software) is three years.

The Company accounts for impairment, where indications exist, by reducing the asset’s carrying amount to the recoverable amount.

f. Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which is as follows:

	<u>Estimated useful lives (in years)</u>
Office equipment	5
Leasehold improvements	10 or lease term, whichever is lower

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income and loss when the asset is de-recognized.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
(All amounts are in ﷲ otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g. Leases

On initial recognition, the Company shall assess whether the 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. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right-of-use assets ("ROUA")

The Company applies a cost model, and measures right-of-use asset at cost;

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any re-measurement of the lease liability for lease modifications.

Lease liability

On initial recognition, the lease liability is the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate. After the commencement date, the Company measures the lease liability at amortized cost using the effective interest method by:

- 1. Increasing the carrying amount to reflect interest on the lease liability;
- 2. Reducing the carrying amount to reflect the lease payments made and;
- 3. Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured 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.

h. Accruals and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

i. Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and bonuses in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

j. Employee end of service benefits

Provision is made for amounts payable under the Saudi Arabian Labor Law applicable to employees' accumulated service at the statement of financial position date. The liability is calculated as the value of the vested benefits to which the employee is entitled, should the employee leave at the statement of financial position date.

k. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be a requirement if settlement is determined by considering the class of obligations as a whole.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

l. General and administrative expenses

General and administrative expenses are those arising from the Company's operating activities including consultancy and professional fees, salaries and allowances, travel expenses and other administrative expenses and are classified as operating expenses which are recognized as incurred.

m. Income taxes

Taxation is provided in accordance with the regulations issued by the Zakat, Tax and Customs Authority ("ZATCA"). Income tax expense comprises current and deferred tax, which is recognized in income or loss.

Current tax

Current tax is the expected tax payable on the taxable income, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred taxation is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

The recognition of deferred tax asset is based on the Company's ability to generate sufficient future taxable profits against which they can be utilized. Recognition of deferred tax asset is reviewed at each reporting date by the management and recognised, based on sustainable and stable profitability of the Company.

The Company has recognized deferred tax assets as of 31 March 2025 (Note 12).

n. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation, at period end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
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4. PROPERTY AND EQUIPMENT

	Leasehold improvement	Office equipment	Work in Progress	Right-of-use asset	Total
Cost					
Balance as at 1 April 2024	4,172,565	3,085,648	130,048	5,246,990	12,635,251
Additions during the year	-	86,799	-	-	86,799
Derecognition on expiry of lease	-	-	-	(2,391,412)	(2,391,412)
Transfer	-	130,048	(130,048)	-	-
Balance as at 31 March 2025	4,172,565	3,302,495	-	2,855,578	10,330,638
Accumulated depreciation					
Balance as at 1 April 2024	1,877,652	2,709,471	-	2,676,970	7,264,093
Derecognition on expiry of lease	-	-	-	(2,391,412)	(2,391,412)
Depreciation for the year	417,256	344,563	-	571,116	1,332,935
Balance as at 31 March 2025	2,294,908	3,054,034	-	856,674	6,205,616
Net book value as at 31 March 2025	1,877,657	248,461	-	1,998,904	4,125,022
Cost					
Balance as at 1 April 2023	4,172,565	3,186,498	-	2,391,412	9,750,475
Additions during the year	-	44,271	130,048	2,855,578	3,029,897
Disposal during the year	-	(145,121)	-	-	(145,121)
Balance as at 31 March 2024	4,172,565	3,085,648	130,048	5,246,990	12,635,251
Accumulated depreciation					
Balance as at 1 April 2023	1,460,396	2,204,713	-	2,125,700	5,790,809
Depreciation for the year	417,256	616,017	-	551,270	1,584,543
Disposal during the year	-	(111,259)	-	-	(111,259)
Balance as at 31 March 2024	1,877,652	2,709,471	-	2,676,970	7,264,093
Net book value as at 31 March 2024	2,294,913	376,177	130,048	2,570,020	5,371,158

5. INTANGIBLE ASSETS

	31 March 2025	31 March 2024
Cost		
Balance at the beginning of the year	116,912	116,912
Balance at the end of the year	116,912	116,912
Accumulated amortization		
Balance at the beginning of the year	116,912	116,912
Amortization charge for the year	-	-
Balance as at the end of the year	116,912	116,912
Net book value as at end of the year	-	-

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6. ACCOUNTS RECEIVABLE

	31 March 2025	31 March 2024
Gross accounts receivable on arranging services	862,500	2,427,484
Less: Allowance for expected credit losses	-	-
	862,500	2,427,484

Following is the age analysis for gross accounts receivable on arranging services as at 31 March 2025 and 31 March 2024.

<u>Number of days outstanding</u>	31 March 2025	31 March 2024
Up to 90	862,500	2,199,654
91-180	-	227,830
	862,500	2,427,484

The accounts receivables are short term in nature with exposure to sound credit rating counterparties and thus expected credit loss amounts are considered to be immaterial.

7. PREPAYMENTS AND OTHER ASSETS

	31 March 2025	31 March 2024
Prepaid expenses	221,061	186,176
Security deposit	101,840	101,840
	322,901	288,016

8. CASH AND CASH EQUIVALENTS

	31 March 2025	31 March 2024
Cash at bank – current account	4,229,251	4,649,798
Short-term deposit	14,067,433	10,093,333
	18,296,684	14,743,131

This represents funds deposited in a non-interest-bearing current account with a local bank, having sound credit rating, that is unrestricted in nature and maintained for operational purpose. The Company also holds a short-term deposit with maturity of less than 90 days with Riyad Bank of ﷲ 14 million (31 March 2024 – ﷲ 10 million) at the rate of 5.1% (31 March 2024 – 6%) and has earned an interest of ﷲ 628,700 (interest rate 5.1% - 6%) for the year ended 31 March 2025 (31 March 2024 – ﷲ 276,472).

9. EQUITY

Share capital

As at 31 March 2025 and 2024, the authorized, issued and fully paid share capital of the Company, amounts to 18.00 million divided into 18,000,000 shares of 1.00 each.

Statutory reserve

In accordance with the Company's Articles of Association, the Company is committed to forming a statutory reserve by deducting 10% of the annual net profit until it reaches 30% of the capital. This reserve is available for distribution at the discretion of shareholders of the Company. As at 31 March 2025, the Company has transferred ﷲ 336,436 (31 March 2024 – ﷲ 437,209) to the statutory reserves.

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10. EMPLOYEES END OF SERVICE BENEFITS

	31 March 2025	31 March 2024
Balance at the beginning of the year	<u>224,664</u>	163,866
Provision during the year	<u>151,111</u>	60,798
Balance at the end of the year	<u>375,775</u>	<u>224,664</u>

Provision for employees' benefits has been computed as per Saudi Labor Regulations and is not measured under projected unit credit method. The Company has assessed the impact of this deviation from IFRS to be immaterial.

11. ACCRUED AND OTHER PAYABLES

	31 March 2025	31 March 2024
Accrued bonus	<u>898,014</u>	255,610
Accrued consultancy fee	<u>115,832</u>	130,018
VAT payable	<u>18,876</u>	90,776
Accrued audit fee	<u>80,000</u>	73,500
Other payable	<u>259,474</u>	209,063
	<u>1,372,196</u>	<u>758,967</u>

12. INCOME TAX

Income tax components consists of the following:

	Note	31 March 2025	31 March 2024
Income tax expense	12.1	<u>790,264</u>	707,688
Deferred tax expense / (income)	12.2	<u>208,236</u>	(952,423)
		<u>998,500</u>	<u>(244,735)</u>

12.1 Income tax expense for the year:

The Company is subject to income taxes in accordance with the requirements of ZATCA. The Company has recorded a profit during the year and provided for the income tax.

	Note	31 March 2025	31 March 2024
Calculation of adjusted net income			
Profit before income tax		<u>4,362,864</u>	4,127,359
Adjustments:			
Accounting depreciation	4	<u>1,332,935</u>	1,584,543
Taxes, fines and penalties		<u>195,031</u>	38,982
Unrealized loss / (gain) on foreign exchange		<u>292</u>	(5,066)
Employee end of service benefits, net	10	<u>151,111</u>	60,798
Interest expense on lease liability	14	<u>98,555</u>	55,140
Loss on disposal of property and equipment		-	33,862
Miscellaneous loss		-	42,209
Depreciation at ZATCA scale rates		<u>(526,291)</u>	(591,751)
Payment of lease liability	14	<u>(628,200)</u>	(628,200)
Adjusted net income		<u>4,986,297</u>	4,717,876
Share in brought forward losses restricted to 25% of profit		<u>(1,246,574)</u>	(1,179,469)
Adjusted profit for Income tax calculation		<u>3,739,723</u>	3,538,407
Income tax provision at 20%		<u>747,945</u>	707,681

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12. INCOME TAX

12.1 Income tax expense for the year (continued)

The movement in provision for income tax is as follows:

	31 March 2025	31 March 2024
Balance at the beginning of the year	707,681	1,022,478
Charge for the year		
- Income tax – current year	747,945	707,687
- Income tax – prior year adjustment	42,319	7
Total income tax expense	790,264	707,688
Paid during the year	(750,000)	(1,022,485)
Balance at the end of the year	747,945	707,681

12.2 Deferred tax income for the year:

Deferred tax is calculated using a rate of 20% in respect of all tax losses and temporary differences giving rise to deferred tax assets where management believes, it is probable that these assets will be recovered. The movement on the deferred tax asset is given below:

	31 March 2025	31 March 2024
Balance at the beginning of the year	952,423	-
Charged to profit or loss during the year	(208,236)	952,423
Balance at the end of the year	744,187	952,423

Details of the deferred tax asset and amount recognised in the statement of profit or loss is mentioned below:

	31 March 2025	(Charged) / credited to profit or loss @ 20%	(Charged) / credited to equity @ 20%
Property and equipment	1,109,325	221,865	-
Provision for employee's end of service benefits	375,775	75,155	-
Deferred tax amount on un-used tax losses	2,235,836	447,167	-
Balance at the end of the year		744,187	-
	31 March 2024	(Charged) / credited to profit or loss @ 20%	(Charged) / credited to equity @ 20%
Property and equipment	984,510	196,902	-
Provision for employee's end of service benefits	224,664	44,933	-
Deferred tax amount on un-used tax losses	3,482,410	710,588	-
Balance at the end of the year		952,423	-

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13. RELATED PARTY TRANSACTIONS

Related parties are considered to be related when these have the ability to exercise control over the Company or to exercise significant influence or joint control over the Company's financial and operating decision. Transactions with related parties, normally, comprise of transfer of resources, services or obligations between the parties. The Company in the normal course of its activities carried on business with other enterprises that fall within the definition of related parties. Details of related party transactions entered into during the period as follows:

Parties / Transactions	Year	Note	Amount of the transaction	Due from related parties	Due to a related party	Terms and conditions
Sumitomo Mitsui Banking Corporation (Parent Company)						
• Reimbursement of various expenses	2025	a	599,916	-	-	
	2024		627,199	-	-	
SMBC Bank International PLC (entity under common control)						
• Reimbursement of various expenses	2025	b	58,564	-	-	
	2024		13,914	-	-	
• Revenue – SLA	2025	f	2,423,652	2,423,652	-	Unsecured and on demand
	2024		-	-	-	
Sumitomo Mitsui Banking corporation New York (entity under common control)						
• Reimbursement of various expenses	2025	c	-	-	-	
	2024		68,419	-	-	
Sumitomo Mitsui Banking Corporation - DIFC Dubai (entity under common control)						
• Recharge of various operating expense	2025	d	153,963	-	133,062	Unsecured and on demand
	2024		194,599	-	-	
• Office expenses – SLA	2025	e	2,337,699	-	-	
	2024		1,616,647	-	406,212	Unsecured and on demand
• Revenue – SLA	2025	f	8,387,576	2,843,345	-	Unsecured and on demand
	2024		8,705,498	2,469,906	-	Unsecured and on demand
Total	2025			5,266,997	133,062	
Total	2024			2,469,906	406,212	

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13. RELATED PARTY TRANSACTIONS (CONTINUED)

- a. Staff related expense paid by the Parent Company and reimbursed by the Company.
- b. Operating expenses incurred by the Company which were processed by Sumitomo Mitsui Banking Corporation Bank International PLC and have been reimbursed by the Company during the year.
- c. Operating expenses incurred by the Company which were processed by Sumitomo Mitsui Banking Corporation New York and have been reimbursed by the Company during the year.
- d. Operating expenses incurred by the Company are processed by Sumitomo Mitsui Banking Corporation - DIFC Dubai Branch and are recharged to the Company as due to related party.
- e. Sumitomo Mitsui Banking Corporation - DIFC Dubai Branch provides certain services as per Service Level Agreement ("SLA"). These services include support for finance, human resources, IT, compliance, planning, and risk management.
- f. The Company provides marketing support services to Sumitomo Mitsui Banking Corporation – DIFC Dubai Branch and SMBC Bank International PLC in accordance with the SLA.

Compensation of key management personnel

Key management personnel are those persons with authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The key management personnel include the Company's Chief Executive Officer. The following are the key management personnel remuneration and benefits for the year ended 31 March 2025 and 31 March 2024.

	31 March 2025	31 March 2024
Salaries and other benefits	549,724	801,639
Housing allowance	280,000	340,900
End of service benefits	18,049	18,713
	847,773	1,161,252

14. LEASE LIABILITY

The Company's finance lease liability is payable as follows:

	31 March 2025	31 March 2024
Lease liability at the beginning of the year	2,282,518	-
Additions during the year	-	2,855,578
Finance cost on lease liability	98,555	55,140
Payment during the year	(628,200)	(628,200)
Lease liability at the end of the year	1,752,873	2,282,518
Maturity analysis		
Less than one year	556,078	529,646
More than one year but less than 5 years	1,196,795	1,752,872
	1,752,873	2,282,518

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15. REVENUE

Revenue comprises of the following:

	31 March 2025	31 March 2024
Revenue from SLA – UAE	7,464,070	8,705,498
Revenue from SLA for financial advisory – UAE	923,506	-
Revenue from SLA for marketing service - UK	2,423,652	-
Revenue from arranging services	4,976,902	5,197,467
	15,788,130	13,902,965

The Company recognizes the revenues over time when or as performance obligations are fulfilled and collection is reasonably assured.

16. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

Other general and administrative expenses comprise of the following:

	31 March 2025	31 March 2024
SLA expenses	2,337,699	1,616,647
Office expenses	415,308	410,146
Personnel expenses	508,678	580,117
Travel expenses	133,153	260,762
Memberships	97,255	98,574
Taxes	149,221	227,089
Other expenses	349,103	320,596
	3,990,417	3,513,931

17. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The risks are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's going concern and each member of the senior management of the Company is accountable for the risk exposures relating to his or her responsibilities.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company's maximum exposure to credit risk is as follows:

	Note	31 March 2025	31 March 2024
Cash and cash equivalents	8	18,296,684	14,743,131
Accounts receivable	6	862,500	2,427,484
Due from related parties	13	5,266,997	2,469,906
Security deposits	7	101,840	101,840
		24,528,021	19,742,361

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17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and cash equivalents

The Company kept its operating funds with Riyadh Bank, having a sound credit rating.

Accounts receivable

The Company's counterparties are exclusively government-related entities and are short term in nature therefore exposed to insignificant credit risk.

Due from related parties

These are exposures with Sumitomo Mitsui Banking Corporation – DIFC Dubai Branch and Sumitomo Mitsui Banking Corporation PLC London office which are affiliates within the Sumitomo Mitsui Financial Group and are exposed to insignificant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The table below are the contractual maturities at the end of the reporting period of financial liabilities:

	Up to three months	More than three months and up to a year	More than one year and up to five years	More than five years	Total
31 March 2025:					
Financial liabilities					
Accruals and other payables	1,353,320	-	-	-	1,353,320
Due to a related party	133,062	-	-	-	133,062
Lease liabilities	-	628,200	1,256,400	-	1,884,600
	1,353,320	628,200	1,256,400	-	3,370,982

31 March 2024:

Financial liabilities

Accrued an other payables	668,191	-	-	-	668,191
Due to a related party	406,212	-	-	-	406,212
Lease liabilities	-	628,200	1,884,600	-	2,512,200
	668,191	628,200	1,884,600	-	3,586,603

Market risk

Special commission rate risk

Special commission rate risk arises from the possibility that the changes in commission rates may affect either fair values or future cash flows of financial instruments. Currently, the Company has only deposit which are at fixed rate. The Company monitors the fluctuation in commission rate and acts accordingly.

Foreign currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant currency risk.

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18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of the financial instruments such as cash and cash equivalents, accounts receivable, and due to / from related parties and other accrued payables approximates their fair value because of their short-term nature and are categorized under level 3 of fair value hierarchy.

There were no transfers between the levels of fair value hierarchies during the year.

19. EVENTS SUBSEQUENT TO THE REPORTING DATE

No events have occurred subsequent to the reporting date and before the issuance of these financial statements which requires adjustment to, or disclosure, in these financial statements, other than disclosed in the financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by Sumitomo Mitsui Banking Corporation, the Parent Company, on 29 Dhul-Hijjah 1446 H (corresponding to 25 June 2025 G) and signed on their behalf by the Chief Executive Officer of the Company on 25 June 2025 G.
