

DSSP GLOBAL LIMITED

**Reports and Consolidated Financial Statements
For the year ended 31 March 2025**

DSSP GLOBAL LIMITED

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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DSSP GLOBAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of DSSP Global Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and garment sample trading. The principal activities of its subsidiary comprise garment and textile manufacturing. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2025 and the Group's financial position at that date are set out in the financial statements on pages 6 to 9.

The directors do not recommend the payment of any dividend in respect of the year.

DIRECTORS

The directors of the Company during the year were:

Deepak Kumar SETH	
Pulkit SETH	
Lalit Pandit JADE	(appointed on 3 February 2025)
Sumit LATH	(resigned on 29 November 2024)

The persons who were directors of the subsidiary of the Company during the year were:

Deepak Kumar SETH	
Pulkit SETH	
Lalit Pandit JADE	(appointed on 3 February 2025)
Amit KUMAR	(resigned on 29 November 2024)

There being no provision in the Company's articles of association for retirement by rotation, all the remaining directors continue in office.

DIRECTORS' INTERESTS

At no time during the year was the Company, its subsidiary or any of its holding companies or its fellow subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DSSP GLOBAL LIMITED

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company, its subsidiary or any of its holding companies or fellow subsidiaries was a party during the year.

PERMITTED INDEMNITY PROVISIONS

During the year ended 31 March 2025, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for an indemnity against a liability incurred by the directors of the Company, to a third party.

AUDITORS

During the year, Messrs. Ernst & Young, who acted as auditor of the Company, resigned and Messrs. Deloitte Touche Tohmatsu was appointed as auditor of the Company. A resolution will be submitted at the forthcoming annual general meeting to re-appoint them as auditor of the Company.

On behalf of the Board



Deepak Kumar SETH
DIRECTOR

Hong Kong
09 May 2025

INDEPENDENT AUDITOR'S REPORT**TO THE SOLE MEMBER OF DSSP GLOBAL LIMITED**

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of DSSP Global Limited (the "Company") and its subsidiary (collectively referred to as the "Group") set out on pages 6 to 41, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 31 May 2024.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT

TO THE SOLE MEMBER OF DSSP GLOBAL LIMITED - continued
(incorporated in Hong Kong with limited liability)

Other Information - continued

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditors Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SOLE MEMBER OF DSSP GLOBAL LIMITED - continued
(incorporated in Hong Kong with limited liability)

Auditors Responsibilities for the Audit of the Consolidated Financial Statements - continued

- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Leung Chui Shan (practising certificate number: P05731).



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
9 May 2025

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2025

	<u>NOTES</u>	<u>2025</u> US\$	<u>2024</u> US\$
Revenue	4	74,937,387	45,513,459
Cost of sales		<u>(68,217,957)</u>	<u>(40,259,713)</u>
Gross profit		6,719,430	5,253,746
Other income and gains, net	5	976,895	718,722
Administrative expenses		(5,329,290)	(3,958,553)
Other operating expenses		(266,487)	(771,488)
Finance costs	6	<u>(927,366)</u>	<u>(740,344)</u>
Profit before tax	7	1,173,182	502,083
Income tax expense	9	<u>(208,749)</u>	<u>(55,230)</u>
Profit for the year		<u>964,433</u>	<u>446,853</u>
Attributable to:			
Owner of the parent		959,602	392,113
Non-controlling interests		<u>4,831</u>	<u>54,740</u>
		<u>964,433</u>	<u>446,853</u>

DSSP GLOBAL LIMITED

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

	<u>2025</u> US\$	<u>2024</u> US\$
Profit for the year	<u>964,433</u>	<u>446,853</u>
Other comprehensive (expense) income for the year <i>Other comprehensive (expense) income that will not be reclassified to profit or loss in subsequent period:</i>		
Remeasurement (loss) gain on defined benefit obligations, net of tax	<u>(19,067)</u>	<u>151,712</u>
Total comprehensive income for the year	<u><u>945,366</u></u>	<u><u>598,565</u></u>
Attributable to:		
Owner of the parent	943,409	498,189
Non-controlling interests	<u>1,957</u>	<u>100,376</u>
	<u><u>945,366</u></u>	<u><u>598,565</u></u>

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025

	<u>NOTES</u>	<u>2025</u> US\$	<u>2024</u> US\$
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,894,100	5,318,230
Right-of-use assets	11(a)	113,696	218,647
Deposits		10,525	10,525
Deferred tax assets	13	5,693	5,998
Total non-current assets		<u>5,024,014</u>	<u>5,553,400</u>
CURRENT ASSETS			
Inventories	12	2,796,983	1,935,113
Trade receivables	14	444,161	103,379
Prepayments and deposits		1,412,537	408,372
Amounts due from fellow subsidiaries	19(b)	25,242,174	14,073,724
Tax recoverable		60,398	65,447
Cash and cash equivalents		1,754,430	1,207,252
Total current assets		<u>31,710,683</u>	<u>17,793,287</u>
CURRENT LIABILITIES			
Trade and other payables		5,699,059	4,879,867
Amount due to immediate holding company	19(b)	777,380	727,030
Amount due to a fellow subsidiary	19(b)	923,569	2,577
Interest-bearing bank borrowings	15	17,466,973	8,049,614
Lease liabilities	11(b)	117,831	102,890
Loan from a non-controlling shareholder		-	225,000
Tax payable		149,508	-
Total current liabilities		<u>25,134,320</u>	<u>13,986,978</u>
NET CURRENT ASSETS		<u>6,576,363</u>	<u>3,806,309</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,600,377</u>	<u>9,359,709</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	-	117,831
Defined benefit obligations	16	492,814	454,681
Total non-current liabilities		<u>492,814</u>	<u>572,512</u>
Net assets		<u><u>11,107,563</u></u>	<u><u>8,787,197</u></u>

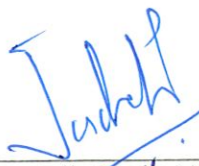
DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
FOR THE YEAR ENDED 31 MARCH 2025

	<u>NOTE</u>	<u>2025</u> US\$	<u>2024</u> US\$
EQUITY			
Share capital	17	4,705,121	1,680,121
Reserves		5,009,889	4,558,404
		<u>9,715,010</u>	<u>6,238,525</u>
Non-controlling interests		1,392,553	2,548,672
Total equity		<u>11,107,563</u>	<u>8,787,197</u>



Deepak Kumar SETH
DIRECTOR



Lalit Pandit JADE
DIRECTOR

DSSP GLOBAL LIMITED

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

	Attributable to owner of the parent					Total US\$	Non- controlling interests US\$	Total equity US\$
	Share capital US\$	Capital reserve US\$	Remeasurement reserve US\$	Revaluation surplus US\$	Retained profits US\$			
At 1 April 2023	1,680,121	-	(56,909)	341,941	3,775,183	5,740,336	2,448,296	8,188,632
Profit for the year	-	-	-	-	392,113	392,113	54,740	446,853
Other comprehensive income for the year:								
Remeasurement of defined benefit obligation, net of tax	-	-	106,076	-	-	106,076	45,636	151,712
Total comprehensive income for the year	-	-	106,076	-	392,113	498,189	100,376	598,565
At 31 March 2024	1,680,121	-	49,167	341,941	4,167,296	6,238,525	2,548,672	8,787,197
Profit for the year	-	-	-	-	959,602	959,602	4,831	964,433
Other comprehensive expense for the year:								
Remeasurement of defined benefit obligation, net of tax	-	-	(16,193)	-	-	(16,193)	(2,874)	(19,067)
Total comprehensive (expense) income for the year	-	-	(16,193)	-	959,602	943,409	1,957	945,366
Issue of shares by capitalisation of loan	525,000	-	-	-	-	525,000	-	525,000
Issue of shares	2,500,000	-	-	-	-	2,500,000	-	2,500,000
Issue of shares of a subsidiary by capitalisation of loan	-	-	-	-	-	-	225,000	225,000
Acquisition of additional interest in a subsidiary	-	(491,924)	-	-	-	(491,924)	(1,383,076)	(1,875,000)
At 31 March 2025	<u>4,705,121</u>	<u>(491,924)</u>	<u>32,974</u>	<u>341,941</u>	<u>5,126,898</u>	<u>9,715,010</u>	<u>1,392,553</u>	<u>11,107,563</u>

DSSP GLOBAL LIMITED

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

	<u>2025</u> US\$	<u>2024</u> US\$
OPERATING ACTIVITIES		
Profit before tax	1,173,182	502,083
Adjustments for:		
Bank interest income	(5,937)	(6,168)
(Gain) loss on disposal of property, plant and equipment, net	(5,663)	6,235
Finance costs	927,366	740,344
Depreciation of property, plant and equipment	498,508	475,412
Depreciation of right-of-use assets	104,951	100,988
Pension scheme costs, net	59,305	99,637
Operating cash flows before movements in working capital	2,751,712	1,918,531
(Increase) decrease in inventories	(861,870)	219,853
(Increase) decrease in trade receivables	(340,782)	104,651
(Increase) decrease in deposits and prepayments	(1,004,165)	632,148
Increase in trade and other payables	819,192	263,416
Increase in an amount due to immediate holding company	50,350	134,837
Changes in balances with fellow subsidiaries, net	(10,247,458)	3,095,994
Cash (used in) generated from operations	(8,833,021)	6,369,430
Bank interest received	5,937	6,168
Employee benefits obligations paid	(45,617)	(149,587)
Interest paid	(913,739)	(723,507)
Income tax paid, net	(48,509)	(118,075)
NET CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES	<u>(9,834,949)</u>	<u>5,384,429</u>
INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(93,294)	(465,077)
Proceeds from disposal of property, plant and equipment	24,579	19,184
NET CASH USED IN INVESTING ACTIVITIES	<u>(68,715)</u>	<u>(445,893)</u>
FINANCING ACTIVITIES		
New bank borrowings raised	65,761,877	45,161,387
Proceed from issue of shares	2,500,000	-
Loan from immediate holding company	525,000	-
Repayment of bank borrowings	(56,344,518)	(49,750,431)
Acquisition of partial interest of a subsidiary	(1,875,000)	-
Capital element of lease payments	(102,890)	(94,130)
Interest element of lease payments	(13,627)	(16,837)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>10,450,842</u>	<u>(4,700,011)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	547,178	238,525
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>1,207,252</u>	<u>968,727</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>1,754,430</u></u>	<u><u>1,207,252</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>1,754,430</u>	<u>1,207,252</u>

DSSP GLOBAL LIMITED

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

1. CORPORATE INFORMATION

DSSP Global Limited ("the Company") is a limited liability company incorporated in Hong Kong. Its registered office is located at Room 1801, 18/F, Kimberland Centre, No. 55 Wing Hong Street, Cheung Sha Wan, Kowloon. The Company is a wholly-owned subsidiary of Pearl Global (HK) Limited, a company incorporated in Hong Kong. In the opinion of the directors, the ultimate holding company is Pearl Global Industries Limited, a company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange in India.

The principal activities of the Company and its subsidiary (collectively referred to as the "Group") are investment holding, garment sample trading and garment and textile manufacturing.

Information about subsidiary

Particulars of the Company's subsidiary as at 31 March 2025 are as follows:

<u>Name</u>	<u>Place of incorporation and business</u>	<u>Percentage of equity holding attributable to the Company Direct</u>	<u>Principal activities</u>
PT Pinnacle Apparels	Indonesia	84.93 (2024: 69.92)	Garment and textile manufacturing

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These consolidated financial statements have been prepared under the historical cost convention and are presented in United States dollars ("US\$"), which is also the Company's functional currency.

2. ACCOUNTING POLICIES - continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. ACCOUNTING POLICIES - continued

2.3 HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE
- continued

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

The Group is still in the process to assess whether to elect to apply the reduced disclosures requirements in the future financial statements.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company and its subsidiary. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Basis of consolidation - continued

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

DSSP GLOBAL LIMITED

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Property, plant and equipment and depreciation - continued

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment, other than construction in progress, to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Building	5%
Leasehold improvements	12.5%
Machineries	12.5%
Furniture and fixtures	25%
Motor vehicles	12.5 to 25%
Tools and equipment	25%

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Group makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit). In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Impairment of non-financial assets - continued

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to profit or loss in the year in which it arises.

Leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. All leases with a term of more than 12 months are recognised as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value. Both the assets and the liabilities are initially measured on a present value basis. Right-of-use assets are recognised separately and are measured at cost or valuation less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful lives of the assets and the lease terms. Lease liabilities are initially measured at the present value of lease payments to be made under the lease terms and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

Financial assets

Trade receivables that do not contain a significant financial component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financial component are measured at the transaction price determined under HKFRS 15 "Revenue from Contracts with Customers". All the other financial assets are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date when the Group commits to purchase or sell the assets.

(a) Classification and measurement

Debt instruments are measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial assets - continued

(b) Impairment

The Group applies the expected credit loss model on all the financial assets that are subject to impairment. For trade receivables without a significant financial component, the Group applies the simplified approach which requires impairment allowances to be measured at lifetime expected credit losses.

For other financial assets, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Group is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where 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.

The Group considers a default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired; or where the Company has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

Financial liabilities

Financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when they are extinguished, i.e., when the obligation is discharged or cancelled, or expires.

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2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of goods or services is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of garment products

Revenue from the sale of garment products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the garment products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Marketing fee income is recognised in the period in which the relevant services are rendered.

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2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks.

Borrowing costs

Borrowing costs are expensed in profit or loss in the year in which they are incurred.

Foreign currency transactions

These consolidated financial statements are presented in US\$, which is the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Employee benefits

Retirement benefit costs

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as and when the contributions fall due.

The Group has made provisions for estimated liabilities for employee benefits paid to the employees of the Group's Indonesian subsidiary as required under the Indonesian Labor Law. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Employee benefits - continued

Retirement benefit costs - continued

Remeasurements arising from defined benefit pension plans, comprising actuarial gains and losses are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation in the consolidated statement profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

2. ACCOUNTING POLICIES - continued

2.4 MATERIAL ACCOUNTING POLICY INFORMATION - continued

Income tax - continued

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. SIGNIFICANT ACCOUNTING ESTIMATES

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

Estimation uncertainties

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

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from change or improvements in the provision of services, or from a change in the market demand for the service output of the asset, the expected usage of the asset, the expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Adjustment of depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of the reporting period based on changes in circumstances.

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3. SIGNIFICANT ACCOUNTING ESTIMATES - continued

Estimation uncertainties - continued

Write-down of inventories to net realisable value

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

4. REVENUE

Revenue recognised at a point in time during the year is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
<i>Revenue from contracts with customers</i>		
Sales of garment products	<u>74,937,387</u>	<u>45,513,459</u>

The performance obligation is satisfied at a point in time upon delivery of the garment products and payment is generally due within 7 to 90 days from delivery.

5. OTHER INCOME AND GAINS, NET

	<u>2025</u> US\$	<u>2024</u> US\$
Bank interest income	5,937	6,168
Marketing fee income from a fellow subsidiary	600,000	540,000
Others	370,958	172,554
	<u>976,895</u>	<u>718,722</u>

6. FINANCE COSTS

	<u>2025</u> US\$	<u>2024</u> US\$
Interest on trade financing and bank charges	913,739	723,507
Interest on lease liabilities	13,627	16,837
	<u>927,366</u>	<u>740,344</u>

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7. PROFIT BEFORE TAX

The Company's profit before tax is arrived after charging (crediting):

	<u>2025</u> US\$	<u>2024</u> US\$
Auditor's remuneration	28,271	10,000
Cost of inventories sold	68,217,957	40,259,713
Depreciation of property, plant and equipment	498,508	475,412
Depreciation of right-of-use assets	104,951	100,988
(Gain) loss on disposal of property, plant and equipment, net	(5,663)	6,235
Employee benefit expense (including directors' remuneration (note 8)):		
Salaries and allowances [^]	7,175,445	6,163,127
Pension scheme contribution (defined contribution scheme)#	13,797	9,973
Pension scheme costs (defined benefit obligations)	59,305	99,637
Staff welfare	21,618	4,937
Total staff costs	<u>7,270,165</u>	<u>6,277,674</u>
Foreign exchange losses, net	<u>11,306</u>	<u>17,505</u>

[^] Salaries and allowances of US\$4,281,873 (2024: US\$3,410,099) has been charged to cost of sales and US\$2,893,572 (2024: US\$2,753,028) has been charged to administrative expenses in the consolidated statement of profit or loss, respectively.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Fee	-	-
Other emoluments:		
Salary, bonus and other allowances	273,554	233,168
Pension scheme contribution (defined contribution scheme)	1,928	2,314
	<u>275,482</u>	<u>235,482</u>

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9. INCOME TAX

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the current year. No provision has been made in the consolidated financial statements in prior year as the Group did not generate any assessable profits arising in Hong Kong in that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	<u>2025</u> US\$	<u>2024</u> US\$
Current - Hong Kong		
Charge for the year	182,950	-
Current - Overseas		
Charge for the year	11,012	23,084
Underprovision in prior years	9,104	-
Deferred tax (note 13)	<u>5,683</u>	<u>32,146</u>
	<u>208,749</u>	<u>55,230</u>

A reconciliation of the tax expense applicable to the profit before tax at the Hong Kong statutory rate to the tax amount at the effective tax rate is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Profit before tax	<u>1,173,182</u>	<u>502,083</u>
Tax at the Hong Kong statutory tax rate of 16.5% (2024: 16.5%)	193,575	82,844
Expenses not deductible for tax	2,509	2,892
Income not subject to tax	(1,047)	(1,357)
Tax losses utilised from previous years	-	(43,704)
Temporary difference not recognised from previous years	1,325	1,508
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,283	13,047
Underprovision in respect of prior years	<u>9,104</u>	<u>-</u>
Tax amount at effective rate	<u>208,749</u>	<u>55,230</u>

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10. PROPERTY, PLANT AND EQUIPMENT

31 March 2025

	Freehold land US\$	Building US\$	Leasehold improvement US\$	Machineries US\$	Furniture and fixture US\$	Motor vehicles US\$	Tools and equipment US\$	Construction in progress US\$	Total US\$
At 1 April 2024:									
Cost	1,454,383	2,630,812	600,169	3,525,226	397,692	322,096	714,845	100,868	9,746,091
Accumulated depreciation	-	(177,012)	(522,622)	(2,719,165)	(288,732)	(89,670)	(630,660)	-	(4,427,861)
Net carrying amount	1,454,383	2,453,800	77,547	806,061	108,960	232,426	84,185	100,868	5,318,230
At 1 April 2024, net of accumulated depreciation	1,454,383	2,453,800	77,547	806,061	108,960	232,426	84,185	100,868	5,318,230
Additions	-	-	-	24,730	1,221	21,760	40,593	4,990	93,294
Disposals - cost	-	-	-	-	-	(44,009)	(3,346)	-	(47,355)
Disposals - accumulated depreciation	-	-	-	-	-	25,819	2,620	-	28,439
Depreciation provided during the year	-	(131,541)	(31,421)	(220,980)	(41,264)	(40,091)	(33,211)	-	(498,508)
At 31 March 2025	1,454,383	2,322,259	46,126	609,811	68,917	195,905	90,841	105,858	4,894,100
At 31 March 2025:									
Cost	1,454,383	2,630,812	600,169	3,549,956	398,913	299,847	752,092	105,858	9,792,030
Accumulated depreciation	-	(308,553)	(554,043)	(2,940,145)	(329,996)	(103,942)	(661,251)	-	(4,897,930)
Net carrying amount	1,454,383	2,322,259	46,126	609,811	68,917	195,905	90,841	105,858	4,894,100

DSSP GLOBAL LIMITED

10. PROPERTY, PLANT AND EQUIPMENT - continued

31 March 2024

	Freehold land US\$	Building US\$	Leasehold improvement US\$	Machineries US\$	Furniture and fixture US\$	Motor vehicles US\$	Tools and equipment US\$	Construction in progress US\$	Total US\$
At 1 April 2023:									
Cost	1,454,383	668,989	600,169	3,421,830	355,568	325,383	649,979	1,860,085	9,336,386
Accumulated depreciation	-	(58,559)	(489,955)	(2,511,912)	(250,212)	(68,902)	(602,862)	-	(3,982,402)
Net carrying amount	1,454,383	610,430	110,214	909,918	105,356	256,481	47,117	1,860,085	5,353,984
At 1 April 2023, net of accumulated depreciation	1,454,383	610,430	110,214	909,918	105,356	256,481	47,117	1,860,085	5,353,984
Additions	-	101,738	-	113,099	42,124	42,382	64,866	100,868	465,077
Disposals - cost	-	-	-	(9,703)	-	(45,669)	-	-	(55,372)
Disposals - accumulated depreciation	-	-	-	9,703	-	20,250	-	-	29,953
Depreciation provided during the year	-	(118,453)	(32,667)	(216,956)	(38,520)	(41,018)	(27,798)	-	(475,412)
Reclassification	-	1,860,085	-	-	-	-	-	(1,860,085)	-
At 31 March 2024	1,454,383	2,453,800	77,547	806,061	108,960	232,426	84,185	100,868	5,318,230
At 31 March 2024:									
Cost	1,454,383	2,630,812	600,169	3,525,226	397,692	322,096	714,845	100,868	9,746,091
Accumulated depreciation	-	(177,012)	(522,622)	(2,719,165)	(288,732)	(89,670)	(630,660)	-	(4,427,861)
Net carrying amount	1,454,383	2,453,800	77,547	806,061	108,960	232,426	84,185	100,868	5,318,230

At 31 March 2024, certain of the Group's property, plant and equipment with carrying amount of US\$6,066,525 were pledged to secure banking facilities granted to the Group (2025: nil).

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11. LEASES

The Group has lease contracts for various items of factory with lease term of 3 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	<u>Factories</u> US\$
As at 1 April 2023	4,784
Addition	314,851
Depreciation charge	<u>(100,988)</u>
As at 31 March 2024	218,647
Depreciation charge	<u>(104,951)</u>
As at 31 March 2025	<u><u>113,696</u></u>

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the year are as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
As at 1 April	220,721	-
Additions	-	314,851
Accretion of interests	13,627	16,837
Payments	<u>(116,517)</u>	<u>(110,967)</u>
As at 31 March	<u><u>117,831</u></u>	<u><u>220,721</u></u>

Maturity profile of lease liabilities as at 31 March 2025 and 2024 is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Current liabilities	117,831	102,890
Non-current liabilities	<u>-</u>	<u>117,831</u>

DSSP GLOBAL LIMITED

11. LEASES - continued

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Interest on lease liabilities	13,627	16,837
Depreciation of right-of-use assets	<u>104,951</u>	<u>100,988</u>
	<u>118,578</u>	<u>117,825</u>

(d) The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Within financing activities	<u>116,517</u>	<u>110,967</u>

12. INVENTORIES

	<u>2025</u> US\$	<u>2024</u> US\$
Raw material	1,350,647	274,437
Work in progress	839,898	1,149,945
Finished goods	<u>606,438</u>	<u>510,731</u>
	<u>2,796,983</u>	<u>1,935,113</u>

13. DEFERRED TAX

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	<u>2025</u> US\$	<u>2024</u> US\$
Net deferred tax assets	<u>5,693</u>	<u>5,998</u>

DSSP GLOBAL LIMITED

13. DEFERRED TAX - continued

The movements in deferred tax assets and liabilities during the year were as follows:

2025

Deferred tax asset

	<u>Lease liabilities</u> US\$	<u>Defined benefit obligations</u> US\$	<u>Total</u> US\$
At 1 April 2024	406,448	100,028	506,476
Deferred tax charged to profit or loss during the year (note 9)	(380,523)	3,011	(377,512)
Deferred tax credited to other comprehensive income during the year	-	5,378	5,378
Gross deferred tax assets at 31 March 2025	<u>25,925</u>	<u>108,417</u>	<u>134,342</u>

Deferred tax liabilities

	<u>Depreciation in excess of related depreciation allowance</u> US\$	<u>Right-of-use assets</u> US\$	<u>Total</u> US\$
At 1 April 2024	94,487	405,991	500,478
Deferred tax credited to profit or loss during the year (note 9)	9,150	(380,979)	(371,829)
Gross deferred tax liabilities at 31 March 2025	<u>103,637</u>	<u>25,012</u>	<u>128,649</u>

DSSP GLOBAL LIMITED

13. DEFERRED TAX - continued

2024

Deferred tax asset

	<u>Lease liabilities</u> US\$	<u>Defined benefit obligations</u> US\$	<u>Total</u> US\$
At 1 April 2023	332,684	153,808	486,492
Deferred tax charged to profit or loss during the year (note 9)	73,764	(10,990)	62,774
Deferred tax credited to other comprehensive income during the year	-	(42,790)	(42,790)
Gross deferred tax assets at 31 March 2024	<u>406,448</u>	<u>100,028</u>	<u>506,476</u>

Deferred tax liabilities

	<u>Depreciation in excess of related depreciation allowance</u> US\$	<u>Right-of-use assets</u> US\$	<u>Total</u> US\$
At 1 April 2023	73,926	331,632	405,558
Deferred tax credited to profit or loss during the year (note 9)	20,561	74,359	94,920
Gross deferred tax liabilities at 31 March 2024	<u>94,487</u>	<u>405,991</u>	<u>500,478</u>

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14. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally 7 days to 90 days. Trade receivables are non-interest-bearing. They are stated net of loss allowance. The Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9 "Financial Instruments", which permits the use of the lifetime expected loss model for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses have also incorporated forward-looking information.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

		<u>Past due</u>			
	<u>Current</u>	<u>Less than</u>	<u>1 to 3</u>	<u>Over</u>	<u>Total</u>
	<u>US\$</u>	<u>1 month</u>	<u>months</u>	<u>3 months</u>	<u>US\$</u>
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	
As at 31 March 2025					
Gross carrying amount	-	359,917	70,382	13,862	444,161
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2024					
Gross carrying amount	-	99,506	3,873	-	103,379
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. INTEREST-BEARING BANK BORROWINGS

	<u>2025</u> US\$	<u>2024</u> US\$
Current		
Secured:		
Trust receipt loans	14,781,563	7,464,661
Export loans	2,685,410	584,953
	<u>17,466,973</u>	<u>8,049,614</u>

- (a) The bank borrowing facilities were secured by part of the Group's property, plant and equipment, inventories and trade receivables, with corporate guarantee provided by the ultimate holding company and a fellow subsidiary and personal guarantees provided by directors of the Company as at 31 March 2024 (2025: nil).
- (b) The Group's bank borrowings bear floating interest rate with reference to benchmark rates of Secured Overnight Financing Rate ("SOFR") and the bank internal best lending rate.
- (c) The bank borrowings were denominated in USD.

16. DEFINED BENEFIT OBLIGATIONS

The Group has made provision for estimated liabilities for employee benefits to meet the statutory requirement for employees in Indonesia. The Group is required to pay separation, appreciation and compensation benefits to their employees if the specific conditions in the corresponding jurisdictions are met.

The Group is primarily exposed to interest rate risk and salary risk.

The principal actuarial assumption used as at the end of the reporting period are as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Discount rate	6.75%	6.75%
Expected rate of salary increase	4%	4%

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16. DEFINED BENEFIT OBLIGATIONS - continued

A quantitative sensitivity analysis for significant assumption as at the end of the reporting period is shown below:

	Increase <u>in rate</u> %	Increase/ (decrease) in net defined benefit <u>obligation</u> US\$	Decrease <u>in rate</u> %	Increase/ (decrease) in net defined benefit <u>obligation</u> US\$
At 31 March 2025				
Discount rate	1.0	(30,576)	1.0	34,094
Expected rate of salary increases	1.0	40,088	1.0	(36,123)
At 31 March 2024				
Discount rate	1.0	(29,840)	1.0	33,359
Expected rate of salary increases	1.0	38,920	1.0	(34,979)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The total expense recognised in consolidated statement of profit or loss in respect of the defined benefit obligations is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
Current service cost	62,795	95,010
Interest cost	29,905	48,256
Past service cost	-	4,364
(Gain) loss on settlement	(33,395)	(47,993)
Net benefit expense	<u>59,305</u>	<u>99,637</u>

The movements in the present value of the defined benefit obligations are as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
At 1 April	454,681	699,132
Net benefit expense	59,305	99,637
Actuarial (losses) gains arising from changes in:		
- financial assumptions	(8,039)	(119,284)
- demographic assumptions	-	(77,466)
- experience adjustments	32,484	2,249
Benefit paid	(45,617)	(149,587)
At 31 March	<u>492,814</u>	<u>454,681</u>

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17. SHARE CAPITAL

	<u>2025</u> US\$	<u>2024</u> US\$
Issued and fully paid:		
35,304,844 (2024: 11,709,844) ordinary shares with no par value	<u>4,705,121</u>	<u>1,680,121</u>

During the year ended 31 March 2025, 4,095,000 shares were issued by way of capitalisation of loan amounting to US\$525,000 and 19,500,000 shares were issued for a consideration of US\$2,500,000. All the shares issued during the year rank pari passu with the then existing shares in all respects.

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<u>Bank</u> <u>borrowings</u> US\$	<u>Lease</u> <u>liabilities</u> US\$	<u>Total</u> US\$
At 1 April 2023	12,638,658	-	12,638,658
Changes from financing cash flows	(4,589,044)	(94,130)	(4,683,174)
New leases	-	314,851	314,851
Interest expense	723,507	16,837	740,344
Interest paid classified as operating cash flows	<u>(723,507)</u>	<u>-</u>	<u>(723,507)</u>
At 31 March 2024	8,049,614	237,558	8,287,172
Changes from financing cash flows	9,417,359	(116,517)	9,300,842
Interest expense	913,739	13,627	927,366
Interest paid classified as operating cash flows	<u>(913,739)</u>	<u>-</u>	<u>(913,739)</u>
At 31 March 2025	<u>17,466,973</u>	<u>117,831</u>	<u>17,584,804</u>

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19. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

	<u>Notes</u>	<u>2025</u> US\$	<u>2024</u> US\$
Ultimate holding company:			
Corporate guarantee charges		50,000	22,603
Fellow subsidiaries:			
Sales of goods	(i)	72,041,853	44,111,100
Marketing fee income	(ii)	660,000	540,000
Sampling income		-	85,000
		<u> </u>	<u> </u>

Notes:

- (i) The sales of goods were based on terms mutually agreed between the parties.
- (ii) The fee was paid for the marketing services provided to a fellow subsidiary. The fee was charged based on terms mutually agreed between the parties.
- (b) Outstanding balances with related parties
- The balances with immediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand.
- (c) The key management personnel of the Group comprises the directors of the Company. Further details of directors emoluments are included in note 8.

20. CONTINGENT LIABILITIES

The Group has undertaken the letter of credit of USD1,918,793 (2024: US\$2,917,099) granted to third party suppliers for sourcing of raw materials as at the end of the reporting period.

21. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Group comprise trade and other receivables, deposits, amounts due from fellow subsidiaries, and cash and cash equivalents, which are categorised as financial assets at amortised cost.

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21. FINANCIAL INSTRUMENTS BY CATEGORY - continued

The financial liabilities of the Group comprise trade and other payables, interest-bearing bank borrowings and amounts due to immediate holding company and fellow subsidiaries, which are categorised as financial liabilities at amortised cost.

The carrying amounts of these financial assets and liabilities are the amounts shown on the consolidated statement of financial position or in notes to the consolidated financial statements.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's exposure to credit risk, liquidity risk and interest rate risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations.

Trade receivables

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are usually due within 7 - 90 days from the date of billing. Debtors with balances that are past due are usually requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Other financial assets at amortised cost

For the amounts due from fellow subsidiaries, no expected credit losses are recognised since the directors of the Company consider that the probability of default is minimal after assessing the counterparties' financial background and creditability.

All the Group's cash and cash equivalents are held in major financial institutions, which management believes are of high credit quality.

The credit quality of the financial assets included in deposits are considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful". All the other financial assets at amortised cost were considered to be normal as at 31 March 2025 and 31 March 2024.

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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Liquidity risk

The Group aims to maintain sufficient cash and credit lines to meet its liquidity requirements. Due to the dynamic business nature, the Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings, including import loan, export loan and trust receipt loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period.

2025

	<u>On demand</u> US\$	<u>Less than</u> <u>12 months</u> US\$	<u>1 to 5</u> <u>years</u> US\$	<u>5 years</u> US\$	<u>Total</u> US\$
Trade and other payables	-	5,699,059	-	-	5,699,059
Lease liabilities	-	122,341	-	-	122,341
Amount due to immediate holding company	777,380	-	-	-	777,380
Amount due to a fellow subsidiary	923,569	-	-	-	923,569
Interest-bearing bank borrowings#	-	18,388,204	-	-	18,388,204
	<u>1,700,949</u>	<u>24,209,604</u>	<u>-</u>	<u>-</u>	<u>25,910,553</u>

2024

	<u>On demand</u> US\$	<u>Less than</u> <u>12 months</u> US\$	<u>1 to 5</u> <u>years</u> US\$	<u>5 years</u> US\$	<u>Total</u> US\$
Trade and other payables	-	4,879,867	-	-	4,879,867
Lease liabilities	-	116,515	122,341	-	238,856
Amount due to immediate holding company	727,030	-	-	-	727,030
Amount due to a fellow subsidiary	2,577	-	-	-	2,577
Interest-bearing bank borrowings#	-	8,474,161	-	-	8,474,161
Loan from non-controlling shareholder	-	-	-	225,000	225,000
	<u>729,607</u>	<u>13,470,543</u>	<u>122,341</u>	<u>225,000</u>	<u>14,547,491</u>

Ignored the effect of repayment on demand clauses.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The Group mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly. The Group has not used any interest rate swap to hedge its exposure to interest rate risk.

As at 31 March 2025, if the interest rates on bank borrowings had been 100 basis points higher/lower, which was considered reasonably possible by management, with all other variables held constant, the profit before tax for the year would have decreased/increased by US\$174,669 (2024: US\$80,496) as a result of higher/lower interest expenses on interest-bearing bank and other borrowings with floating interest rates.

Capital management

The primary objectives of the Group's capital management are to (i) safeguard the Group's ability to continue as a going concern; (ii) provide returns for shareholder and benefits for other stakeholders; (iii) support the Group's stability and growth; and (iv) provide capital for the purpose of strengthening the Group's risk management capability.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

Capital of the Group comprises all components of shareholder's equity.

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23. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	<u>2025</u> US\$	<u>2024</u> US\$
NON-CURRENT ASSETS		
Investment in a subsidiary	3,624,980	1,224,980
Property, plant and equipment	-	-
Total non-current assets	<u>3,624,980</u>	<u>1,224,980</u>
CURRENT ASSETS		
Deposits and prepayment	724,991	151,234
Loan to a subsidiary	-	525,000
Amounts due from fellow subsidiaries	21,078,564	11,715,422
Tax recoverable	-	16,481
Cash and cash equivalents	1,527,431	243,922
Total current assets	<u>23,330,986</u>	<u>12,652,059</u>
CURRENT LIABILITIES		
Trade payables	4,730,619	4,042,364
Other payables and accruals	95,632	98,540
Amount due to a fellow subsidiary	923,569	2,577
Amount due to immediate holding company	777,380	727,030
Interest-bearing bank borrowings	14,781,563	7,464,661
Tax payables	149,785	-
Total current liabilities	<u>21,458,548</u>	<u>12,335,173</u>
NET CURRENT ASSETS	<u>1,872,438</u>	<u>316,886</u>
Net assets	<u>5,497,418</u>	<u>1,541,866</u>
EQUITY		
Share capital	4,705,121	1,680,121
Accumulated profits (losses) (note)	792,297	(138,255)
Total equity	<u>5,497,418</u>	<u>1,541,866</u>



Deepak Kumar SETH
DIRECTOR



Lalit Pandit JADE
DIRECTOR

DSSP GLOBAL LIMITED

23. STATEMENT OF FINANCIAL POSITION OF THE COMPANY - continued

Note:

	<u>Accumulated (losses) profits US\$</u>
At 1 April 2023	(403,126)
Profit and total comprehensive income for the year	<u>264,871</u>
At 31 March 2024	(138,255)
Profit and total comprehensive income for the year	<u>930,552</u>
At 31 March 2025	<u><u>792,297</u></u>

24. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 09 May 2025.
