

PROCONNECT HOLDING LIMITED

**SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2026**

PROCONNECT HOLDING LIMITED

SEPARATE FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT YEAR ENDED 31 MARCH 2026

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INDEPENDENT AUDITOR'S REPORT**To the Shareholder of PROCONNECT HOLDING LIMITED****Report on the Audit of the Separate Financial Statements*****Opinion***

We have audited the separate financial statements of **PROCONNECT HOLDING LIMITED** (the "Company"), which comprise the separate statement of financial position as at 31 March 2026, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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INDEPENDENT AUDITOR'S REPORT

(continued)

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 PKF – Chartered Accountants (Dubai Br)



Saranga Lalwani

Partner

Registration no. 5468

Dubai

United Arab Emirates

16 JUN 2026

PROCONNECT HOLDING LIMITED

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 AED	2025 AED
ASSETS			
Non-current assets			
Right-of-use assets	6	184,701	284,409
Investment in subsidiaries	7	20,086,543	20,086,543
Long-term loans	8	5,265,452	5,265,452
		<u>25,536,696</u>	<u>25,636,404</u>
Current assets			
Receivables	9	93,397	38,610
Prepayments		23,648	23,718
Current tax assets	18	--	17,321
Cash and cash equivalents	11	547,044	489,882
		<u>664,089</u>	<u>569,531</u>
Total assets		<u>26,200,785</u>	<u>26,205,935</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	25,726,000	25,726,000
Retained earnings		270,197	193,361
		<u>25,996,197</u>	<u>25,919,361</u>
Non-current liabilities			
Lease liabilities	13	--	127,421
Current liabilities			
Accruals	14	50,400	37,800
Lease liabilities	13	140,163	121,353
Current tax liabilities	18	14,025	--
		<u>204,588</u>	<u>159,153</u>
Total liabilities		<u>204,588</u>	<u>286,574</u>
Total equity and liabilities		<u>26,200,785</u>	<u>26,205,935</u>

The accompanying notes form an integral part of these separate financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

I confirm that I am responsible for these separate financial statements, including selecting the accounting policies and making the judgements underlying them. I confirm that I have made available all the relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholder on
behalf by Mr. Prasanth Pookot Kayapurath Kannanunni.

16 JUN 2026 and signed on their

For PROCONNECT HOLDING LIMITED



PRASANTH POOKOT KAYAPURATH KANNANUNNI
DIRECTOR

PROCONNECT HOLDING LIMITED

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 AED	2025 AED
Dividend income	16	--	915,329
Depreciation of right-of-use assets	6	(125,089)	(117,686)
Other operating expenses	17	(129,912)	(236,052)
Interest income on loan to a subsidiary		354,870	31,110
Finance costs on lease liabilities	13	(9,008)	(7,051)
PROFIT BEFORE TAX FOR THE YEAR		90,861	585,650
Income tax (expense)/benefit	18	(14,025)	17,321
PROFIT AFTER TAX FOR THE YEAR		76,836	602,971
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		76,836	602,971

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

The report of the independent auditor is set forth on pages 1 to 3.

PROCONNECT HOLDING LIMITED

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share capital AED	Additional capital AED	Retained earnings AED	Total AED
Balance at 1 April 2024	36,725	25,670,775	(409,610)	25,297,890
Issue of additional shares	25,689,275	(25,670,775)	--	18,500
Total comprehensive income for the year	--	--	602,971	602,971
Balance at 31 March 2025	25,726,000	--	193,361	25,919,361
Total comprehensive income for the year	--	--	76,836	76,836
Balance at 31 March 2026	25,726,000	--	270,197	25,996,197

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

The report of the independent auditor is set forth on pages 1 to 3.

PROCONNECT HOLDING LIMITED

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	AED	AED
Cash flows from operating activities		
Profit before tax for the year	90,861	585,650
Adjustments for:		
Depreciation of right-of-use assets	125,089	117,686
Interest income on loan to a subsidiary	(354,870)	(31,110)
Finance costs on lease liabilities	9,008	7,051
	<u>(129,912)</u>	<u>679,277</u>
Changes in		
- Prepayments	70	--
- Accruals	12,600	(18,118)
Income tax benefit received from subsidiary	17,321	--
Net cash (used in)/from operating activities	<u>(99,921)</u>	<u>661,159</u>
Cash flows from investing activities		
Investment in subsidiaries	--	(255,043)
Long-term loans given	--	(5,265,452)
Interest received	300,083	--
Receipts from a related party (net)	--	2,879,240
Net cash from/(used in) investing activities	<u>300,083</u>	<u>(2,641,255)</u>
Cash flows from financing activities		
Payment of lease liabilities	(143,000)	(130,000)
Payment to related parties (net)	--	(47,752)
Net cash used in financing activities	<u>(143,000)</u>	<u>(177,752)</u>
Net increase/(decrease) in cash and cash equivalents	57,162	(2,157,848)
Cash and cash equivalents at beginning of year	489,882	2,647,730
Cash and cash equivalents at end of year (note 11)	<u>547,044</u>	<u>489,882</u>

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

The report of the independent auditor is set forth on pages 1 to 3.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. REPORTING ENTITY

- a) **PROCONNECT HOLDING LIMITED** (the "Company"), with license number CL6188, is a private company with limited liability registered in Dubai, United Arab Emirates, in accordance with the provision of the DIFC Companies Law, DIFC Law No. 5 of 2018, as amended. The registered office is Unit 202, Level 2, Park Towers, DIFC, Dubai, UAE. The Company was registered on 12 October 2022.
- b) The Company's activities as per commercial license are to act as holding company and managing office and investment in commercial enterprises.
- c) The Company is a wholly owned subsidiary of Proconnect Supply Chain Solutions Limited, India (the "parent company"). Redington Limited, India, a listed public limited company is the "ultimate parent company".

2. BASIS OF PREPARATION

a) Statement of compliance

The separate financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2025.

These financial statements are the separate financial statements of the Company prepared for the purpose of legal compliance and reporting to the shareholder. The consolidated financial statements of the Company and its subsidiaries, which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements, are presented separately.

b) Basis of measurement

The separate financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) Going concern

The separate financial statements are prepared on a going concern basis.

When preparing the separate financial statements, management makes an assessment of the Company's ability to continue as a going concern. Separate financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

d) **Adoption of new standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendment which became effective for current period, did not have any significant impact on the Company's separate financial statements:

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2026)

New and revised standards in issue but not yet effective and not early adopted

The following standards, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the separate financial statements, have been issued by the IASB prior to the date the separate financial statements were authorised for issue, but have not been applied in these separate financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (1 January 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027)

e) **Functional and presentation currency**

The separate financial statements are presented in UAE Dirham ("AED") which is also the Company's functional currency.

3. **MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted, and which have been consistently applied, are as follows:

a) **Right-of-use assets**

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and restoration costs.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

b) Investment in subsidiaries

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries is accounted for at cost less impairment losses, if any. Consolidated financial statements of the Company and its subsidiaries are presented separately.

c) Value added tax

As per the Federal Decree-Law No. (08) of 2017 and its amendments, Value Added Tax (VAT), needs to be charged at 5% standard rate or 0% (as the case may be) on every taxable supply made by the taxable person. The Company does not have any taxable supplies of goods or services. As VAT registration cannot be applied by such UAE entity, the Company is not registered for UAE VAT.

d) Income and deferred tax

Tax expense for the year comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax disallowances, exemptions and reliefs after applying the applicable tax rates. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the separate financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

e) Dividend income

Dividend income is recognised when the right to receive dividend is established.

f) **Leases**

As a lessee

The Company has taken its office premises on lease. Rental contract is typically made for a fixed period of 12 months but may have extension option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

h) Foreign currency transactions

Transactions in foreign currencies are translated into functional currency at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into functional currency at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

i) Provisions

General

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

j) Contingencies and commitments

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

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

k) **Current versus non-current classification**

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. Or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. Or,
- The Company does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

l) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income; equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

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

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

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

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of long-term loans, receivables and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost comprise of accruals, and lease liabilities.

Impairment of financial assets

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

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, deposits and interest receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the separate statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

m) Fair value measurement

The Company discloses the fair value of financial instruments measured at amortised cost.

The 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:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

n) **Events after the reporting period**

If the Company receives information after the reporting period, but prior to the date of authorisation for issue of the separate financial statements, about conditions that existed at the end of the reporting period, it assesses whether the information affects the amounts that it recognises in its separate financial statements. The Company adjusts the amounts recognised in its separate financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company does not change the amounts recognised in its separate financial statements, but discloses the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4. **JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

Following are the judgments made in applying accounting policies that affect the application of the Company's accounting policies and the amounts recognised in the separate financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of right-of-use assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is the Company considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR") of 5%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. The leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

Investments in subsidiaries

Management considers that it has de-facto control over Proconnect Supply Chain Logistics WLL even though it holds 49% of the share capital in this entity, it is able to exercise control over its financial and operating policies by virtue of its beneficial ownership of 100%.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Following are the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management. Revisions to estimates are recognised prospectively.

Impairment

Assessments of net recoverable amounts of right-of-use assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(l).

Income tax

Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements, at the tax rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Geopolitical uncertainty

The Company operates in an environment affected by ongoing geopolitical developments. Management has assessed the potential impact on operations and financial position and concluded that, as at the reporting date, there is no material effect. The situation continues to be monitored, and actual results may differ from the judgments and estimates reflected in these separate financial statements.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

6. RIGHT-OF-USE ASSETS

	AED
Cost	
At 1 April 2024	454,595
Adjustment on lease modification	91,455
At 31 March 2025	546,050
Adjustment on lease modification	25,381
At 31 March 2026	571,431
Accumulated depreciation	
At 1 April 2024	143,955
Depreciation for the year	117,686
At 31 March 2025	261,641
Depreciation for the year	125,089
At 31 March 2026	386,730
Carrying amount	
At 1 April 2024	310,640
At 31 March 2025	284,409
At 31 March 2026	184,701

This represents right to use the office premise located in DIFC, Dubai. The lease is being renewed annually, however, considering the substance of the arrangement, the lease is estimated to have a period upto September 2027. The revision in the annual lease payments have been recognized as lease modification during the year.

	2026 AED	2025 AED
7. INVESTMENT IN SUBSIDIARIES		
Investment at cost in:		
Proconnect Supply Chain Logistics L.L.C, UAE	19,831,500	19,831,500
Proconnect Supply Chain Logistics WLL, Qatar	255,043	255,043
	20,086,543	20,086,543

The nature of investment in subsidiaries held by the Company is as follows:

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Name of subsidiary	Principal activities	Country of incorporation	Registered proportion (%) of ownership interest	
			2026 AED	2025 AED
• Proconnect Supply Chain Logistics L.L.C	Air, sea and road freight forwarding and general warehousing services	United Arab Emirates	100	100
• Proconnect Supply Chain Logistics WLL ^(a)	Operating storage facilities and customs clearance offices	Qatar	49	49

- (a) Although the Company holds 49% of the share capital in this entity, it is able to exercise control over its financial and operating policies by virtue of its beneficial ownership of 100%.

	2026 AED	2025 AED
8. LONG-TERM LOANS		
Opening balance	5,265,452	--
Loans given during the year	--	5,265,452
Closing balance	<u>5,265,452</u>	<u>5,265,452</u>

These represent following long-term loans given by the Company:

- Unsecured loan of AED 5,000,000 (previous year AED 5,000,000) given to Proconnect Supply Chain Logistics L.L.C, a subsidiary. The loan carries interest at 7% per annum and is due for repayment on 31 March 2029.
- Loan of Qatari Riyal 255,000 equivalent to AED 265,452 (previous year AED 265,452) given to Sheikh Abdulla Jassim Ahmed KH Al Thani, legal shareholder of Proconnect Supply Chain Logistics WLL, a subsidiary. The loan is interest free and without any fixed repayment schedule.

9. RECEIVABLES		
Deposits	7,500	7,500
Interest receivables on loan to a subsidiary (note 8)	85,897	31,110
	<u>93,397</u>	<u>38,610</u>

10. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company, ultimate parent company, subsidiaries, companies under common ownership and/or management control and director.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

At the reporting date significant balances with subsidiaries were as follows:

	2026	2025
	AED	AED
Loan to a subsidiary	5,000,000	5,000,000
Included in receivables	85,897	31,110

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 8 and 19.

Transactions with related parties are approved by the management. Loan to a subsidiary relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 December 2025, the Company has not recorded any allowance for expected credit losses of the amounts owed by the related parties (previous year Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

At the reporting date, significant transactions with related parties comprise dividend income of AED Nil (previous period AED 915,329) and interest income of AED 354,870 (previous period AED 31,110) from a subsidiary.

11. CASH AND CASH EQUIVALENTS

Bank balances in current accounts	547,044	489,882
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Balances with bank is assessed to have low credit risk of default since this bank is regulated by the Central Bank of the UAE. Accordingly, management of the Company estimates the loss allowance on balances with bank at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with bank at the end of the reporting period is past due and taking into account the historical default experience and the current credit rating of the bank, the management of the Company has assessed that there is no impairment, and hence has not recorded any loss allowance on these balances.

12. SHARE CAPITAL

Issued and paid up:

25,726,000 shares of AED 1 each, held by Proconnect
Supply Chain Solutions Limited, India

25,726,000	25,726,000
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13. LEASE LIABILITIES

Lease liabilities for long-term lease of office premises	140,163	248,774
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PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
Disclosed in the separate statement of financial position as under:		
Non-current liabilities	--	127,421
Current liabilities	140,163	121,353
	<u>140,163</u>	<u>248,774</u>

A reconciliation of the movements in lease liabilities is as follows:

Opening balance	248,774	280,268
Adjustment for lease modification	25,381	91,455
Finance costs for the year	9,008	7,051
Payments made during the year	(143,000)	(130,000)
Closing balance	<u>140,163</u>	<u>248,774</u>

A maturity analysis of undiscounted lease liabilities is as follows:

3 months – 1 year	143,000	130,000
1 year – 5 years	--	130,000
Total	<u>143,000</u>	<u>260,000</u>

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the separate statement of financial position is as follows:

Lease payments due	143,000	260,000
Less: Finance cost on leases	(2,837)	(11,226)
Disclosed in the separate statement of financial position	<u>140,163</u>	<u>248,774</u>

14. ACCRUALS

Accruals for expenses	<u>50,400</u>	<u>37,800</u>
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The entire accruals are due for payment in one year from the reporting date.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the separate statement of financial position. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is not subject to externally imposed capital requirements.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Funds generated from internal accruals are retained in the business according to the business requirements and maintain capital at desired levels.

	2026 AED	2025 AED
16. DIVIDEND INCOME		
On investment in Proconnect Supply Chain Logistics L.L.C	--	915,329
17. OTHER OPERATING EXPENSES		
Legal and professional fees	73,851	177,723
License fees	47,373	47,839
Other expenses	8,688	10,490
	129,912	236,052

18. **INCOME TAX EXPENSE/BENEFIT**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023.

UAE CT law specifies that a tax rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000. Additionally, for qualifying multinational enterprises subject to the OECD Pillar Two rules, a minimum effective tax rate of 15% will apply in each jurisdiction in which they operate

The Company has registered for corporate tax as a group with Proconnect Supply Chain Logistics L.L.C, UAE, subsidiary. This note provides an analysis of the Company's income tax expense and shows the amounts which are recognised directly in equity and the impact of tax expense which is affected by non-assessable and non-deductible items.

	2026 AED	2025 AED
Separate statement of financial position		
Current tax asset	--	(17,321)
Current tax liability	14,025	--
Separate statement of profit or loss		
Current tax benefit	--	(17,321)
Current tax expense	14,025	--
Income tax expense/(benefit)	14,025	(17,321)

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Reconciliation of profit before tax and current tax expense/benefit

	2026 AED	2025 AED
Profit before tax for the year	90,861	585,650
Less: dividend income exempt	--	(915,329)
Add: Expenses disallowed	15,051	137,224
Taxable income	105,912	(192,455)
Income taxable at 0% (proportionate share)	(9,225)	--
Income taxable at 9%/ tax loss available for set off	96,687	(192,455)
Current tax expense/benefit @9%	8,702	(17,321)
Difference in overseas tax rates ^(a)	5,323	--
Current tax expense/(benefit)	14,025	(17,321)
Movement in current tax liabilities:		
Opening balance	--	--
Provision for the year	14,025	--
Closing balance	14,025	--
Movement in current tax asset:		
Opening balance	17,321	--
Tax benefit utilized against tax expense of subsidiary	(17,321)	17,321
Closing balance	--	17,321

- a) In current year, an amount of AED 5,323 has been recognized as a provision in accordance with the OECD Pillar Two model rules. These rules, issued in December 2021 by the Organisation for Economic Co-operation and Development (OECD) under the Global Anti-Base Erosion (GloBE) framework—part of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS)—are intended to ensure that large multinational enterprises (MNEs), with annual consolidated revenue of EUR 750 million or more at the ultimate parent entity level in at least two of the preceding four fiscal years, are subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	At Amortised cost	
	2026	2025
	AED	AED
Financial assets		
Long-term loans	5,265,452	5,265,452
Receivables	93,397	38,610
Cash and cash equivalents	547,044	489,882
	5,905,893	5,793,944
Financial liabilities		
Accruals	50,400	37,800
Lease liabilities (non-current and current)	140,163	248,774
	190,563	286,574

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of receivables, cash and cash equivalents, current lease liabilities and accruals approximate to their carrying amounts largely due to short-term maturities of these instruments.

Fair value of long-term loans and non-current lease liabilities are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such assets and liabilities, are not materially different from their fair values.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is 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 continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally long-term loans, cash and cash equivalents and deposits and other receivables.

The Company's bank accounts are placed with high credit quality financial institutions and hence have low credit risk.

Long-term loans relate to transactions arising in the normal course of business with minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Total	
	2026	2025	2026	2025	2026	2025
	AED	AED	AED	AED	AED	AED
Accruals	50,400	37,800	--	--	50,400	37,800
Lease liabilities	143,000	130,000	--	130,000	143,000	260,000
	<u>193,400</u>	<u>167,800</u>	<u>--</u>	<u>130,000</u>	<u>193,400</u>	<u>297,800</u>

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

PROCONNECT HOLDING LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Long-term loan is subject to fixed interest rate at levels generally obtained in the UAE and is therefore exposed to fair value interest rate risk.

20. SIGNIFICANT EVENTS

The ongoing geopolitical conflict in the West Asia Region have introduced a degree of uncertainty in the Global and regional environment. The region may experience indirect impacts arising from these developments. The Company has assessed the potential implications of the situation on its operations and financial performance as at the reporting date.

Potential risk that may arise include fluctuations in oil prices, disruptions to supply chain, increased transportation/insurance cost which could have an impact on the Company's operations in the future periods.

While there is no material direct impact on the Company's separate financial statements for the current reporting period, the management continues to closely monitor impact of the situation on Company's operations.

For PROCONNECT HOLDING LIMITED



PRASANTH POOKOT KAYAPURATH KANNANUNNI
DIRECTOR