

VELI SERVICES LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

KAIZEN CPA LIMITED
啓源會計師事務所有限公司
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG
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VELI SERVICES LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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(EXPRESSED IN EURO)

Veli Services Limited
Directors' Report
For the Year Ended 31 December 2023

The directors present the annual report and the audited financial statements for the year ended 31 December 2023.

Principal Activities

Veli Services Limited (the "Company") is a company incorporated in Hong Kong and has its registered office at 1202 Emperor Group Centre, 288 Hennessy Road, Wan Chai, Hong Kong. The principal activities of the Company were provision of IT services, software licensing and investment holding during the year. The principal activities of its subsidiaries are set out in note 11 to the financial statements.

Results and Appropriations

The results of the Company for the year ended 31 December 2023 and the state of the Company's affairs as at that date are set out in the financial statements on pages 6 to 20.

Interim dividends were paid to majority member during the year ended 31 December 2023. The directors do not recommend the payment of a final dividend for the year (2022: Nil).

Share Capital and Reserves

Details of share capital of the Company are set out in note 19 to the Company's financial statements.

There were no movements in reserves except for changes to reserves which arose from profit or loss and payment of dividends.

Directors

The directors who held office during the year and up to the date of this report were:

Itai Bikoh HADAS

Gia JANASHVILI

(Appointed on 6 September 2023)

In accordance with Article 11 of the Company's Articles of Association, the existing directors are not subject to rotation or retirement.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout this year.

Arrangements to Purchase Shares or Debentures

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

Veli Services Limited
Directors' Report (Cont'd)
For the Year Ended 31 December 2023

Directors' Interests in Contracts of Significance

Except as disclosed in note 22 to the financial statements, no other contracts of significance to which the Company, its subsidiaries, its associates or its holding companies was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditor

During the year, Grant Thornton Hong Kong Limited resigned as the auditor of the Company and Kaizen CPA Limited was appointed to fill the vacancy.

The financial statements have been audited by Kaizen CPA Limited, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Itai Bikoh HADAS
Chairman
London, 27 June 2024

**Independent Auditor's Report
To the Members of Veli Services Limited
(Incorporated in Hong Kong with Limited Liability)**

Opinion

We have audited the financial statements of Veli Services Limited (the "Company") set out on pages 6 to 20, which comprise the statement of financial position as at 31 December 2023 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 25 August 2023.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report (Cont'd)
To the Members of Veli Services Limited
(Incorporated in Hong Kong with Limited Liability)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial 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 the directors.



Independent Auditor's Report (Cont'd)
To the Members of Veli Services Limited
(Incorporated in Hong Kong with Limited Liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors 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.

KAIZEN CPA LIMITED
Certified Public Accountants
Hong Kong, 27 June 2024

YEN HON PAN BENJAMIN
Practising Certificate Number P06051

Veli Services Limited
Income Statement
For the Year Ended 31 December 2023

	<u>NOTE</u>	<u>2023</u> EUR	<u>2022</u> EUR
Revenue	3	6,544,850	5,211,495
Other Income	4	27,142,368	382,334
Administrative Expenses		(10,861,258)	(1,853,066)
Finance Cost	5	(9,750)	(7,525)
Profit before Tax	6	22,816,210	3,733,238
Income Tax Expense	8	-	-
Profit for the Year		22,816,210	3,733,238
		=====	=====
Dividend	20	8,731,345	-
		=====	=====

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

Veli Services Limited
Statement of Financial Position
As at 31 December 2023

	<u>NOTE</u>	<u>2023</u> EUR	<u>2022</u> EUR
Non-Current Assets			
Intangible Assets	9	1,460,000	400,000
Long Term Investments	10	1,848,208	2,418,146
Investments in Subsidiaries	11	2,062,469	2,059,879
Investments in Associates	12	41,064	490
Loans to Subsidiaries	13	2,302,915	-
Loans to an Associate	13	-	1,644,242
		7,714,656	6,522,757
Current Assets			
Trade and Other Receivables	14	15,632,470	607,082
Amount due from a Director	15	13	13
Amounts due from Subsidiaries	15	966,053	4,149
Cash and Cash Equivalents		20,569	609,706
		16,619,105	1,220,950
Current Liabilities			
Other Payables and Accruals	16	3,561,834	836,404
Amount due to a Director	17	107,564	508,119
Dividend Payable		172,837	-
Tax Payable		-	2,273
		3,842,235	1,346,796
Net Current Assets / (Liabilities)		12,776,870	(125,846)
Net Assets less Current Liabilities		20,491,526	6,396,911
Non-Current Liability			
Borrowings	18	187,275	177,525
Net Assets		20,304,251	6,219,386
Equity			
Share Capital	19	120	120
Reserves	21	20,304,131	6,219,266
Total Equity		20,304,251	6,219,386

Approved by the Board of Directors on 27 June 2024.



Itai Bikoh HADAS
Director



Gia JANASHVILI
Director

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

1. Reporting Entity

Veli Services Limited (the “Company”) is a company incorporated in Hong Kong with limited liability. The Company’s registered office is located at 1202 Emperor Group Centre, 288 Hennessy Road, Wai Chai, Hong Kong. The principal activities of the Company were provision of IT services, software licensing and investment holding during the year. The principal activities of its subsidiaries are set out in note 11 to the financial statements.

2. Basis of Preparation and Accounting Policies

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

As the Company is a partially owned subsidiary of another body corporate and has satisfied the exemption criteria set out in section 379(3)(b), it is not required to prepare consolidated financial statements.

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

The measurement base adopted is the historical cost convention.

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

(1) Revenue

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

- (I) Services income received from provision of IT services is recognized when services were rendered;
- (II) Royalty income is recognised when the licensed software is used by the licensee for generating its income;
- (III) Sale of software is recognized when the goods are delivered and the risks and rewards of ownership have passed to the customer;
- (IV) Dividend income is recognised when the members’ right to receive payment is established; and
- (V) Loan interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rate applicable.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

2. Basis of Preparation and Accounting Policies (Cont'd)

(2) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(3) Foreign Exchange

The reporting currency of the Company is Euro, which is the currency of the primary economic environment in which the Company operates. Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Euro using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(4) Taxation

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

Deferred tax is not provided.

(5) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses and is amortised on a systematic basis over their estimated useful lives using the straight-line method.

The amortization method and useful lives of the intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(6) Impairment of Assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of intangible assets, long term investments, investments in subsidiaries, investments in associates and loans to subsidiaries and an associate. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement.

An impairment loss is not reversed unless its fair value is readily apparent or the asset's recoverable amount can otherwise be reliably determined without undue cost. For those assets (if any) which may satisfy this condition, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

2. Basis of Preparation and Accounting Policies (Cont'd)

(7) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(8) Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of its voting power.

Investments in subsidiaries are stated at cost less provision for impairment loss (note 6).

No consolidated financial statements have been prepared as the Company itself is a partially owned subsidiary and has satisfied the exemption criteria set out in section 379(3)(b).

(9) Associates

Associates are entities in which the group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Investments in associates are accounted for in the financial statements under the cost method and stated at cost less impairment losses (note 6).

(10) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(11) Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

2. Basis of Preparation and Accounting Policies (Cont'd)

(12) Trade and Other Receivables

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

(13) Other Payables

Other payables is recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(14) Related Parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (I) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control of the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (II) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (I).
 - (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

3. Revenue

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

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Service fee from IT services provided	-	485,673
Royalty income	3,060,467	4,337,040
Sale of software	3,484,383	388,782
	-----	-----
	6,544,850	5,211,495
	=====	=====

4. Other Income

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Dividend income	1,580,000	-
Loan interest income	61,507	18,742
Gain on disposal of investments in subsidiaries	25,499,000	363,592
Sundry income	1,861	-
	-----	-----
	27,142,368	382,334
	=====	=====

5. Finance Cost

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Loan interest expenses	9,750	7,525
	=====	=====

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

6. Profit before Tax

Profit before tax is arrived at after charging / (crediting) the following items:

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Auditor's remuneration	36,000	50,429
Amortisation	390,000	100,000
Gain on disposal of investments in subsidiaries	(25,499,000)	(363,592)
Impairment losses on investments in associates	4,336,174	-
Exchange losses, net	57,018	82,281
Operating lease payments	13,317	13,681
Staff costs (including directors' remuneration - note 7)	24,000	-
	=====	=====

7. Directors' Remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Fees	-	-
Other emoluments	24,000	-
	=====	=====

8. Income Tax Expense

No provision for Hong Kong profits tax has been made in the financial statements as the Company has no assessable profits subject to Hong Kong profits tax for the year (2022: Nil).

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

9. Intangible Assets

	<u>Computer Software</u> EUR
Cost	
At 1 January 2023	500,000
Additions	1,450,000

At 31 December 2023	1,950,000

Accumulated amortisation	
At 1 January 2023	100,000
Amortisation for the year	390,000

At 31 December 2023	490,000

Net carrying amount	
At 31 December 2023	1,460,000
	=====
At 31 December 2022	400,000
	=====

The computer software is being amortised over 5 years.

The amortization of intangible asset is included in administrative expenses.

10. Long Term Investments

	<u>2023</u> EUR	<u>2022</u> EUR
Unlisted shares, at cost	1,848,208	2,418,146
	=====	=====

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

11. Investments in Subsidiaries

	<u>2023</u> EUR	<u>2022</u> EUR
Unlisted shares, at cost	2,062,469 =====	2,059,879 =====

At 31 December 2023, the Company had interests in the following subsidiaries:

Name of Subsidiary	Place of Incorporation and Operation	% of ownership and voting power	Principal activities
Everveo Interactive Limited	Cyprus	Nil (2022: 100%)	Provision of IT services
Veli Services Mena FZCO	Dubai	100% (2022: 100%)	No business activity
Veli UK Limited	United Kingdom	100% (2022: 100%)	Business consultancy and management services
Kapesto Limited	Cyprus	100% (2022: 100%)	Investment holding
Veli Technologies Ltd (Formerly known as Veli Services (CY) Limited)	Cyprus	100% (2022: Nil)	Sofeware development
Veliops (CY) Limited (Formerly known as Movista Holding Limited)	Cyprus	100% (2022: Nil)	Business consultancy and management services
Koibit Ltd (Formerly known as Playzen Limited)	Cyprus	100% (2022: Nil)	Sofeware development
Veli (Africa) Limited (Formerly known as Kinnetiqo Holding Limited)	Cyprus	59.2% (2022: 49%)	Provision of digital marketing services and investment holding

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

12. Investments in Associates

	<u>2023</u> EUR	<u>2022</u> EUR
Unlisted shares, at cost	4,377,238	740
Less: Accumulated impairment loss	(4,336,174)	(250)
	-----	-----
Net carrying value	41,064	490
	=====	=====

The following list contains the particulars of the associates which is an unlisted corporate entity and principally affected the results or assets of the Company:

<u>Name of associate</u>	<u>Place of incorporation and operation</u>	<u>% of ownership and voting power</u>	<u>Principal activities</u>
Sprinko Holdings Limited	Cyprus	Nil (2022: 25%)	Invsetment holding
Veli (Africa) Limited (Formerly known as Kinnetiqo Holding Limited)	Cyprus	59.2% (note 11) (2022: 49%)	Provision of digital marketing services and investment holding
Rival Group, Inc.	United States	34% (2022: 7%)	Provision of consultancy and marketing service

13. Loans to Subsidiaries / an Associate

At 31 December 2023, the loans to subsidiaries / an associate comprised the following:

- (a) Loan principal amount amounted to EUR500,000 (2022: EUR500,000) and loan interest receivables amounted to EUR25,269 (2022: EUR9,970). The amount was unsecured, interest-bearing at 3% per annum and repayable on or before 14 February 2025, except the interest receivables amounted to EUR15,299 (2022: EUR9,970) was non-interest bearing;
- (b) Loan principal amount amounted to EUR1,125,500 (2022: EUR1,125,500) and loan interest receivables amounted to EUR42,800 (2022: EUR8,772). The amount was unsecured, interest-bearing at 3% per annum and repayable on or before 26 June 2025, except the interest receivables amounted to EUR34,028 (EUR8,772) was non-interest bearing;

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

13. Loans to Subsidiaries / an Associate (Cont'd)

At 31 December 2023, the loans to subsidiaries / an associate comprised the following (Cont'd):

- (c) Loan principal amount amounted to EUR480,000 (2022: Nil) and loan interest receivables amounted to EUR6,100 (2022: Nil). The amount was unsecured, interest-bearing at 6% per annum and repayable on or before 24 May 2025, except the interest receivables amounted to EUR6,100 (2022: Nil) was non-interest bearing; and
- (d) Loan principal amount amounted to EUR122,500 (2022: Nil) and loan interest receivables amounted to EUR745 (2022: Nil). The amount was unsecured, interest-bearing at 5% per annum and repayable on or before 18 September 2026, except the interest receivables amounted to EUR745 (2022: Nil) was non-interest bearing.

14. Trade and Other Receivables

Included in trade and other receivables is a sum of EUR28,000 (2022: Nil) due to a subsidiary respectively.

15. Amount due from a Director / Subsidiaries

Amount due from a director disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:

	Maxmium outstanding <u>during the year</u> EUR	Balance as at <u>31/12/2023</u> EUR	Balance as at <u>31/12/2022</u> EUR
<u>Director</u>			
Itai Bikoh HADAS	13	13	13
	=====	=====	=====
<u>Subsidiaries</u>			
Veli Services Mena FZCO	4,149	4,149	4,149
Veli (Africa) Limited	621,404	621,404	-
Koibit Limited	500	500	-
Veli Technologies Ltd	290,000	290,000	-
Veliops (CY) Limited	50,000	50,000	-
	=====	-----	-----
		966,053	4,149
		=====	=====

The amounts due are unsecured, interest-free and repayable on demand.

16. Other Payables and Accruals

Included in other payables and accruals are sums of EUR6,000 (2022: Nil), EUR329,235 (2022: Nil) and EUR221,000 (2022: Nil) due to a director, subsidiaries and an associate respectively.

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

17. Amount due to a Director

The amount is unsecured, interest-free and repayable on demand.

18. Borrowings

As at 31 December 2023, the borrowings were non-interest bearing, unsecured and repayable on demand. As at 31 December 2023, the borrowings include the principal amount amounted to EUR170,000 (2022: EUR170,000) and loan interest payables amounted to EUR17,275 (2022: EUR7,525). The amount was unsecured, interest-bearing at 5.5% per annum and repayable on or before 16 May 2025, except the interest payables amounted to EUR (2022: EUR7,525) was non-interest bearing. The loan amount of EUR187,275 (2022: EUR177,525) can be converted to ordinary shares of the Company at any time by notice given by the lender.

19. Share Capital

	<u>2023</u> EUR	<u>2022</u> EUR
Issued and Fully Paid:-		
1,111 Ordinary Shares	120	120
	=====	=====

20. Dividend

Dividend paid to majority member of the Company attributable to the year:

	<u>2023</u> EUR	<u>2022</u> EUR
Interim dividend declared		
First	1,000,000	-
Second	1,475,500	-
Third	260,000	-
Fourth	500,000	-
Fifth	80,000	-
Sixth	117,025	-
Seventh	2,000,000	-
Eighth	2,298,820	-
Ninth	1,000,000	-
Tenth	-----	-----
	8,731,345	-
	=====	=====

Veli Services Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

21. Changes in Equity

	<u>Share capital</u> EUR	<u>Other reserves</u> EUR	<u>Retained earnings</u> EUR	<u>Total</u> EUR
Balance as at 1 January 2023	120	2,475,000	3,744,266	6,219,386
Dividend (note 20)	-	-	(8,731,345)	(8,731,345)
Profit for the year	-	-	22,816,210	22,816,210
	-----	-----	-----	-----
Balance as at 31 December 2023	120	2,475,000	17,829,131	20,304,251
	=====	=====	=====	=====

22. Related Party Transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related party:

<u>Related Party</u>	<u>Nature of Transactions</u>	<u>2023</u> EUR	<u>2022</u> EUR
Veli Technologies Limited, Subsidiary	Royalty income	28,000	-
Veli Services Mena FZCO, Subsidiary	Dividend income	80,000	-
Veli (Africa) Limited, Subsidiary	Business development fee Loan interest income	2,194,500 55,428	18,742
Veli UK Limited, Subsidiary	Management services fee	2,523,264	1,168,281
Veliops (CY) Limited, Subsidiary	Website and marketing expenses	788,116	-
Koibit Limited, Subsidiary	Loan interest income	745	-
Everveo Interactive Limited, Former subsidiary	Royalty income Dividend income	3,032,467 1,500,000	4,337,040 -
Smart Source LLC, Former subsidiary	Purchase of intangible assets	-	500,000
		=====	=====

Veli Services Limited
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23. Commitments Under Operating Lease

The Company had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2023</u> EUR	<u>2022</u> EUR
No later than one year	14,479	10,115
Later than one year	10,835	-
	-----	-----
	25,314	10,115
	=====	=====

As at 31 December 2023 and 2022, the Company leases an office premises under operating lease for terms of one year at fixed rental over the lease.

24. Immediate Parent and Ultimate Controlling Party

At 31 December 2023, the directors consider the immediate parent and ultimate controlling party of the Company to be Burji PTE Limited, the company incorporated in Singapore. This entity does not produce financial statements available for public use.

25. Approval of Financial Statements

These financial statements were authorised for issue by the Company's directors on 27 June 2024.