

NEO-TECH AUTO SYSTEMZ INC.

FINANCIAL STATEMENTS (IN US \$)

FOR THE YEAR ENDED MARCH 31, 2025

NEO-TECH AUTO SYSTEMZ INC.
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YEAR ENDED MARCH 31, 2025

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Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of: Neo-Tech Auto Systemz Inc.

Opinion

We have audited the accompanying financial statements of Neo-Tech Auto Systemz Inc., which comprise the balance sheet as at March 31, 2025 and the statements of earnings (loss) and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Neo-Tech Auto Systemz Inc. as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Neo-Tech Auto Systemz Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

Auditor's Responsibilities for the Audit of the Financial Statements

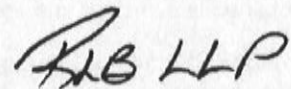
Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgement 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 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guelph, Ontario
May 22, 2025



Chartered Professional Accountants
Licensed Public Accountants

NEO-TECH AUTO SYSTEMZ INC.

BALANCE SHEET (IN US \$)

AS AT MARCH 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 22,115	\$ 2,058
Income taxes recoverable	<u>34,993</u>	<u>28,579</u>
	<u>\$ 57,108</u>	<u>\$ 30,637</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,737	\$ 6,087
Payable to related party (note 4)	<u>10,022</u>	<u>10,633</u>
	<u>15,759</u>	<u>16,720</u>
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Issued Capital		
1,000,000 Common shares	10,000	10,000
RETAINED EARNINGS	<u>31,349</u>	<u>3,917</u>
	<u>41,349</u>	<u>13,917</u>
	<u>\$ 57,108</u>	<u>\$ 30,637</u>

Anuj Korni

Renuka Korni

NEO-TECH AUTO SYSTEMZ INC.

STATEMENT OF EARNINGS (LOSS) AND RETAINED EARNINGS (IN US \$)

FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
REVENUE (note 4)	\$ <u>33,000</u>	\$ <u>7,500</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>6,079</u>	<u>6,716</u>
EARNINGS FROM OPERATIONS	26,921	784
OTHER INCOME (EXPENSES)	<u>961</u>	<u>(372)</u>
EARNINGS BEFORE INCOME TAXES	27,882	412
PROVISION FOR INCOME TAXES	<u>450</u>	<u>450</u>
NET EARNINGS (LOSS) for the year	27,432	(38)
RETAINED EARNINGS, beginning of year	<u>3,917</u>	<u>3,955</u>
RETAINED EARNINGS, end of year	\$ <u><u>31,349</u></u>	\$ <u><u>3,917</u></u>

NEO-TECH AUTO SYSTEMZ INC.
STATEMENT OF CASH FLOWS (IN US \$)
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net earnings (loss) for the year	\$ 27,432	\$ (38)
Changes in non-cash working capital		
Accounts payable and accrued liabilities	(350)	243
Income taxes recoverable	(6,414)	(1,560)
	<u>20,668</u>	<u>(1,355)</u>
CASH USED IN INVESTING ACTIVITIES		
Payable from related company	<u>(611)</u>	<u>(5,023)</u>
NET INCREASE (DECREASE) IN CASH	20,057	(6,378)
NET CASH, BEGINNING OF YEAR	<u>2,058</u>	<u>8,436</u>
NET CASH, END OF YEAR	<u>\$ 22,115</u>	<u>\$ 2,058</u>

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NEO-TECH AUTO SYSTEMZ INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. NATURE OF OPERATIONS

The company is incorporated under the laws of the state of Delaware and is primarily involved in business development and consulting services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises and include the following significant accounting policies:

(a) REVENUE RECOGNITION

Revenue is recognized as earned when services have been performed and collection is reasonably assured.

(b) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting principles for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include an estimate of accrued liabilities. Actual results could differ from those estimates.

(c) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The company initially measures its financial assets and liabilities at fair value, except for a related party transaction which is recorded at cost and measured using the carrying amount or exchange amount depending on the circumstances.

The company subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Cost in a related party transaction with no repayment terms is determined using the consideration transferred or received by the company in the transaction.

Impairment

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there are, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

NEO-TECH AUTO SYSTEMZ INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FINANCIAL INSTRUMENTS (continued)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(d) INCOME TAXES

The company applies the future income taxes method of accounting for income taxes.

(e) TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND ITEMS

The company uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses, except for the cost of inventories included in the cost of goods sold and amortization translated at the historical rate, are translated at the average rate for the year. Exchange gains and losses are included in the income statement.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the company's exposure to these risks did not change in 2025 compared to the previous period.

4. RELATED PARTY TRANSACTIONS

During the year the company had the following transactions with a related parties that are related by virtue of common control:

	2025	2024
Sales to The Hi-Tech Gears Ltd.	\$ <u>33,000</u>	\$ <u>7,500</u>

The amounts due to related parties are as follows:

	2025	2024
Hi-Tech Gears Canada Inc.	\$ <u>10,022</u>	\$ <u>10,633</u>

The payable to related company is non-interest bearing, unsecured and due on demand. The Hi-Tech Gears Canada Inc. is wholly-owned by The Hi-Tech Gears Ltd., which is the parent company of Neo-Tech Auto Systemz, Inc.

Amy Kapner

Ronan Kapner

