

مرفقات التقرير

رقم المرفق	نوع المرفق
1	رخصة الشركة المدعى عليها الثانية.
2	عقد التأسيس المبرم بين طرفي الدعوى.
3	القواعد المالية المدققة عن الأعوام 2019-2020-2021.
4	المراسلات بين طرفي الدعوى.
5	المراسلات مع سلطة المنطقة الإعلامية الحرة / الفجيرة.
6	مستندات الإنذار القانوني والرد عليها.

مرفق رقم 1

TRADE LICENSE

رخصة تجارية

License No.:	Code	رقم الرخصة:
11883/2017	C VZ	11883/2017
Operating Name :		الاسم التجاري:
PCH System FZ LLC		بي سي اتش سيسنتم إف زد إل سي
Owner :		الملك :
Patrick Touma Chakhtoura, Mario Maatouk		باتريك ادورا توما شخطوره، ماريو ميلاد معنوق
Place of Inc. :		منشأ الشركة :
Creative City - Media Free Zone		المنطقة الاعلامية الحرة - مدينة الإبداع
Legal Status :		الشكل القانوني :
Free Zone - Limited Liability Company		منطقة حرة - شركة ذات مسؤولية محدودة
Activity :		النشاط :
E-Commerce, New Media Services, Film Production/Post Production		تجارة الكترونية، خدمات وسائل الإعلام الجديد، إنتاج أفلام/ مرحلة ما بعد الإنتاج
Address :		العنوان:
Fujairah - Creative Tower P.O.Box 4422 Fujairah		برج الإبداع - الفجيرة ص.ب. 4422 الفجيرة
Person in Charge :	الموظف المسؤول:	المهنة:
Patrick Touma	باتريك ادورا توما شخطوره	مدير تنفيذي
Chakhtoura		
Establishment Date:		تاريخ التأسيس:
	08/11/2017	
Date of Issue:	تاريخ الاصدار:	تاريخ الانتهاء:
18/03/2019		07/11/2019



Verify Me

هيئة الفجيرة للثقافة والإعلام
FUJAIRAH CULTURE & MEDIA AUTHORITY

Rashid Bin Hamad Bin Mohammad Al Sharqi
Chairman

مرفق رقم 2

Article of Incorporation

PCH System FZ LLC
License No.: 11883/2017 C/VZ



Establishment Date: 08/11/2017

P.O Box 4422, Fujairah, U.A.E

Tel: +971 9 2077666, Fax: +971 9 2077634

Article of Incorporation

عقد تأسيس

On this day 8/11/2017 this Article of incorporation to form a Limited Liability Company under the provisions of Fujairah Media Free Zone and in compliance the UAE companies' law (herein referred as "The Authority") Fujairah Media Free zone , Creative City and On this day 10/2/2019 this Addendum to 'Articles of Incorporation' has been amended as follows:

Party 1 Patrick Touma Chakhtoura

Nationality Lebanon

Passport No. RL2962900

Party 2 Mario Maatouk

Nationality Lebanon

Passport No. RL3561844

في هذا اليوم 8/11/2017، قد أبرم عقد التأسيس هذا، ليكون شركة ذات مسؤولية محدودة، بموجب شروط المنطقة الإعلامية الحرة - الفجيرة، وقانون الشركات لدولة الإمارات العربية المتحدة (بشار إليها بـ "السلطة") الممثلة في المنطقة الإعلامية الحرة، مدينة الإبداع)، و انه في يوم 10/2/2019 قد تم الاتفاق على التغيير في "عقد التأسيس" الموافق بالاتفاق بين الموقعين أدناه على النحو التالي :

الطرف (1) بالريك ادوار توما شخطوره	لبناني
رقم الجواز RL2962900	
الطرف (2) ماريو ميلاد معترف	لبناني
رقم الجواز RL3561844	

PREAMBLE:

Whereas the above preamble shall be considered an integral part of this memorandum.
Thus each of the parties hereto above has acknowledged their legal capacity and agreed to form a company of limited liability as per the following terms and conditions:

ARTICLE (1) FORMATION:

The company shall be formed in accordance with provisions of the Implementation procedures of the Fujairah Media Free Zone issued by now or in future

ARTICLE (2) COMPANY NAME:

The name of the company shall be:

PCH System FZ LLC

a Limited Liability Company having a separate and distinct entity of the shareholder thereof. (The term 'limited liability' or 'L L C' and also the term of 'Free Zone Company' shall be annexed to the company's name. In the event of failure on the part of the directors & partners to observe the provision they shall be jointly liable to the extent of their share capital towards the company obligations in addition to indemnity.)

ARTICLE (3) OBJECTS:

E-Commerce, New Media Services, Film Production/ Post Production
As per Fujairah Media Free Zone valid license(s) and all other accessories and activities as are incident and related or necessary to the aforesaid business as may be approved by the Authority.

By way of realizing its objectives the company may engage in any respect in business or individuals carrying on similar business or cooperating with the company to achieve the company's objectives inside or outside the UAE and may manage, merge or consolidate with the same pursuant.

حيث أن التمهيد أعلاه، يعتبر جزءاً مكملاً لهذا العقد.
لقد أقر كل الأطراف، أعلاه في هذا العقد، بكل أهليةهما القانونية، بأن يقوموا بتكوين شركة ذات مسؤولية محدودة، وفقاً للأحكام والشروط التالية:

المادة (1) التكوين :
يجب أن يكون تكوين الشركة وفقاً لشروط إجراءات التطبيق للمنطقة الإعلامية الحرة - الفجيرة، التي تصدر الآن أو في المستقبل .

المادة (2) أسم الشركة :

اسم الشركة :

بي سي إتش سيسنتم إن دэм

شركة ذات مسؤولية محدودة، وهي شركة مستقلة ، فيما يتعلق بالمساهم .
(يجب ان يلحق مصطلح "ذات مسؤولية محدودة" او "L L C" ، م و " كذلك مصطلح "شركة منطقة حرة " باسم الشركة . في حالة الاختلاف من جانب المدراء و الشركاء في إتباع الشرط ، فيجب أن يكونوا مسؤولين جميعاً في حدود حصتهم في رأس المال، تجاه التزامات الشركة، بالإضافة للتعويض .)

المادة (3) الأهداف :

نشاط الشركة يتمثل في :

تجارة الكترونية، خدمات وسائل الإعلام الجديد، إنتاج أفلام/مرحلة ما بعد الإنتاج
وفقاً للرخصة (رخص) المنطقة الإعلامية الحرة - الفجيرة، السارية و كل
اللوائح الأخرى و الشاطرات، التي تكون عرضية و تتعلق بها أو ضرورية
للأعمال المذكورة أعلاه، و التي قد يصادق عليها بواسطة السلطة (الممثلة في
المنطقة الإعلامية الحرة مدينة الإبداع).

عن طريق إدراك أهدافها، يجوز للشركة الدخول في أي وجه من وجهه الأفضل
أو جذب الأفراد الذين يقوموا بأعمال مماثلة أو التعاون مع شركات أخرى
لتحقيق أهداف الشركة داخل و خارج دولة الإمارات العربية المتحدة و
تدبر، أو تندمج، أو تتحد مع هذه الجهات تبعاً لذلك .



**ARTICLE (4) COMPANY LOCATION:**

The head office shall be located in Fujairah Media Free Zone, Creative Tower Emirates of Fujairah. The company shall be entitled to open and operate branches elsewhere based on the rules thereof and the approval of the authority.

المادة (4) مكان الشركة :

يجب أن يقع المكتب الرئيسي في المنطقة الإعلامية الحرة - الفجيرة، برج الإبداع، بإمارة الفجيرة . يخول الشركة أن تفتح و تشغّل فروعها في أي مكان آخر، تبعاً للقوانين المتبعة و آخذة بعين الاعتبار موافقة السلطات اللازم

ARTICLE (5) THE CAPITAL:

The capital of the company has been decided to be AED 150,000.00 divided into 100 shares of 1,500.00 AED each.

The capital of the company will be distributed among the shareholders as follows:

Party	#Shares	%	Value in AED
First	80	80	120,000
Second	20	20	30,000

ARTICLE (6) CHANGE OF CAPITAL:

- The capital of the company may be increased or decreased by a resolution of the General Assembly, approved by the authority and shall be divided among the shareholders proportionately to their capital shares.
- In case of any increase in capital, the company shall provide the authority with the bank deposit certificate to endorse the capital increase and to amend the authority records

ARTICLE (7) CAPITAL SHARES

Capital share are equal in rights and liabilities and are indivisible that the one share shall have one holder only.

المادة (5) رأس المال :

1. لقد تم القرار بأن رأس المال الشركة يكون 150,000.00 درهم، تقسم إلى 100 حصة، بقيمة 1,500.00 درهم لكل .

2. سوف يوزع رأس المال الشركة بين المساهمين كالتالي :

القيمة بالدرهم	النسبة % من رأس المال	عدد الحصص	الطرف
120,000	80	80	.1
30,000	20	20	.2

المادة (6) تغيير رأس المال :

1. يجوز أن يزيد أو ينقص رأس المال الشركة بواسطة قرار الجمعية العمومية، المصدق بواسطة السلطة الممثلة في المنطقة الإعلامية الحرة، مدينة الإبداع، و الذي يجب أن يقسم بين المساهمين وفقاً لحصتهم في رأس المال .

2. في حالة أي زيادة في رأس المال، يجب على الشركة أن تزود السلطة بشهادة إيداع مصرفية لتأكيد زيادة رأس المال و تعديل سجلات السلطة .

المادة (7) حصة رأس المال :

حصص رأس المال متساوية في الحقوق والالتزامات وغير قابلة للتقسيم، يجب أن تكون الحصة الواحدة لمساهم واحد فقط.

المادة (8) التنازل عن الحصص :

1. لا يجوز للمساهم أن يوكل بيع، أو تغيير، أو تبادل، أو التنازل عن حصصهم في رأس المال لأي طرف ثالث بدون موافقة كتابية من الجمعية العمومية و موافقة السلطة الممثلة في المنطقة الإعلامية الحرة، مدينة الإبداع .

2. يجوز للمساهم أن يتنازل عن حصصه إلى أي مساهمين آخرين أو أي طرف ثالث بموجب مستند رسمي ويجب ألا يسبب مثل هذا التنازل عن ملكية الأسهم، أي مسؤولية تقع على الشركة أو على المساهمين الآخرين قبل تاريخ تسجيله في سجلات الشركة .

3. عندما يقرر المساهم أن يتنازل عن حصصه إلى غير مساهم ، سواء كلياً أو مقابل تعويض مادي، يجب عليه أولاً إخطار الموظف المسؤول تقديم عروضهم لشراء الحصص المتنازل عنها، بالسعر المتفق عليه . في حالة الفرق يجوز لمدققي حسابات الشركة، تثبيت السعر

ARTICLE (8) TRANSFER OF SHARES:

- Shareholders may not assign sell, alter, exchange or transfer their shares in the capital to any third party without the written consent of the general assembly and the approval of the authority (Fujairah Media Free zone, Creative City).
- A shareholder may assign their shares to other shareholders or any third party by an official written document. Such assignment of shares shall not create any liability against the company or other shareholders before the date of its registration in the company records.
- When a shareholder decides to assign their shares to a Non shareholder whether free or in consideration, he will first notify in writing through the Manager who shall immediately inform the rest of the shareholders who may offer to redeem the assigned shares at the price agreed upon.

ARTICLE (9) PROFIT AND LOSS:

- A sum of 10% of the net profits shall be kept for the reserve fund accumulating to 50% of the total capital then may be ceased.

**المادة (9) الربح والخسارة :**

1. يجب إبقاء مبلغ يساوي 10% من صافي الأرباح، كمبلغ احتياطي، تراكم إلى 50% من إجمالي رأس المال، من ثم يجوز أن يوقف .

After the deduction of the reserve, depreciation and general expenses, the net profits shall be divided among the shareholders as per the ratio of their capital shares, while the losses sustained shall be carried out to the next fiscal year. No profits may be distributed before the full coverage of all the losses.

ARTICLE (10) MANAGEMENT:

1. The company shall have one or several managers who are appointed and removed by the general assembly of the company resolution.
2. The manager / s shall exercise the powers to be delegated by the general assembly by virtue of a special power of attorney.
3. Management committee consists of two Directors.
4. The Board of Directors assumes to design administrative and financial policy for the company.
5. The directors either jointly or separately has a right to open bank accounts in the name of the company at the banks operating Inside the State or abroad, operate same by depositing, drawing and signing, receive, disburse, pay and sign bank credits, provide undertaking therefore.

6. Patrick Touma Chakhtoura
Ms/Mr.

shall assume the function of the Executive Director
who shall have the powers and authorities determined by The
Board of Directors.

7. The Person in Charge of the company shall keep printed upon all the publications of the company, the deeds, purchase orders / receivables, accounts papers, letter heads and all the other documents in conjunction with the company trade name- the terms of:
 - A) Limited Liability Company
 - B) Amount of Share Capital
 - C) Trade License Copy

Neglecting such terms the members of the board and the managers of the company shall be fully liable for all the obligations of the company

ARTICLE (11) GENERAL BOARD MEETING

1. The general assembly whose formation is considered valid shall represent all parties and shall not convene except in city of Fujairah.
2. The general board meeting shall be composed of Shareholders and shall meet at least once every fiscal year, within the immediate four months following the end of the company's financial year.

2. بعد خصم الاحتياط، والخضن، والنفقات العامة، يجب أن يقسم صافي الأرباح بين المساهمين، وفقاً لنسبة حصتهم في رأس المال، بينما يجب أن تنقل الخسائر المتراكدة إلى السنة المالية التالية . يجوز عدم توزيع الأرباح قبل التغطية الكاملة لكل الخسائر .

المادة (11) الإدارة :

1. يمكن أن يكون للشركة مدير واحد أو عدد من المدراء، الذين يتم تعينهم أو إنهاء خدماتهم بواسطة قرار الجمعية العمومية للشركة .
2. يجب أن يمارس المدير / المدراء صلاحيتهم المفوضة إليهم بواسطة الجمعية العمومية بموجب توكيل خاص .
3. تكون لجنة الإدارة من مدیرین اثنین .
4. يأخذ مجلس الإدارة على عاتقه تصميم السياسة الإدارية و المالية للشركة .
5. يحق للمدراء مشتركون أو منفردين، فتح حسابات مصرية بالشركة، لدى البنك الذي تعمل داخل الدولة أو خارجها، وتشغيل الحساب و متابعته من إيداعات، سحبوات، توقيع الشيكات والالتحامات المصرفية و أن يقدم التعهدات لذلك .

6. السيد / السيدة باتريك ادوار توما شخطوره

سوف يعمل بوظيفة مدير تنفيذي
حيث يخول إليه الصلاحيات والسلطات المحددة بواسطة مجلس الإدارة .

7. يجب أن يحفظ الموظف المسؤول صورة من مطبوعات الشركة، المستندات، أوامر الشراء / المستحقات، أوراق الحسابات، الخطابات المعنية بالشركة، والتي تحمل شعار الشركة وكافة المستندات الأخرى التي تتعلق بالإسم التجاري للشركة - علي شروط :

- أ) شركة ذات مسؤولية محدودة .
- ب) مبلغ حصة رأس المال .
- ج) نسخة من الرخصة التجارية .

عند إهمال مثل هذه الشروط، يجب أن يكون أعضاء مجلس الإدارة و مدراة الشركة مسؤلين عن كافة التزامات الشركة .

المادة (11) اجتماع الجمعية العمومية :

1. الجمعية العمومية التي يعتبر تكوينها ساري، يجب أن تمثل كل الأطراف تجتمع مرة واحدة علي الأقل في كل سنة مالية، خلال الأربعة شهور التي تنتهي نهاية السنة المالية للشركة .
2. يجب أن يتكون اجتماع الجمعية العمومية من المساهمين، ويعد أن



- The conversations to the general assembly meeting shall be addressed by registered letter or fax's, and to be sent to every shareholder at least twenty one days before date of general assembly, indicating the agenda, place, date and time fixed for the meeting.
- Shareholders may be represented by Proxy of a Shareholder or any other person in the meetings of the Company to act within the limits of the powers delegated in the letter of proxy.
- Resolutions shall be taken by the majority of the shareholders for the following matters:-
- Alter or amend the Articles of Incorporation
 - Increase or decrease of the capital of the company
 - Liquidation of the Company before the expiry of its original or renewed period
 - Selling of the Company or disposal of its capital in gross in any way.
 - The determination and approval of the annual balance sheet of the company and the appointment of the company Auditors & Board of Directors
 - Any other matters not subject to another authority in this deed

ARTICLE (12) FISCAL YEAR:

- The financial year shall commence from first of January and expired by the end of December of each Gregorian year while the first year shall commence from the date of the commercial registration at the Authority and expires at the end of December of that year.
- At the end of each financial year, the company's assets and liabilities shall be undertaken and the profit and loss shall be circulated for preparation of the balance sheet and profit/loss accounts.

ARTICLE (13) ACCOUNT:

- Regular books of accounts shall be kept under the control and supervision of the Manager.
- The General Assembly shall appoint an Auditor to audit the accounts as per the rules of the accounts.

ARTICLE (14) DURATION AND VALIDITY:

- The duration of the company shall be one year renewable automatically for equal period unless otherwise terminated by a legal reason or due to a special resolution for the General Assembly.
- The business activities authorized by virtue of these Articles of incorporation are incident and related only during the validity of the trade license issued by the Authority.

3. يجب أن توجه المحادثات إلى الاجتماع الجمعية العمومية بواسطة خطاب مسجل أو رسالة مرسلة عن طريق الفاكس، وأن ترسل إلى كل مساهم، بإخطار لا يقل عن واحد وعشرون يوماً من تاريخ اجتماع الجمعية العمومية، مبينة جدول الاجتماع، المكان، التاريخ والوقت المحدد للجتماع.

4. يجوز أن يمثل المساهمين بواسطة وكالة المساهم أو أي شخص آخر في اجتماعات الشركة، ليعمل في حدود الصلاحيات المفروضة في خطاب الوكالة.

5. يجب أن تأخذ القرارات بواسطة أغلبية المساهمين عن الأمور التالية :

أ - تغيير و تعديل عقد التأسيس

ب - زيادة أو خفض رأس المال الشركة .

ج - تصفية الشركة قبل نهاية مدتھا الأصلية أو نهاية المدة المجددة .

د - بيع الشركة أو التصرف في رأس المالها إجمالياً بأي طريقة .

ه - التجديد و الموافقة على الميزانية السنوية للشركة، وتعيين مدققي حسابات الشركة و مجلس إدارة الشركة .

و - أي أمور أخرى غير خاضعة لسلطة أخرى في هذا الشأن .

المادة (12) السنة المالية :

1. يجب أن تبدأ السنة المالية من الأول من يناير و تنتهي في نهاية ديسمبر من كل سنة مالية، بينما يجب أن تبدأ السنة الأولى من تاريخ التسجيل التجاري في الهيئة و تنتهي في نهاية ديسمبر من تلك السنة.

2. في نهاية كل سنة مالية، يجب التعهد بمسؤوليات وأصول الشركة، و يجب نشر الربح والخسارة لإعداد الميزانية العمومية وحسابات الربح / الخسارة .

المادة (13) حسابات الشركة :

1. يجب أن تحفظ دفاتر حسابات متنظمة تحت تحكم و إشراف المدير .
2. يجب أن تعيّن الجمعية العمومية مدقق حسابات، ليقوم بتدقيق الحسابات وفقاً لقوانين الحسابات .

المادة (14) مدة و صلاحية الشركة :

1. تكون مدة الشركة سنة واحدة، قابلة للتجديد تلقائياً لمدة متساوية، ما لم يتم إنهاؤها بسبب قانوني أو يسبب قرار خاص للجمعية العمومية .



ARTICLE (15) LIQUIDATION:

The company may be liquidated for any of the reasons stated below:

1. Duration having expired or by agreement of all shareholders or on judgment of insolvency passed for liquidation or pursuant to the provisions of the valid laws of the Media Free Zone, Fujairah.
2. The company shall not be liquidated in case of death of any of the shareholders and the other Partners shall have the choice to continue with or without the heirs of the deceased.
3. Upon liquidation for any reason, the General Assembly shall appoint the liquidator and specify the rules and liquidation who shall after full payment of all company obligations divide the assets pursuant to the resolution liquidation.
4. Upon non-renewal of the trade license over a period of one year, the Authority reserves the right to close all departmental accounts pertains to the company including, but not limited to Immigration, Etisalat, water and electricity etc. The Authority shall not be responsible or liable for any loss or damage of any sort incurred to the company as a result of such closure.

ARTICLE (16) LIABILITY & RESPONSIBILITY:

The Liability of the Shareholder is limited and equal to the individuals share values. The responsibility of each shareholder towards the company losses shall be limited to the extent of the unpaid part (if any) of his shares in the capital and shall not be required to reimburse any profit dividends previously distributed in a proper way.

ARTICLE (17) ADDENDUMS:

The Shareholders agrees that all addendums and agreements that signed by them, after verification and approval by the Authority becomes integrated part of this agreement

ARTICLES (18) GOVERNING LAW AND ARBITRATION:

1. This Agreement shall be governed by and construed in accordance with the applicable laws of Fujairah Creative City and the laws of the Emirate of Fujairah.
2. If any dispute is not resolved between the Parties within thirty (30) Days from the date on which one party receives notice from another Party that a Dispute exists in connection with this agreement or arising out of the formation, performance, interpretation, nullification, termination or invalidation of this contract or arising there from or related thereto in any manner whatsoever, shall be settled by arbitration in accordance with the provisions set forth under the Fujairah Creative City Arbitration Rules ("the Rules"), by one or more arbitrators appointed in compliance with the Rules.
3. Unless otherwise agreed in writing, the existence of a Dispute shall not relieve any Party from performance of its obligations under this Agreement not the subject of the Dispute.

المادة (15) تصفية الشركة :

يجوز تصفية الشركة لأي من الأسباب المذكورة أدناه:

1. بانتهاء المدة أو بواسطة اتفاقية من المساهمين أو بحكم إفلاس صدر بالتصفية أو تبعاً لأحكام القوانين السارية في المنطقة الإعلامية الحرة - الفجيرة .

2. يجب ألا تم تصفية الشركة لوفاة أحد المساهمين و يجب أن يكون ليقنية الشركاء الخيار في الاستمرار مع ورثة المتوفى أو بذوهم ،

3. عند التصفية لأي سبب، يجب على الجمعية العمومية أن تعين مختص يحدد القوانين و يجب عليه بعد الدفع الكامل لالتزامات الشركة، أن يقسم الأصول تبعاً لقرار التصفية .

4. في حالة عدم تجديد الرخصة التجارية، خلال فترة سنة واحدة، فإن السلطة (الممثلة في المنطقة الإعلامية الحرة مدينة الإبداع) تحفظ بالحق في إغلاق كل الحسابات التي تتعلق بالشركة بالدوات الرسمية، والتي تشمل وليس حصرأً الجوازات والهجرة، الاتصالات، الماء والكهرباء، الخ . المنطقة الإعلامية الحرة مدينة الإبداع "غير مسؤولة عن أي فقد أو ضرر من أي نوع، تتكبده الشركة كنتيجة لمثل هذه التصفية .

المادة (16) المسئولية :

مسئوليية المساهم محدودة و مساوية لقيمة حصة الفرد . و مسئوليية كل مساهم تجاه خسائر الشركة، يجب أن تكون محدودة في حد الجزء الغير مدفوع) إذا وجد (من حصصه في رأس المال، و سوف لا يتطلب أي حصة من الربح تم توزيعها سابقاً بطريقة سليمة .

المادة (17) الملحق :

يوافق المساهمين علي أن الملحق و الاتفاقيات التي تم توقيعها بواسطتهم، وبعد التدقيق و الموافقة من السلطة (الممثلة في المنطقة الإعلامية الحرة، مدينة الإبداع)، فإنها تعتبر جزءاً مكملاً لهذه الاتفاقية .

المادة (18) قانون الاتفاقية و التحكيم :

1. يجب ان تحكم هذه الاتفاقية و تفسر وفقاً للقوانين المطبقة في مدينة الإبداع بالفجيرة و قوانين إمارة الفجيرة .

2. في حالة لم يتم التوصل إلى حل في نزاع تشب بين الأطراف، خلال ثلاثين (30) يوم، من تاريخ استلام الإنذار من الطرف الأول للنزاع للطرف الآخر و يجب أن يتم حله بواسطة التحكيم، وفقاً للأحكام المنصوص عليها بموجب قوانين التحكيم لمدينة الإبداع بالفجيرة (") القوانين (، بواسطة محكم واحد أو أكثر، يتم تعينهم وفقاً للقوانين .



ARTICLES (19) CORRESPONDENCE

Unless otherwise stated by a written notice, all correspondence to the shareholders shall be made to his/her address of the Company Book.

المادة (19) المراسلات :

ما لم بطريقة أو بأخرى تم النص بواسطة إنذار كتابة، فإنه يجب أن ترسل كل المراسلات إلى المساهمين إلى عنوانه / عنوانها في سجل الشركة.

Party 1 Patrick Touma Chakhtoura

Signature



Date 27-2-2019

الطرف (1) باتريك تومنا شخطوره

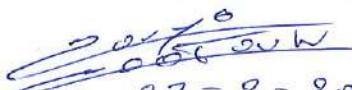
المخول بالتوقيع

التاريخ



Party 1 Mario Maatouk

Signature



Date 27-2-2019

الطرف (2) ماريو ميلاد معنوق

المخول بالتوقيع

التاريخ

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لاستعمال الموظف فقط - المنطقة الإعلامية الحرة - مدينة الإبداع

I, Gisele Gabitan, Officer in charge
at C hereby affirm that this Articles of
Incorporation was signed, sealed and delivered by the above parties in my
presence.

أنا الموظف المسؤول

في

بعذا أؤكد بأن عقد التأسيس هذه

تم

توقيعه و ختمه و تسليمه بواسطة الأطراف أعلاه إمامي .

Designation Sally Maragh
Signature 18/03/19

الوظيفة

التوقيع

Attestations	التصديقات
	

SIGNED BEFORE ME	<u>Gisele Gabitan</u>
OF THE VIRTUZONE - UAE FZ L.L.C DUBAI BRANCH,	
APPEARED MR. / MS.	<u>mario Maatouk</u>
✓	<u>Patrick Touma Chakhtoura</u>
WHO SIGNED THIS DOCUMENT THIS DAY	<u>27</u>
OF	<u>02</u> <u>2019</u>
VIRTUZONE Your Trade License Starts Here	

Articles of Incorporation

PCH System FZ LLE

Lic No.: ١٣٨٣ / _____



P.O Box 4422, Fujairah, U.A.E

Tel: +971 9 2071333, Fax: +971 9 2071334

PTC

Article of Incorporation

On this day 06 of November 2017 this Article of incorporation to form an Limited Liability Establishment under the provisions of Fujairah Media Free Zone and in compliance the UAE companies' law (herein referred as "The Authority") Fujairah Media Free zone , Creative City has been agreed:

Name : Patrick Touma Chakhtoura

Nationality: Lebanon

Passport No.: RL2962900

Preamble:

Whereas the above preamble shall be considered an integral part of this memorandum.

As the above Party has acknowledged his legal capacity and agreed to form an establishment per the following terms and conditions:

ARTICLE (1) FORMATION:

The establishment shall be formed in accordance with provisions of the implementation procedures of the Fujairah Media Free Zone issued by now or in future.

ARTICLE (2) ESTABLISHMENT NAME:

The name of the establishment shall be

"PCH System FZ LLE"

The term 'Free Zone - Limited Liability Establishment' or 'FZ LLE' shall be annexed to the establishment's name. In the event of failure on the part of the shareholder/owner to observe the provision they shall be jointly liable to the extent of their share capital towards the establishment obligations in addition to indemnity.

ARTICLE (3) OBJECTS:

The object of the establishment shall be:

"New Media Services, Film Production/Post Production, E- Commerce"

As per Fujairah Media Free Zone valid license(s) and all other accessories and activities as are incident and related or necessary to the aforesaid business as may be approved by the Authority.

By way of realizing its objectives the establishment may engage in any respect in business or individuals carrying on similar business or cooperating with the establishment to achieve the establishment's objectives inside or outside the UAE and may manage, merge or consolidate with the same pursuant.

ARTICLE (4) ESTABLISHMENT LOCATION:

The Head office shall be located in Fujairah Media Free Zone, Creative Tower in the Emirates of Fujairah. The establishment shall be entitled to open and operate branches elsewhere based on the rules thereof and the approval of the authority.

ARTICLE (5) THE CAPITAL:

1. The capital of the establishment has been decided to be AED. 100,000/- divided into 100 shares of par value 1000 AED each.

ARTICLE (6) CHANGE OF CAPITAL:

1. The capital of the establishment may be increased or decreased approved by the authority.
2. In case of any increase in capital, the establishment shall provide the authority with the bank deposit certificate to endorse the capital increase and to amend the authority records.



PTC

ARTICLE (7) TRANSFER OF SHARES:

1. All transfer transactions of shares portion shall be entered and registered in the shareholder registry in the establishment after submission of the transfer signed by the transferee, the establishment has the right to request the attention or witness the signature of the owner.

ARTICLE (8) MANAGEMENT:

1. The establishment shall have one or several managers who are appointed and removed by the owner of the establishment.
2. The **Executive Director Patrick Touma Chakhtoura** shall exercise the powers to be delegated to as the establishment Owner.
3. The Owner has a right to open bank accounts in the name of the establishment at the banks operating inside the State or abroad, operate same by depositing, drawing and signing, receive, disburse, pay and sign bank credits, provide undertaking therefore.

ARTICLE (9) FISCAL YEAR:

1. The financial year shall commence from first of January and expire by the end of December of each Gregorian year while the first year shall commence from the date of the commercial registration at the Authority and expires at the end of December of that year.
2. At the end of each financial year, the establishment's assets and liabilities shall be undertaken and the profit and loss shall be circulated for preparation of the balance sheet and profit/loss accounts.

ARTICLE (10) ACCOUNT:

1. Regular books of accounts shall be kept under the control and supervision of the Manager.
2. The Owner shall appoint an Auditor to audit the accounts as per the rules of the accounts.

ARTICLE (11) DURATION AND VALIDITY:

1. The duration of the establishment shall be one year renewable automatically for equal period unless otherwise terminated by a legal reason or due to the desire of the owner.
2. The business activities authorized by virtue of these Articles of incorporation are incident and related only during the validity of the trade license issued by the Authority.

ARTICLE (12) LIQUIDATION:

The establishment may be liquidated for any of the reasons stated below:

1. Duration having expired or by judgment of insolvency passed for liquidation or pursuant to the provisions of the valid laws of the Media Free Zone, Fujairah.
2. Upon liquidation for any reason, the owner shall appoint the liquidator and specify the rules and liquidation who shall after full payment of establishment obligations.
3. Upon non-renewal of the trade license over a period of one year, the Authority reserves the right to close all departmental accounts pertains to the establishment including, but not limited to Immigration, Etisalat, water and electricity etc. The Authority shall not be responsible or liable for any loss or damage of any sort incurred to the establishment as a result of such closure.

ARTICLE (13) LIABILITY & RESPONSIBILITY:

The Liability of the shareholder is limited and equal to the individual share value. The responsibility of the shareholder towards the Company losses shall be limited to the extent of the unpaid part (if any) of his shares in the capital and



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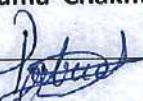
shall not be required to reimburse any profit dividends previously distributed in a proper way.

ARTICLE (14) ADDENDUMS:

The owner agrees that all addendums and agreements that signed by him, after verification and approval by the Authority becomes integrated part of this agreement.

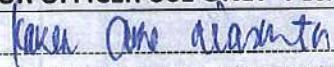
CLIENT USE

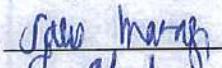
Name: Patrick Touma Chakhtoura

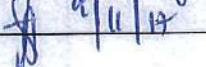
Signature: 

Date: 06-11-17

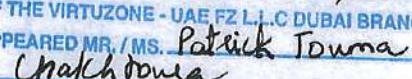
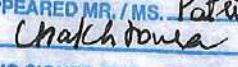
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I,  Officer in charge at  hereby affirm that this Articles of Incorporation was signed, sealed and delivered by the above parties in my presence.

Designation: 

Signature: 

Attestations

SIGNED BEFORE ME 
OF THE VIRTUZONE - UAE FZ LLC DUBAI BRANCH,
APPEARED MR. / MS. 

WHO SIGNED THIS DOCUMENT THIS DAY _____
OF 201_____

VIRTUZONE
Your Trade License Starts Here

4



PTC

مرفق رقم 3



PCH System FZ LLC
CREATIVE CITY FUJAIRAH
FUJAIRAH, UNITED ARAB EMIRATES

**FINANCIAL STATEMENTS & AUDITOR'S REPORT
AS AT 31 DECEMBER 2019**

Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

Info@emauditing.ae

04 241 1413

**PCH System FZ LLC
CREATIVE CITY FUJAIRAH**

FINANCIAL STATEMENTS & AUDITOR'S REPORT

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PCH System FZ LLC

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2019. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>AED</u>	<u>AED</u>
Result and dividends		
Revenue	582,817	475,973
Gross profit	277,600	264,970
Net Loss	(282,149)	(280,239)

Review of the business

The Free Zone Limited Liability Company is engaged in the activity of E- Commerce , New Media Services, Film Production and Post Production.

There are no significant events since the end of the reporting date.

Capital

The authorized, issued and unpaid capital of the company is AED 150,000/-

Shareholders and their interests

During the year 2019 , the company has increased her capital from AED.100,000 to AED.150,000 as per the article of incorporation dated 10/02/2019.

Mr. Patrick Touma Chakhtoura is the Executive Director of the company.

<u>Name</u>	<u>% of Holding</u>	<u>Number of Shares</u>	<u>Amount AED</u>
Mr. Patrick Touma Chakhtoura	80%	120	120,000
Mr. Mario Maatouk	20%	30	30,000
TOTAL		150	150,000

Nominal Value AED.1,000

Independent Auditor

M/s. EID MEFTAH AUDITING OF ACCOUNTS LLC were appointed as independent auditor as at 31 December 2019 and it is proposed that they be re-appointed for the year ended 31 December 2020.

November 15th, 2022





To The Shareholder's
M/S. PCH System FZ LLC
Fujairah - UAE

INDEPENDENT AUDITORS' REPORT

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of PCH System FZ LLC (the Company), which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the applicable provisions of the UAE Federal Law No.(8) of 1984 as amended.

Basis of 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

To The Shareholder's
M/S. PCH System FZ LLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To The Shareholder's
M/S. PCH System FZ LLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Further, as required by the UAE Federal Law No (8) of 1984, as amended, we report that:

- a. We have obtained all the information we considered necessary for the purpose of our audit;
- b. The company has maintained proper books of account and the financial statements are in agreement therewith.
- c. Nothing has come to our attention, which causes us to believe that the company has breached any of the provisions of the UAE Federal Law (8) of 1984, as amended, or of its Articles of Association which would materially affect its activities or its financial position as at 31 December, 2019.

For EID MEFTAH AUDITING OF ACCOUNTS LLC

Eid Ali Ahmad Abdulla Meftah

November 21th, 2022



Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

info@emauditing.ae

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PCH System FZ LLC

**Statement of financial position
as at 31 December 2019**

		<u>31-12-2019</u>	<u>31-12-2018</u>
		<u>AED</u>	<u>AED</u>
ASSETS			Notes
Current Assets			
Trade Receivables	6	103,312	-
Due From Shareholders	7	150,000	100,000
Banks	8	179	1,111
Total Current Assets		<u>253,491</u>	<u>101,111</u>
 Total Assets		 <u>253,491</u>	 <u>101,111</u>
 EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	9	150,000	100,000
Accumulated Losses	10	(562,388)	(280,239)
Total Equity		<u>(412,388)</u>	<u>(180,239)</u>
 Current Liabilities			
Due To Shareholder	11	662,134	281,350
VAT Payable		3,745	-
Total Current Liabilities		<u>665,879</u>	<u>281,350</u>
 Total Equity and Liabilities		 <u>253,491</u>	 <u>101,111</u>

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of comprehensive income and other comprehensive income
For year ended 31 December 2019

	For year ended 31 December 2019	For year ended 31 December 2018
	<u>AED</u>	<u>AED</u>
Notes		
Sales	12 582,817	475,973
Cost of Sales	12 (305,217)	(211,003)
Gross profit	277,600	264,970
Other income	-	-
Operating Expenses		
Administrative expenses	13 (558,350)	(544,500)
Financial Charges	14 (1,399)	(709)
Loss of the year	(282,149)	(280,239)
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR - LOSS	(282,149)	(280,239)

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of changes in equity
For year ended 31 December 2019

	Share Capital <u>AED</u>	Accumulated Losses <u>AED</u>	Total <u>AED</u>
Balance as at 01.01.2018	100,000	-	100,000
Loss for the year	-	(280,239)	(280,239)
Balance as at 31.12.2018	100,000	(280,239)	(180,239)
Balance as at 01.01.2019	100,000	(280,239)	(180,239)
Additional Amount for Capital	50,000	-	50,000
Loss for the year	-	(282,149)	(282,149)
Balance as at 31.12.2019	150,000	(562,388)	(412,388)

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of cash flows
For year ended 31 December 2019

	For year ended 31 December 2019 <u>AED.</u>	For year ended 31 December 2018 <u>AED.</u>
Cash flows from operating activities		
Loss for the year	(282,149)	(280,239)
 <u>Add:</u> Adjustment of items not involving the movement of funds		
Depreciation and Amortization	-	-
Provision for EOS	-	-
	<u>(282,149)</u>	<u>(280,239)</u>
 Increase in Due From Shareholders	(50,000)	(100,000)
Increase in Trade Receivables	(103,312)	-
Increase in VAT Payable	3,745	-
Net cash from operating activities	<u>(431,716)</u>	<u>(380,239)</u>
 Cash from investing activities		
Addition in property, plant & equipment	-	-
Net cash (used in) investing activities	<u>-</u>	<u>-</u>
 Cash from financing activities		
Capital Issued and Unpaid	50,000	100,000
Increase in Due to Shareholders	380,784	281,350
Net cash (used in) / from financing activities	<u>430,784</u>	<u>381,350</u>
 Net Decrease in cash and cash equivalents	<u>(932)</u>	<u>1,111</u>
 Cash and cash equivalents - Beginning of the year	<u>1,111</u>	<u>-</u>
 Cash and cash equivalents - End of the year Note 15	<u>179</u>	<u>1,111</u>

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2019**

1 Legal Status

PCH System FZ LLC was established in Fujairah on 8th of November, 2017 under License number 11883/2017 as a Free Zone Limited Liability Company registered under the Fujairah Culture & Media Authority .

The registered address of the Free Zone Limited Liability Company is Fujairah - Creative Tower, Fujairah , United Arab Emirates.

The Free Zone Limited Liability Company is controlled and managed by Mr. Patrick Touma Chakhtoura.

As on reporting date, the shareholders of the Free Zone Limited Liability Company and their Shares in the capital are as follows.

Name of the Shareholder

	<u>Number of Shares</u>	<u>Unpaid Amount AED</u>
Mr. Patrick Touma Chakhtoura	120	120,000
Mr. Mario Maatouk	30	30,000
	150	150,000

Nominal Value AED.1,000

The Free Zone Limited Liability Company is engaged in the activity of E- Commerce , New Media

a) New standards, interpretations and amendments effective from 1 January 2019

New standards impacting the Company that have been adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Company's accounting policies are:

- IFRS 16 *Leases* (IFRS 16); and
- IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23)
- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

The adoption of IFRS9, IFRS 15, IFRS 16 and IFRIC 23 did not have a material impact on the financial statements of the Company.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment - Definition of Material)
- IFRS 3 *Business Combinations* (Amendment - Definition of Business)
- Revised Conceptual Framework for Financial Reporting

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2019**

3 Significant Accounting Policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and implementation regulations of the UAE Federal Law. The preparation of financial statements in conformity with the IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies reported amounts in the financial statements.

3.2 Basis of preparation

These financial statements have been prepared on the historical cost accounting rules. The Accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

3.3 Functional and presentation currency

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

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

3.5 Depreciation

Property, plant and equipment are depreciated so as to write off the cost by equal installments over their useful economic lives as follows:

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is change in estimate, an appropriate adjustment is made to the depreciation charge.

All repairs and maintenance expenses are charged to the statement of profit and loss during the financial period in which they are incurred.

3.6 Inventories

Inventories have been valued at lower of cost or estimated net realizable value. The cost of inventories is determined on the weighted average basis and includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition. Estimated net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of selling expenses.

3.7 Trade and other receivables

Trade and other receivable are classified as receivables and loans and stated at cost less impairment losses.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

3.9 Staff end-of-service benefits

Provision is made for end-of-service gratuity payable to the staff at the reporting date in accordance with the UAE labor laws.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2019**

3 Significant Accounting Policies (Continued)

3.10 Trade payables and other other credit balances

Liabilities are recognized for amounts to be paid for goods or services received, irrespective of whether invoiced by the supplier.

3.11 Provisions

Provisions are recognized 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.

3.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

Revenue is recognized when significant risks and rewards relating to the ownership of goods concerned are transferred to the buyer and the amount of revenue can be measured reliably. Revenue represents the amount invoiced, net of discounts and returns, for goods delivered during the year.

3.13 Leases

Leases under which substantially all the risks and rewards of ownership of the related assets remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss

Transactions in foreign currencies are translated to U.A.E. Dirham's at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to U.A.E. Dirham's at exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

3.15 Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

3.16 Hedging

There are no hedging transactions undertaken by the Company.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2019**

4 Significant judgments employed in applying accounting policies

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect in the amounts recognized in the financial statements:

Impairment of financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. 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. If this is below the carrying amount, a provision is made in the statement of profit or loss.

5 Key sources of estimation uncertainty

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, are as follows:

Doubtful debt provisions

Management regularly undertakes a review of the amount of loans and receivables owed to the company from third parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Employee terminal benefits

Provision is made for the amounts payable under UAE Labor Law applicable to the employees for the accumulated period of service as at the balance sheet date as they are accounted for on accrual basis.

6 Trade Receivables

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Clients balances at year end	103,312	-
	<u>103,312</u>	<u>-</u>

7 Due from Shareholders

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Amount to be paid by shareholders related to the Capital	150,000	100,000
	<u>150,000</u>	<u>100,000</u>

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2019**

8 Banks

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Banque Banorient France:		
Current Account USD.0.96 (2018 :USD.140.67)	4	517
Current Account AED.	175	594
	<u>179</u>	<u>1,111</u>

9 Share capital

Issued, subscribed and unpaid:

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
150 Shares at a nominal value of AED.1,000(2018: 100 Shares)	<u>150,000</u>	<u>100,000</u>

10 Accumulated Losses

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Balance at 1.1	(280,239)	-
Loss for the year	(282,149)	(280,239)
Balance at 31.12	<u>(562,388)</u>	<u>(280,239)</u>

11 Due to Shareholder

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Amount due to Mr.Patrick Chaktoura - Executive Director at year end	662,134	281,350
	<u>662,134</u>	<u>281,350</u>

12 Sales and Cost of Sales

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Sales During the year*	582,817	475,973
Cost of Sales	(305,217)	(211,003)
	<u>582,817</u>	<u>475,973</u>

13 Administrative expenses

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Executive Director Salary	528,000	528,000
Trade License and visa expenses	30,350	16,500
	<u>558,350</u>	<u>544,500</u>

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2019

14 Financial Charges

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Financial Charges	1,399	709
	<u>1,399</u>	<u>709</u>

15 Cash and Cash Equivalents

	Balance at the ending of the year	Balance at the Beginning of the year
Banks	<u>179</u>	<u>1,111</u>

16 Financial instruments

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

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).

Exposure to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables. The Company's bank accounts are placed with high credit quality financial institutions.

At the reporting date, there is no significant concentration of credit risk from trade receivables.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham's and US Dollar.

Interest rate risk

Term loan is availed at fixed rate of interest. Shareholder current account is not subject to any interest.

Cash flow risk

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Fair values

Fair value represents the amount at which an asset could be exchanged, or a liability settled, in an arm's length transaction. In respect of all Company's financial assets and liabilities, in the opinion of the management, the book value approximates to their carrying value i.e. market exist price.

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2019

17 Related party transactions

The Company has, in the ordinary course of business, entered into financial transactions with concerns which fall within the definition of "related parties" as contained in IAS 24. The management believes that the terms of such transactions are not materially different from those that could have been obtained from the unrelated parties.

Related parties comprise shareholder.

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Shareholder' current account - Net balance	512,134	181,350

The nature of significant related party transactions and the amount involved are as follows:

	<u>31-12-2019</u>	<u>31-12-2018</u>
	<u>AED</u>	<u>AED</u>
Directors remuneration	528,000	528,000

18 Commitments for expenditure

There are no commitments for acquisition of property, plant & equipment, to contribute funds for the acquisition of property, plant & equipment, to provide loans and others.

19 Events after the reporting period

No significant event has occurred from the reporting date till the date of Auditors' Report.

20 Financial instruments: Recognition & measurement

The account receivable and advances are for business and carry same values as stated in the financial statements.

21 Contingent liabilities

There was no contingent liability of a significant amount outstanding at the reporting date.

22 Comparative figures

Previous year's figures are regrouped / rearranged wherever considered necessary.

23 Approval of financial statements

The financial statements were approved by the Director for issue on November 15th, 2022.

Director





PCH System FZ LLC
CREATIVE CITY FUJAIRAH
FUJAIRAH, UNITED ARAB EMIRATES

FINANCIAL STATEMENTS & AUDITOR'S REPORT
AS AT 31 DECEMBER 2020

Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

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**PCH System FZ LLC
CREATIVE CITY FUJAIRAH**

FINANCIAL STATEMENTS & AUDITOR'S REPORT

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PCH System FZ LLC

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2020. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>AED</u>	<u>AED</u>
Result and dividends		
Revenue	741,049	582,817
Gross profit	240,852	277,600
Net Loss	(304,149)	(282,149)

Review of the business

The Free Zone Limited Liability Company is engaged in the activity of E-Commerce, New Media Services, Film Production and Post Production.

There are no significant events since the end of the reporting date.

Capital

The authorized, issued and unpaid capital of the company is AED 150,000/-

Shareholders and their interests

Mr. Patrick Touma Chakhtoura is the Executive Director of the company.

<u>Name</u>	<u>% of Holding</u>	<u>Number of Shares</u>	<u>Amount AED</u>
Mr. Patrick Touma Chakhtoura	80%	120	120,000
Mr. Mario Maatouk	20%	30	30,000
TOTAL		150	150,000

Nominal Value AED.1,000

Independent Auditor

M/s. EID MEFTAH AUDITING OF ACCOUNTS LLC were appointed as independent auditor as at 31 December 2020 and it is proposed that they be re-appointed for the year ended 31 December 2021.

November 15th, 2022





To The Shareholder's
M/S. PCH System FZ LLC
Fujairah - UAE

INDEPENDENT AUDITORS' REPORT

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of PCH System FZ LLC (the Company), which comprise the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for qualified* opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for qualified opinion

Tax authority in the related period, the company will declare these sales tax invoices during the last quarter of 2022.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, 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 qualified 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To The Shareholder's
M/S. PCH System FZ LLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

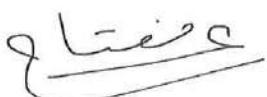
Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Further, as required by the UAE Federal Law No (8) of 1984, as amended, we report that:

- a. We have obtained all the information we considered necessary for the purpose of our audit;
- b. The company has maintained proper books of account and the financial statements are in agreement therewith.
- c. Nothing has come to our attention, which causes us to believe that the company has breached any of the provisions of the UAE Federal Law (8) of 1984, as amended, or of its Articles of Association which would materially affect its activities or its financial position as at 31 December, 2020.



For EID MEFTAH AUDITING OF ACCOUNTS LLC

Eid Ali Ahmad Abdulla Meftah

November 21th, 2022



Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

info@emauditing.ae

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PCH System FZ LLC

**Statement of financial position
as at 31 December 2020**

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
ASSETS		Notes
Current Assets		
Trade Receivables	6	130,334
Due From Shareholders	7	150,000
Banks	8	20,268
Total Current Assets		<u>300,602</u>
		<u>253,491</u>
Total Assets	<u>300,602</u>	<u>253,491</u>
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	9	150,000
Accumulated Losses	10	(866,537)
Total Equity		<u>(716,537)</u>
		<u>(412,388)</u>
Current Liabilities		
Due To Shareholder	11	1,009,671
VAT Payable		7,468
Total Current Liabilities		<u>1,017,139</u>
		<u>665,879</u>
Total Equity and Liabilities	<u>300,602</u>	<u>253,491</u>

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of comprehensive income and other comprehensive income
For year ended 31 December 2020

	Notes	For year ended 31 December 2020 <u>AED</u>	For year ended 31 December 2019 <u>AED</u>
Sales	12	741,049	582,817
Cost of Sales	12	(500,197)	(305,217)
Gross profit		240,852	277,600
Other income		-	-
Operating Expenses			
Administrative expenses	13	(544,000)	(558,350)
Financial Charges	14	(1,001)	(1,399)
Loss of the year		(304,149)	(282,149)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR - LOSS		(304,149)	(282,149)

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of changes in equity
For year ended 31 December 2020

	Share Capital <u>AED</u>	Accumulated Losses <u>AED</u>	Total <u>AED</u>
Balance as at 01.01.2019	100,000	(280,239)	(716,537)
Additional Amount for Capital	50,000	-	50,000
Loss for the year	-	(282,149)	(282,149)
Balance as at 31.12.2019	150,000	(562,388)	(948,686)
Balance as at 01.01.2020	150,000	(562,388)	(412,388)
Loss for the year	-	(304,149)	(304,149)
Balance as at 31.12.2020	150,000	(866,537)	(716,537)

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of cash flows
For year ended 31 December 2020

	For year ended 31 December 2020	For year ended 31 December 2019
	<u>AED.</u>	<u>AED.</u>
Cash flows from operating activities		
Loss for the year	(304,149)	(282,149)
Add: Adjustment of items not involving the movement of funds		
Depreciation and Amortization	-	-
Provision for EOS	-	-
	<u>(304,149)</u>	<u>(282,149)</u>
Increase in Due From Shareholders	-	(150,000)
Increase in Trade Receivables	(27,022)	(103,312)
Increase in VAT Payable	3,723	3,745
Net cash from operating activities	(327,448)	(531,716)
Cash from investing activities		
Addition in property, plant & equipment	-	-
Net cash (used in) investing activities	-	-
Cash from financing activities		
Capital Issued and Unpaid	-	50,000
Increase in Due to Shareholders	347,537	662,134
Net cash (used in) / from financing activities	347,537	712,134
Net Increase (Decrease) in cash and cash equivalents	20,089	(932)
Cash and cash equivalents - Beginning of the year	179	1,111
Cash and cash equivalents - End of the year Note 15	20,268	179

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2020**

1 Legal Status

PCH System FZ LLC was established in Fujairah on 8th of November, 2017 under License number 11883/2017 as a Free Zone Limited Liability Company registered under the Fujairah Culture & Media Authority .

The registered address of the Free Zone Limited Liability Company is Fujairah - Creative Tower, Fujairah , United Arab Emirates.

The Free Zone Limited Liability Company is controlled and managed by Mr. Patrick Touma Chakhtoura.

As on reporting date, the shareholders of the Free Zone Limited Liability Company and their Shares in the capital are as follows.

Name of the Shareholder

	<u>Number of Shares</u>	<u>AED Unpaid Amount</u>
Mr. Patrick Touma Chakhtoura	120	120,000
Mr. Mario Maatouk	30	30,000
	150	150,000

Nominal Value AED.1,000

The Free Zone Limited Liability Company is engaged in the activity of E- Commerce , New Media Services, Film Production and Post Production.

2 Changes in accounting policies

New and amended IFRS standards that are effective for the current year:

- Amendments to IFRS 3: *Definition of a business* ;
- Amendments to IFRS 7, IFRS 9 and IFRS 39: *Interest rate benchmark reform* ;
- Amendments to IAS 1 and IAS 8: *Definition of material* ;
- Conceptual framework for financial reporting issued on 29 March 2018;
- Amendments to IFRS 16: *Covid-19 related rent concessions*.

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

New and revised standards in issue but not yet effective:

- IFRS 17: *Insurance contracts* ;
- Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associates* ;
- Amendments to IAS 1: *Classification of liabilities as current or non-current* ;
- Amendments to IFRS 3: *Reference to the conceptual framework* ;
- Amendments to IAS 16: *Property, plant and equipment-Proceeds before intended use* ;
- Amendments to IAS 37: *Onerous contracts-cost of fulfilling a contract* ;
- Annual improvements to IFRS Standards 2018-2020.

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

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

At the date of authorization of these financial statements a number of Standards and Interpretations were in issue but not yet effective.

The management does not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the company.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2020**

3 Significant Accounting Policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and implementation regulations of the UAE Federal Law. The preparation of financial statements in conformity with the IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies reported amounts in the financial statements.

3.2 Basis of preparation

These financial statements have been prepared on the historical cost accounting rules. The Accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

3.3 Functional and presentation currency

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

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

3.5 Depreciation

Property, plant and equipment are depreciated so as to write off the cost by equal installments over their useful economic lives as follows:

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is change in estimate, an appropriate adjustment is made to the depreciation charge.

All repairs and maintenance expenses are charged to the statement of profit and loss during the financial period in which they are incurred.

3.6 Inventories

Inventories have been valued at lower of cost or estimated net realizable value. The cost of inventories is determined on the weighted average basis and includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition. Estimated net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of selling expenses.

3.7 Trade and other receivables

Trade and other receivable are classified as receivables and loans and stated at cost less impairment losses.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

3.9 Staff end-of-service benefits

Provision is made for end-of-service gratuity payable to the staff at the reporting date in accordance with the UAE labor laws.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2020**

3 Significant Accounting Policies (Continued)

3.10 Trade payables and other other credit balances

Liabilities are recognized for amounts to be paid for goods or services received, irrespective of whether invoiced by the supplier.

3.11 Provisions

Provisions are recognized 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.

3.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

Revenue is recognized when significant risks and rewards relating to the ownership of goods concerned are transferred to the buyer and the amount of revenue can be measured reliably. Revenue represents the amount invoiced, net of discounts and returns, for goods delivered during the year.

3.13 Leases

Leases under which substantially all the risks and rewards of ownership of the related assets remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss

Transactions in foreign currencies are translated to U.A.E. Dirham's at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to U.A.E. Dirham's at exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

3.15 Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

3.16 Hedging

There are no hedging transactions undertaken by the Company.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2020**

4 Significant judgments employed in applying accounting policies

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect in the amounts recognized in the financial statements:

Impairment of financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. 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. If this is below the carrying amount, a provision is made in the statement of profit or loss.

5 Key sources of estimation uncertainty

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, are as follows:

Doubtful debt provisions

Management regularly undertakes a review of the amount of loans and receivables owed to the company from third parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Employee terminal benefits

Provision is made for the amounts payable under UAE Labor Law applicable to the employees for the

6 Trade Receivables

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Clients balances at year end	130,334	103,312
	<u>130,334</u>	<u>103,312</u>

7 Due from Shareholders

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Amount to be paid by shareholders related to the Capital	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2020

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Banque Banorient France:		
Current Account USD.0.96 (2019 : Same)	4	4
Current Account AED.	20,264	175
	<u>20,268</u>	<u>179</u>
9 Share capital		
Issued, subscribed and unpaid:		
	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
150 Shares at a nominal value of AED.1,000	<u>150,000</u>	<u>150,000</u>
10 Accumulated Losses		
	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Balance at 1.1	(562,388)	(280,239)
Loss for the year	(304,149)	(282,149)
Balance at 31.12	<u>(866,537)</u>	<u>(562,388)</u>
11 Due to Shareholder		
	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Amount due to Mr.Patrick Chaktoura - Executive Director at year end	1,009,671	662,134
	<u>1,009,671</u>	<u>662,134</u>
12 Sales and Cost of Sales		
	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Sales During the year*	741,049	582,817
Cost of Sales	(500,197)	(305,217)
	<u>240,852</u>	<u>277,600</u>
* During the year 2020 , a total amount of AED.156,950 representing sales tax invoices are not declared in the Federal tax authorities till the date of issuing this audit report.		
13 Administrative expenses		
	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Executive Director Salary	528,000	528,000
Trade License and visa expenses	16,000	30,350
	<u>544,000</u>	<u>558,350</u>

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2020

14 Financial Charges

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Financial Charges	1,001	1,399
	<u>1,001</u>	<u>1,399</u>

15 Cash and Cash Equivalents

	Balance at the ending of the year	Balance at the Beginning of the year
Banks	20,268	179

16 Financial instruments

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

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).

Exposure to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables. The Company's bank accounts are placed with high credit quality financial institutions.

At the reporting date, there is no significant concentration of credit risk from trade receivables.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham's and US Dollar.

Interest rate risk

Term loan is availed at fixed rate of interest. Shareholder current account is not subject to any interest.

Cash flow risk

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Fair values

Fair value represents the amount at which an asset could be exchanged, or a liability settled, in an arm's length transaction. In respect of all Company's financial assets and liabilities, in the opinion of the management, the book value approximates to their carrying value i.e. market exist price.

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2020

17 Related party transactions

The Company has, in the ordinary course of business, entered into financial transactions with concerns which fall within the definition of "related parties" as contained in IAS 24. The management believes that the terms of such transactions are not materially different from those that could have been obtained from the unrelated parties.

Related parties comprise shareholder.

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Shareholder' current account - Net balance	859,671	512,134

The nature of significant related party transactions and the amount involved are as follows:

	<u>31-12-2020</u>	<u>31-12-2019</u>
	<u>AED</u>	<u>AED</u>
Directors remuneration	528,000	528,000

18 Commitments for expenditure

There are no commitments for acquisition of property, plant & equipment, to contribute funds for the acquisition of property, plant & equipment, to provide loans and others.

19 Events after the reporting period

No significant event has occurred from the reporting date till the date of Auditors' Report.

20 Financial instruments: Recognition & measurement

The account receivable and advances are for business and carry same values as stated in the financial statements.

21 Contingent liabilities

There was no contingent liability of a significant amount outstanding at the reporting date.

22 Comparative figures

Previous year's figures are regrouped / rearranged wherever considered necessary.

23 Approval of financial statements

The financial statements were approved by the Director for issue on November 15th, 2022.

Director





PCH System FZ LLC
CREATIVE CITY FUJAIRAH
FUJAIRAH, UNITED ARAB EMIRATES

FINANCIAL STATEMENTS & AUDITOR'S REPORT
AS AT 31 DECEMBER 2021

Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

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04 241 1413

**PCH System FZ LLC
CREATIVE CITY FUJAIRAH**

FINANCIAL STATEMENTS & AUDITOR'S REPORT

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PCH System FZ LLC

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2021. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

	<u>31.12.2021</u>	<u>31.12.2020</u>
	AED	AED
Result and dividends		
Revenue	837,632	741,049
Gross profit	236,978	240,852
Net Loss	(312,467)	(304,149)

Review of the business

The Free Zone Limited Liability Company is engaged in the activity of E- Commerce , New Media Services, Film Production and Post Production.

There are no significant events since the end of the reporting date.

Capital

The authorized, issued and unpaid capital of the company is AED 150,000/-

Shareholders and their interests

Mr. Patrick Touma Chakhtoura is the Executive Director of the company.

<u>Name</u>	<u>% of Holding</u>	<u>Number of Shares</u>	<u>Amount AED</u>
Mr. Patrick Touma Chakhtoura	80%	120	120,000
Mr. Mario Maatouk	20%	30	30,000
TOTAL		150	150,000

Nominal Value AED.1,000

Independent Auditor

M/s. EID MEFTAH AUDITING OF ACCOUNTS LLC were appointed as independent auditor as at 31 December 2021 and it is proposed that they be re-appointed for the year ended 31 December 2022.

November 15th, 2022





To The Shareholder's
M/S. PCH System FZ LLC
Fujairah - UAE

INDEPENDENT AUDITORS' REPORT

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of PCH System FZ LLC (the Company), which comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for qualified* opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for qualified opinion

An amount of AED.89,271 representing Sales tax invoices issued in 2021 and not declared to the Federal Tax authority in the related period, the company will declare these sales tax invoices during the last quarter of 2022.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, 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 qualified 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

To The Shareholder's
M/S. PCH System FZ LLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To The Shareholder's
M/S. PCH System FZ LLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

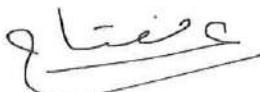
Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Further, as required by the UAE Federal Law No (8) of 1984, as amended, we report that:

- a. We have obtained all the information we considered necessary for the purpose of our audit;
- b. The company has maintained proper books of account and the financial statements are in agreement therewith.
- c. Nothing has come to our attention, which causes us to believe that the company has breached any of the provisions of the UAE Federal Law (8) of 1984, as amended, or of its Articles of Association which would materially affect its activities or its financial position as at 31 December, 2021.



For EID MEFTAH AUDITING OF ACCOUNTS LLC

Eid Ali Ahmad Abdulla Meftah

November 21th, 2022



Office # 28 C-05, I-Rise Tower, Barsha Heights, Dubai, UAE

info@emauditing.ae

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PCH System FZ LLC

**Statement of financial position
as at 31 December 2021**

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
ASSETS		Notes
Current Assets		
Trade Receivables	6	117,872
Due From Shareholders	7	150,000
Banks	8	9,543
Total Current Assets	<u>277,415</u>	<u>300,602</u>
 Total Assets	 <u>277,415</u>	 <u>300,602</u>
 EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	9	150,000
Accumulated Losses	10	(1,179,004)
Total Equity	<u>(1,029,004)</u>	<u>(716,537)</u>
 Current Liabilities		
Due To Shareholder	11	1,297,833
VAT Payable		8,586
Total Current Liabilities	<u>1,306,419</u>	<u>1,017,139</u>
 Total Equity and Liabilities	 <u>277,415</u>	 <u>300,602</u>

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of comprehensive income and other comprehensive income
For year ended 31 December 2021

	For year ended 31 December 2021	For year ended 31 December 2020
	<u>AED</u>	<u>AED</u>
Notes		
Sales	12 837,632	741,049
Cost of Sales	12 (600,654)	(500,197)
Gross profit	236,978	240,852
Other income	-	-
Operating Expenses		
Administrative expenses	13 (546,900)	(544,000)
Financial Charges	14 (2,545)	(1,001)
Loss of the year	(312,467)	(304,149)
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR - LOSS	(312,467)	(304,149)

These financial statements were approved on November 15th, 2022 and were signed on behalf of PCH System FZ LLC by:

Director



The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of changes in equity
For year ended 31 December 2021

	Share Capital AED	Accumulated Losses AED	Total AED
Balance as at 01.01.2020	150,000	(562,388)	(412,388)
Loss for the year	-	(304,149)	(304,149)
Balance as at 31.12.2020	150,000	(866,537)	(716,537)
Balance as at 01.01.2021	150,000	(866,537)	(716,537)
Loss for the year	-	(312,467)	(312,467)
Balance as at 31.12.2021	150,000	(1,179,004)	(1,029,004)

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

Statement of cash flows
For year ended 31 December 2021

	For year ended 31 December 2021 <u>AED.</u>	For year ended 31 December 2020 <u>AED.</u>
Cash flows from operating activities		
Loss for the year	(312,467)	(304,149)
Add: Adjustment of items not involving the movement of funds		
Depreciation and Amortization	-	-
Provision for EOS	-	-
	<u>(312,467)</u>	<u>(304,149)</u>
Increase in Due From Shareholders	-	-
(Decrease)Increase in Trade Receivables	12,462	(27,022)
Increase in VAT Payable	1,118	3,723
Net cash from operating activities	<u>(298,887)</u>	<u>(327,448)</u>
Cash from investing activities		
Addition in property, plant & equipment	-	-
Net cash (used in) investing activities	<u>-</u>	<u>-</u>
Cash from financing activities		
Capital Issued and Unpaid	-	-
Increase in Due to Shareholders	288,162	347,537
Net cash (used in) / from financing activities	<u>288,162</u>	<u>347,537</u>
Net (Decrease) Increase in cash and cash equivalents	(10,725)	20,089
Cash and cash equivalents - Beginning of the year	20,268	179
Cash and cash equivalents - End of the year Note 15	<u>9,543</u>	<u>20,268</u>

The accompanying notes from 1 to 23 form an integral part of these financial statements.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2021**

1 Legal Status

PCH System FZ LLC was established in Fujairah on 8th of November, 2017 under License number 11883/2017 as a Free Zone Limited Liabilitiy Company registered under the Fujairah Culture & Media Authority .

The registered address of the Free Zone Limited Liabilitiy Company is Fujairah - Creative Tower, Fujairah , United Arab Emirates.

The Free Zone Limited Liabilitiy Company is controlled and managed by Mr. Patrick Touma Chakhtoura.

As on reporting date, the shareholders of the Free Zone Limited Liabilitiy Company and their Shares in the capital are as follows.

Name of the Shareholder

	<u>Number of Shares</u>	<u>Unpaid Amount AED</u>
Mr. Patrick Touma Chakhtoura	120	120,000
Mr. Mario Maatouk	30	30,000
	150	150,000

Nominal Value AED.1,000

The Free Zone Limited Liabilitiy Company is engaged in the activity of E- Commerce , New Media Services, Film Production and Post Production.

2 Changes in accounting policies

New and amended IFRS standards that are effective for the current year:

- Amendments to IFRS 3, IFRS 15, IAS 1 and IAS 7 : Presentation of information in primary financial statements.
- Amendments to IFRS 7, IFRS 9 and IFRS 39: *Interest rate benchmark reform* ;
- Amendments to IFRS 16: *Covid-19 related rent concessions beyond 30 June 2021*
- Annual improvements to IFRS Standards 2018-2021.

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

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

At the date of authorization of these financial statements a number of Standards and Interpretations were in issue but not yet effective.

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

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

At the date of authorization of these financial statements a number of Standards and Interpretations were in issue but not yet effective.

The management does not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the company.

Notes to the financial statements
For year ended 31 December 2021

3 Significant Accounting Policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and implementation regulations of the UAE Federal Law. The preparation of financial statements in conformity with the IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies reported amounts in the financial statements.

3.2 Basis of preparation

These financial statements have been prepared on the historical cost accounting rules. The Accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

3.3 Functional and presentation currency

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

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

3.5 Depreciation

Property, plant and equipment are depreciated so as to write off the cost by equal installments over their useful economic lives as follows:

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is change in estimate, an appropriate adjustment is made to the depreciation charge.

All repairs and maintenance expenses are charged to the statement of profit and loss during the financial period in which they are incurred.

3.6 Inventories

Inventories have been valued at lower of cost or estimated net realizable value. The cost of inventories is determined on the weighted average basis and includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition. Estimated net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of selling expenses.

3.7 Trade and other receivables

Trade and other receivable are classified as receivables and loans and stated at cost less impairment losses.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

3.9 Staff end-of-service benefits

Provision is made for end-of-service gratuity payable to the staff at the reporting date in accordance with the UAE labor laws.

PCH System FZ LLC

**Notes to the financial statements
For year ended 31 December 2021**

3 Significant Accounting Policies (Continued)

3.10 Trade payables and other other credit balances

Liabilities are recognized for amounts to be paid for goods or services received, irrespective of whether invoiced by the supplier.

3.11 Provisions

Provisions are recognized 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.

3.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

Revenue is recognized when significant risks and rewards relating to the ownership of goods concerned are transferred to the buyer and the amount of revenue can be measured reliably. Revenue represents the amount invoiced, net of discounts and returns, for goods delivered during the year.

3.13 Leases

Leases under which substantially all the risks and rewards of ownership of the related assets remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss

Transactions in foreign currencies are translated to U.A.E. Dirham's at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to U.A.E. Dirham's at exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

3.15 Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

3.16 Hedging

There are no hedging transactions undertaken by the Company.

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2021

4 Significant judgments employed in applying accounting policies

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect in the amounts recognized in the financial statements:

Impairment of financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. 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. If this is below the carrying amount, a provision is made in the statement of profit or loss.

5 Key sources of estimation uncertainty

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, are as follows:

Doubtful debt provisions

Management regularly undertakes a review of the amount of loans and receivables owed to the company from third parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Employee terminal benefits

Provision is made for the amounts payable under UAE Labor Law applicable to the employees for the

6 Trade Receivables

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Clients balances at year end	117,872	130,334
	<u>117,872</u>	<u>130,334</u>

7 Due from Shareholders

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Amount to be paid by shareholders related to the Capital	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2021

8 Banks

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
<u>Banque Banorient France:</u>		
Current Account USD.5.55 (2020 : 0.96)	20	4
Current Account AED.	9,523	20,264
	<u>9,543</u>	<u>20,268</u>

9 Share capital

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
150 Shares at a nominal value of AED.1,000		
	<u>150,000</u>	<u>150,000</u>

10 Accumulated Losses

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Balance at 1.1		
Loss for the year	(866,537)	(562,388)
Balance at 31.12	<u>(312,467)</u>	<u>(304,149)</u>
	<u>(1,179,004)</u>	<u>(866,537)</u>

11 Due to Shareholder

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Amount due to Mr.Patrick Chaktoura - Executive Director at year end		
	1,297,833	1,009,671
	<u>1,297,833</u>	<u>1,009,671</u>

12 Sales and Cost of Sales

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Sales During the year*		
Cost of Sales	837,632	741,049
	<u>(600,654)</u>	<u>(500,197)</u>
	<u>236,978</u>	<u>240,852</u>

* During the year 2021, a total amount of AED.89,271 representing sales tax invoices is not declared by the Federal tax authorities until this audit report is issued.

13 Administrative expenses

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Executive Director Salary		
Trade License and visa expenses	528,000	528,000
	<u>18,900</u>	<u>16,000</u>
	<u>546,900</u>	<u>544,000</u>

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2021

14 Financial Charges

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<u>AED</u>	<u>AED</u>
Financial Charges	2,545	1,001
	<u>2,545</u>	<u>1,001</u>

15 Cash and Cash Equivalents

	Balance at the ending of the year	Balance at the Beginning of the year
Banks	9,543	20,268

16 Financial instruments

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

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).

Exposure to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables. The Company's bank accounts are placed with high credit quality financial institutions.

At the reporting date, there is no significant concentration of credit risk from trade receivables.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham's and US Dollar.

Interest rate risk

Term loan is availed at fixed rate of interest. Shareholder current account is not subject to any interest.

Cash flow risk

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Fair values

Fair value represents the amount at which an asset could be exchanged, or a liability settled, in an arm's length transaction. In respect of all Company's financial assets and liabilities, in the opinion of the management, the book value approximates to their carrying value i.e. market exist price.

PCH System FZ LLC

Notes to the financial statements
For year ended 31 December 2021

17 Related party transactions

The Company has, in the ordinary course of business, entered into financial transactions with concerns which fall within the definition of "related parties" as contained in IAS 24. The management believes that the terms of such transactions are not materially different from those that could have been obtained from the unrelated parties.

Related parties comprise shareholder.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	AED	AED
Shareholder' current account - Net balance	1,147,833	859,671

The nature of significant related party transactions and the amount involved are as follows:

	<u>31-12-2021</u>	<u>31-12-2020</u>
	AED	AED
Directors remuneration	528,000	528,000

18 Commitments for expenditure

There are no commitments for acquisition of property, plant & equipment, to contribute funds for the acquisition of property, plant & equipment, to provide loans and others.

19 Events after the reporting period

No significant event has occurred from the reporting date till the date of Auditors' Report.

20 Financial instruments: Recognition & measurement

The account receivable and advances are for business and carry same values as stated in the financial statements.

21 Contingent liabilities

There was no contingent liability of a significant amount outstanding at the reporting date.

22 Comparative figures

Previous year's figures are regrouped / rearranged wherever considered necessary.

23 Approval of financial statements

The financial statements were approved by the Director for issue on November 15th, 2022.

Director



مرفق رقم 4

Muaiad@wallstreetinv.com

From: Mario Maatouk <mario@f-eventservices.com>
Sent: Wednesday, December 14, 2022 2:14 PM
To: Hanadi Wattar
Subject: FW: Copy of invoices for the month of april-june 2021
Attachments: APRIL TO JUNE 2021 TAX FILING.xlsx

www.f-eventservices.com

----- Original message -----

From: christina lim <christina.lim15@gmail.com>
Date: 27/07/2021 04:51 (GMT+04:00)
To: Patrick Chakhtoura <patrick@pchsystem.com>
Cc: Mario Maatouk <mario@f-eventservices.com>
Subject: Re: Copy of invoices for the month of april-june 2021

Dear Mr. Patrick,

Attached is the report for the tax filing. Please check and confirm so i can start encoding it on the fta system. Deadline is tomorrow for the payment and filing.

Thank you.

السيد باتريك
يرجى الاطلاع على التقرير الخاص بالإقرار الضريبي، وتأكيد البيانات فيه، وبالتالي
أستطيع تقديم الإقرار في سистем الهيئة الاتحادية للضرائب، علماً أن الوقت النهائي
هو غداً للتقديم والدفع

On Mon, Jul 26, 2021 at 7:10 PM Patrick Chakhtoura <patrick@pchsystem.com> wrote:

Here you go!

From: christina lim [mailto:christina.lim15@gmail.com]
Sent: Monday, July 26, 2021 1:13 PM
To: Patrick Chakhtoura <patrick@pchsystem.com>
Subject: Re: Copy of invoices for the month of april-june 2021

Dear Mr. Patrick,

Any update on the invoice?

thank you

On Sat, Jul 24, 2021 at 4:52 PM christina lim <christina.lim15@gmail.com> wrote:

Ok thank you

On Sat, 24 Jul 2021, 10:49 am Patrick Chakhtoura, <patrick@pchsystem.com> wrote:

Hello,

Ok will send them before Monday

From: christina lim [mailto:christina.lim15@gmail.com]
Sent: Friday, July 23, 2021 1:02 AM
To: Patrick Chakhtoura <patrick@pchsystem.com>
Cc: mario <mario@f-eventservices.com>
Subject: Copy of invoices for the month of april-june 2021

Dear Mr. Patrick,

السيد باتريك
يرجى إرسال نسخة من الفواتير عن شهر ابريل حتى يونيو 2021، وذلك لإعداد الإقرارات الضريبية

Hope you're doing good. Kindly send me the copy of the invoices for the month of april to june 2021 for the tax filing.

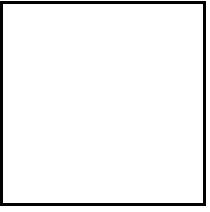
As of the moment, i dont have a phone right now it got stolen thats why i cannot send you a whats app for a reminder.

Deadline for the tax filing will be on the 28th of july, 2021. Kindly send it so i can start working on it.

Thank you for your understanding.

Regards,

Christina



This email has been checked for viruses by AVG antivirus software.
www.avg.com

مرفق رقم 5

Muaiad@wallstreetinv.com

From: Mario Maatouk <mario@f-eventservices.com>
Sent: Wednesday, December 14, 2022 2:18 PM
To: Hanadi Wattar
Subject: FW: PCH System FZ LLC - License Cancellation
Attachments: 1. LCF.pdf; 2. CAN BR.pdf; 3. CAN UL.pdf

www.f-eventservices.com

----- Original message -----

From: Mario Maatouk <mario@f-eventservices.com>
Date: 11/11/2022 16:36 (GMT+04:00)
To: Waleed Elmoghazy <waleed@rk-advocates.com>
Subject: Fw: PCH System FZ LLC - License Cancellation

From: Norlito Banaag <Norlito.Banaag@vz.ae>
Sent: Friday, November 11, 2022 12:37 PM
To: patrickboat@gmail.com <patrickboat@gmail.com>; Mario Maatouk <mario@f-eventservices.com>
Cc: Mirza Dizdar <Mirza.Dizdar@vz.ae>
Subject: PCH System FZ LLC - License Cancellation

Dear Patrick and Mario,

Hope all is well today.

Your trade license was transferred to my department for the license cancellation.

We are sorry to hear you are cancelling the license.

To proceed with the cancellation of your Company License, please see the procedure and required documents below.

- Please see below the breakdown of the cancellation costs as of today.

PCH System FZ LLC - Cancellation	
License Cancellation	10,000.00
5% VAT	500.00
Cancellation cost	10,500.00

Please transfer the funds directly to our account (Please see banking details below). Or if you wish to pay the amount using your **credit/debit card**, kindly let me know so I can prepare the online portal for you.

Bank Transfer Details:

Beneficiary:	Virtuzone UAE FZ LLC
Bank:	ADCB
Branch:	Dubai Mall
IBAN AED:	AE080030010515838124001
Account No. AED:	10515838124001
Swift code:	ADCBAEAA

Once the transfer is complete, please send the proof of transfer so that I can correctly match payments.

- For the license cancellation, the following documents are required;

Signed and stamped board resolution confirming license cancellation, see attached file.

Signed and stamped declaration letter, see attached file. (In case the document/s is lost)

Signed and stamped license cancellation forms, see attached file. (Please Fill the **REASON OF CANCELLATION**)

You need to return all the Original company documents stated below;

- Company License – 2021-2022
- Articles of Incorporation *2
- Share Certificate *2
- Certificate of Incorporation *1

Thank you and all the best.

Kind regards,

Norlito Banaag

Client Retention Executive



T +971 4 457 8203 | M +971 52 987 6117

Al Saaha Offices B, 404, Souk Al Bahar
Burj Khalifa District, Dubai, UAE





Click above to learn more

مرفق رقم 6



التاريخ: 21 / 10 / 2022.

"إنذار قانوني"

مقدم من:

المنذر السيد: ماريو ميلاد معتوق.

ويتخد موطننا مختاراً له: مكتب راشد الكيتووب للمحاماة والاستشارات القانونية الكائن بشارع الشيخ زايد - برج سعيد 2 - مكتب رقم 501 - هاتف رقم 043595552 - 0553089985
بوكالة المحامي: راشد الكيتووب.

١

المنذر إليه: باتريك أدوار توما شخطورة.

العنوان: الإمارات العربية المتحدة - إمارة دبي - سبورت سيتي - بناية المدينة الرياضية للتنس - مبني التنس - بلوك رقم 2 - شقة 504 - رقم الهاتف: 0551023738
البريد الإلكتروني: patrick@pchsystem.com

الموضوع: إنذار قانوني بدفع أرباح المنذر في الشركة منذ العام 2018

حتى الآن، وإلا اتخاذ الإجراءات القانونية.

المنذر والمنذر إليه قاما بتأسيس شركة **بي سي اتش سистем ش ذ م م PCH**

رخصة تجارية صادرة من المنطقة الإعلامية الحرة - مدينة الإبداع **System FZ LLC**

- حكومة الفجيرة مؤسسة بتاريخ 8-11-2017 و يمتلك المنذر حصة تقدر بنسبة 20% من رأس المال وكذا الأرباح والشركة بإدارة المنذر إليه.



وحيث أن الشركة تمارس نشاطها منذ نشأتها حتى الآن وحققت أرباحاً، وقد كان المنذر إليه دائم موافاه المنذر منذ نشأة الشركة حتى العام 2020 بصور من الفواتير والأوراق المحاسبية - الدخل والتلفة وضريبة القيمة المضافة- للمنذر لمراجعتها - الا انه لم يقم بسادها - وثبت ذلك من بيانات و أرقام الضريبة المدفوعة للجهات الرسمية المختصة عن الشركة.

إلا أنه ومنذ ذلك الحين حتى الان (2020-2022) وقد توقف المنذر اليه فجأة عن موافاه المنذر اليه بنسخة من ميزانيات الشركة والتقارير المالية و ميزان الأرباح والخسائر الأمر الذي طالبه المنذر ودياً - حفاظاً على أواصر الصداقة بينهما- بموافاته بـ:

1- صور من سجلات الشركة ودفاترها والميزانيات المدققة المعتمدة وتقارير المراجعة منذ نشأة الشركة حتى الان 2022.

2- بأن يدفع أرباحه عن السنوات منذ نشأة الشركة حتى الان (2017-2022)

إلا أن المنذر اليه أمتعد عن ذلك دونما ثمة مبرر قانوني أو واقعي، وأبى الا أن يستولى على أرباح الشركة بمفردة، وأخرج أموال الشركة وأرباحها من دفاترها وسجلاتها وحساباتها البنكية لنفسه.

وحيث أنه قد نصت المادة 246 من قانون المعاملات المدنية على أنه: "1- يجب تنفيذ العقد طبقاً لما أشتمل عليه وبطريقة تتفق مع ما يوجبه حسن النية". كما نصت المادة 272 من قانون المعاملات المدنية على انه: "1- في العقود الملزمة للجانبين إذا لم يوف احد المتعاقدين بما وجب عليه بالعقد جاز للمتعاقد الآخر بعد إعذاره المدين أن يطالب بتنفيذ العقد أو فسخه".

وحيث أنه ولما كان الحال كذلك، لذا كان الانذار والتکلیف بالآتی:



"الذكاء"

فإن المنذر لا يسعه سوى التنبيه على المنذر إليه مشدداً وبموجب هذا الانذار وطبقاً لقانون المعاملات المدنية والتجارية يأنذره بالآتي:

أولاً: ينبه المنذر على المنذر إليه بسرعة موافاته بالآتي:

1) صور من سجلات شركة PCH System FZ LLC ودفاترها والميزانيات المدققة المعتمدة وتقارير المراجعة والمبالغ المدفوعة للضريبة منذ نشأة الشركة حتى الان .2022.

2) دفع كامل حصته في أرباح الشركة منذ نشأتها حتى الان على النحو الموضح تفصيلاً بالاطمار عاليه.

وذلك في خلال خمسة عشر يوماً من تاريخ استلام هذا الانذار.

ثانياً: وفي حالة عدم تنفيذ ما ورد بالبند أولاً سيضطر المنذر آسفاً إلى اتخاذ كافة الاجراءات القانونية المدنية منها والجزائية على النحو التالي:

أ- سيضطر المنذر آسفاً إلى أبلاغ النيابة العامة بالواقعة المعاقب عليها بالمواد 404 من قانون العقوبات.

ب-سيضطر المنذر آسفاً إلى اتخاذ كافة الإجراءات القانونية التحفظية والوقائية المنصوص عليها بقانون الأجراءات المدنية ضدكم، ومنها فرض الحراسة القضائية على الشركة و المنع من السفر والتحفظ على الأموال بالحسابات البنكية وذلك لحين الفصل في الدعوى الموضوعية المقامة بالزامكم بالمثل.



RASHID AL KAITOOB
ADVOCATES & LEGAL CONSULTANTS
راشد الكيتووب للمحاماة والاستشارات القانونية

ت-سيضطر المنذر آسفاً إلى اتخاذ كافة الإجراءات القانونية ضدكم للمطالبة بـكامل أرباحه المستحقة له اعلاه، مع الفوائد القانونية المستحقة بنسبة 12% سنوياً من تاريخ الاستحقاق (أرباح كل عام تستحق بنهاية العام) حتى تمام السداد، مع الزامكم بالتعويض جراء ما أصاب المنذر من فوات كسب ومنفعة، والزامكم بتحمل كافة المصروفات القضائية المستحقة للمحاكم مقابل تلك الإجراءات، وأتعاب ورسوم مكاتب المحاما، ووفقاً للقانون.

ثالثاً: مع حفظ كافة الحقوق القانونية للمنذر قبل المنذر اليهم ماضياً وحالاً ومستقبلاً.
بالوكالة عن المنذر
المحامي: راشد الكيتووب.



خاص وسري

تاریخ: 6/12/2022

الى المرسل اليه : ماريو ميلاد متوق المتخذ موطننا مختاراً له في: مكتب راشد الكيتوب للمحاماة و الاستشارات القانونية الكائن في شارع الشيخ زايد - برج سعيد 2 - مكتب رقم 501 - هاتف 055/3089985 - 04/3595552

من المرسل : باتريك ادور توما شخطورة المتخذ موطننا مختاراً له في امارة دبي - سبورت سيتي - بناء المدينة الرياضية للتنس- مبني التنس - بلوك رقم 2 - شقة 504 - رقم الهاتف: 055/1023738 بريد الكتروني - Patrick@pchsystem.com

الموضوع: رد على الانذار القانوني تاريخ 21/10/2022 ودعوة لحضور جمعية عمومية عادية .

تحية طيبة وبعد،

رداً على الانذار القانوني بتاريخ 21/10/2022 ("الانذار") ، والمبلغ من المرسل اصولاً، يتقدم هذا الاخير بهذا الرد، رافضاً" مضمون الانذار جملة و تقسيلاً لعدم صحته واستطراداً عدم قانونيته، ويتمنى اخذ العلم بما يلي:

(1) بتاريخ 8/11/2017، اسس المرسل شركة بي سي اتش سيسنتمز.ذ.م.م المقامة في المنطقة الاعلامية الحرة، في امارة الفجيرة ("الشركة").

(2) بتاريخ 27/2/2019، تم تعديل النظام الشركة وأصبح المرسل اليه شريكاً بنسبة 20% في رأس المال الشركة منذ ذلك التاريخ، مما يستوجب رد مزاعم المرسل اليه في هذا الخصوص فهل يعقل بدفع أرباح شخص قبل أن يصبح شريكاً في الشركة؟

(3) فيما يتعلق بسنة 2019، تكبدت الشركة خسائر بمبلغ وقدره 282,149 درهم اماراتي (ما يعادل ثمانون ألفاً ومية وتسع وأربعون درهم اماراتي)،
وحيث ان المرسل اليه ، وجب عليه دفع ما يعادل 20% من خسائر الشركة منذ تاريخ 2019/2/27 حتى نهاية العام 2019، فيكون المبلغ المتوجب التسديد : 282,149 * 20% = 56,421.75 درهم اماراتي.
ف تكون نسبة المرسل اليه المتوجبة عن سنة 2019: 56,421.75 / 211,611.75 = تساوي 322.35 درهم .

(4) فيما يتعلق بسنة 2020، تكبدت الشركة خسائر بمبلغ وقدره 304,149 درهم اماراتي (ثلاثمائة وأربعة آلاف ومائة و تسعة وأربعون درهم اماراتي)،
وحيث ان المرسل اليه وجب عليه دفع ما يعادل 20% من خسائر الشركة ، فيكون المبلغ المتوجب التسديد : 304,149 * 20% = 60,829.8 درهم .

(5) فيما يتعلق بسنة 2021 أي حتى تاريخ 2021/12/31، تكبدت الشركة خسائر بمبلغ وقدره 312,467 درهم (ثلاثمائة واثنان و عشرة ألفاً وأربعينية وسبعين وستون درهم اماراتي)،
وحيث ان المرسل اليه، فيما يتعلق بسنة 2021 أي حتى تاريخ 2021/12/31 ، وجب عليه دفع ما يعادل 20% من خسائر الشركة ، فيكون المبلغ المتوجب التسديد : 312,467 * 20% = 62,493.4 درهم .

بمعنى آخر، وجب على المرسل اليه من ذي تاريخ 2019/2/27 وحتى تاريخ 2021/12/31،

$$62,493.4 + 60,829.8 + 42,322.35 = 165,645.55$$
 (ما يعادل **ستمائة وخمس وأربعون درهماً وخمس وخمسون %**) وبهذا الخصوص يتحفظ المرسل
بمطالبة المرسل اليه بدفع أية مبالغ متوجبة عن سنة 2022 (في حال وجدت).

لذلك،

فإن المرسل، و جواباً على الإنذار تاريخ 2021/10/21، وطبقاً لقانون المعاملات المدنية والتجارية:

- 1) يرد وينفي ويرفض صحة وقانونية كافة مزاعم المرسل اليه جملة و تفصيلاً،
- 2) يرفق ربطاً ميزانيات الشركة المدققة عن السنوات 2019، 2020 و 2021،
- 3) يتوجه المرسل بصفته شريك " وما لاكا" لنسبة ثمانين بالمئة (80%) من رأس المال الشركة بدعة
 المرسل اليه بصفته شريك في الشركة وما لاكا" لنسبة عشرين بالمئة (20%) الى حضور
 جمعية عمومية عادية يصار من خلالها اتخاذ القرار بمطالبته بتسديد كافة المبالغ المستحقة
 والمتووجبة بذمته والمطالب بها اعلاه ، وابراء ذمة المدير ابراء تماماً شاملة نهائياً" عن السنوات
 السابقة ، على ان تتعقد هذه الجمعية العمومية في يوم الاربعاء الواقع في 4 يناير 2023 ،
 الساعة 11 / الحادية عشرة صباحاً" ، في العنوان التالي:

CVML Limited- Liberty house– suite 104- DIFC Dubai

(4) يطالب المرسل اليه، عن الفترة الممتدة من 2019/2/27 وحتى تاريخ 2021/12/31، بوجوب تسديد مبلغ و قدره 165,645.55 (مائة وخمسة وستون الفا وستمائة وخمس وأربعون درهماً وخمس وخمسون%) ضمن مهلة أقصاها 15 يوماً من تاريخ هذا الكتاب. كما يتحفظ المرسل بكافة حقوقه فيما يتعلق بمطالبة المرسل اليه ايضاً بأية مالغ متوجبة عن سنة 2022 (في حال وجدت).

(5) في حال عدم تسديد المبلغ الذكور في البند 3 أعلاه ضمن الفترة الزمنية المحددة آنفاً فإن المرسل سيضطر آسفًا إلى اتخاذ أي إجراء يرتأيه مناسباً، كما

(6) يتحفظ المرسل بكافة حقوقه القانونية فيما يتعلق بالرد على المرسل اليه بصورة عامة.

بكل تحفظ واحترام،

باتريك ادوار توما شخطورة

