

**EMDI (OVERSEAS) FZ-LLC
DUBAI, UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To
The Shareholders
M/s. EMDI (Overseas) FZ-LLC
115, First Floor Block No. 13
Dubai Knowledge Park
Dubai, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of M/s. EMDI (Overseas) FZ-LLC (the "Company"), which comprise the statement of financial position as at **March 31, 2025** and the statement of profit or loss and other 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 give a true and fair view of the financial position of the Company as at **March 31, 2025**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note to the financial statement related to the following matter:

- The Company has negative net worth during the period ended March 31, 2025, and as of that date, the net equity of the company was AED 2,555,221/- in deficit. However, the Company continues to be funded by its shareholders to meet its liabilities as and when they fall due. (*Refer note no. 2(c)*)
- The Company has assessed the receivables and deposits amounting to AED 359,184 as irrecoverable and hence, accounted the same as write-off expenses during the year.
- During the year the Company has assessed that no liability stands for the payables amounting to AED 763,617 and hence, accounted the same as write-off incomes.

Our opinion is not modified in respect of these matters and these financial statements are prepared on going concern basis.

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

Management is responsible for the preparation of financial statements that give a true and fair view 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.

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.

Continue...




Report on Other Legal and Regulatory Requirements

As required by the Dubai Development Authority Companies Regulations, we report that:

- i. we have obtained all the information and explanations we considered necessary for the purpose of our audit;
- ii. the Company has maintained proper books of account;
- iii. further, based on the information provided to us, nothing has come to our attention which causes us to believe that the Company has contravened the applicable laws and undertook any activities contrary to the activities permitted under license issued by the Authority.

For FALCON INTERNATIONAL CONSULTING & AUDITING LLC – DUBAI BRANCH
Chartered Accountants


Managing Partner
(Rakesh Jain)
Reg. No: 606



May 03, 2025

EMDI (OVERSEAS) FZ-LLC
DUBAI, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS ON MARCH 31, 2025

	Notes	31-03-2025 AED	31-03-2024 AED
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	4	2,731	3,271
Intangible assets	5	6,758	1,956
		<u>9,489</u>	<u>5,227</u>
CURRENT ASSETS			
Trade receivables	6	39,133	362,392
Cash and cash equivalents	7	8,753	11,526
Other current assets	8	76,855	117,298
		<u>124,741</u>	<u>491,216</u>
TOTAL ASSETS		<u><u>134,230</u></u>	<u><u>496,443</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		50,000	50,000
Retained earnings	9	(2,605,221)	(2,694,278)
		<u>(2,555,221)</u>	<u>(2,644,278)</u>
NON CURRENT LIABILITIES			
Employees end-of-service benefit	10	23,303	16,155
Long term borrowings	11	2,061,916	1,748,760
		<u>2,085,219</u>	<u>1,764,915</u>
CURRENT LIABILITIES			
Trade payables	12	17,481	205,742
Short term borrowings	13	518,201	970,580
Other current liabilities	14	68,550	199,484
		<u>604,232</u>	<u>1,375,806</u>
TOTAL LIABILITIES		<u><u>2,689,451</u></u>	<u><u>3,140,721</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>134,230</u></u>	<u><u>496,443</u></u>

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

Approved by the director on May 03, 2025
For EMDI (OVERSEAS) FZ-LLC



Director



EMDI (OVERSEAS) FZ-LLC
DUBAI, UNITED ARAB EMIRATES

**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED MARCH 31, 2025**

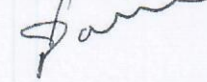
	Notes	31-03-2025 AED	31-03-2024 AED
Revenue	15	690,919	1,100,731
Cost of revenue	16	(143,179)	(345,799)
Gross profit		547,740	754,932
Expenses			
Managerial remuneration		136,000	126,000
General & administrative expenses	17	568,350	682,090
Finance charges	18	125,100	172,750
Selling & marketing expenses	19	58,962	70,801
Depreciation & Amotization		1,530	790
Prior period expense		6,474	-
Receivables write-off expenses		359,184	-
Total expenses		1,255,600	1,052,431
Other Income	20	33,300	87,779
Payables write-off incomes		763,617	-
Net Profit for the year		89,057	(209,720)
Other comprehensive income		-	-
Total comprehensive income		89,057	(209,720)

The accompanying notes form an integral part of these financial statements

The report of the independent auditor is set out on page 1 to 3.

Approved by the director on May 03, 2025

For EMDI (OVERSEAS) FZ-LLC



Director



EMDI (OVERSEAS) FZ-LLC
DUBAI, UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2025

	Share Capital	Retained Earning	Total AED
Balance as on 01-04-2023	50,000	(2,484,558)	(2,434,558)
Net profit for the period	-	(209,720)	(209,720)
Balance as on 31-03-2024	50,000	(2,694,278)	(2,644,278)
Net profit for the period	-	89,057	89,057
Balance as on 31-03-2025	50,000	(2,605,221)	(2,555,221)

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



EMDI (OVERSEAS) FZ-LLC
DUBAI, UNITED ARAB EMIRATES

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

	31-03-2025	31-03-2024
	AED	AED
Cash flows from operating activities		
Net profit/(loss) for the year	89,057	(209,720)
Adjustments:		
Add: Depreciation & amortization	1,530	790
Add: Provision made during the year	7,148	-
Add: Interest on loans	111,956	100,564
Funds generated from operations	209,691	(108,366)
Changes in working capital		
(Increase) / decrease in account receivables	323,259	(141,837)
(Increase) / decrease in other current assets	40,443	(40,166)
Increase / (decrease) in account payables	(188,261)	29,529
Increase / (decrease) in other current liabilities	(130,934)	76,395
Increase / (decrease) in short term bank borrowings	(452,379)	-
Net cash inflow / (outflow) from working capital activities	(407,872)	(76,079)
Net cash inflow / (outflow) from operating activities	(198,181)	(184,445)
Cash flows from investing activities		
Purchase intangible assets	(5,792)	(1,956)
Net cash inflow / (outflow) from investing activities	(5,792)	(1,956)
Cash flow from financing activities		
Addition in long term borrowings	240,200	176,797
Interest paid on loan	(39,000)	-
Net cash inflow / (outflow) from financing activities	201,200	176,797
Net increase / (decrease) in cash and cash equivalents	(2,773)	(9,604)
Cash & bank balances at the beginning of the year	11,526	21,130
Cash and cash equivalents at the end of the year	8,753	11,526
Represented By:		
Cash and cash equivalents (Note No. 7)	8,753	11,526

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

The report of the independent auditor is set out on page 1 to 3.



BASIS OF PREPARATION (continue)

d) Accrual basis of accounting

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognized as they arise.

e) Use of significant estimates, assumptions and judgements

Based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and investment properties and their residual values, impairment of property and equipment, investment properties, provision for doubtful trade advances and dues from related parties and write-down of inventories and provisions for staff end-of-service gratuity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and those have been consistently applied, are as follows:

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

b) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Specifically, the Company has applied a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Recognition of revenue on rendering of services:

Revenue from contract(s) to provide services in normal course of business is recognised at a point of time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised services to the customer.

Revenue from contract(s) to provide services is recognised over time when the services are rendered to the customer and the customer simultaneously receives and consumes the benefits provided by the company's performance as the entity performs or; company's performance creates or enhance an asset that the customer controls as the asset is created or enhanced or; the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

c) Property, plant and equipment

Recognition and measurement

The cost of an item of an equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Gains/losses on disposal are determined by reference to their carrying amount and are included in the statement of profit or loss. An assessment of residual values is undertaken at each reporting date and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Depreciation

The cost less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets as follows:

Furniture & Fittings	5 Years
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Impairment

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

d) Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortization

Intangible assets of the Company represent computer software with estimated useful life of ten years and is amortized on a straight-line basis.

Impairment

These are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the profit or loss in the expense category that is consistent with the function of the intangible assets.

e) Short-term leases

The Company has exercised the IFRS 16 exemption to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

f) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost (cash and cash equivalents, trade receivables and other receivables)
- Financial assets at fair value through profit or loss

Impairment of financial assets

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include amounts due to related parties, borrowings, lease liabilities and trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

h) Employees end-of-service benefit

Gratuity Provision is made for end-of-service gratuity payable to the staff at the end of the reporting period in accordance with the local labor laws assuming that all employees were to leave as at the end of the reporting period.

i) Corporate Tax

On June 09, 2022, United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No. 47 of 2022 on Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 31, 2023.

The taxable income of the entities that are in scope for UAE CT purpose will be subject to the rate of 9% corporate tax for mainland entities and where conditions are met and 0% for freezone with certain conditions as specified in the law.

j) Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue)

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

22. FINANCIAL RISK MANAGEMENT

The Company is exposed to variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including foreign exchange risk, price risk, interest risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Throughout the current financial year, the Company did not engage in speculative activities.

a) Market risk management

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk is limited as the Company's transactions are principally in AED.

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements and Company's foreign currencies payable.

Price Risk

The Company is not exposed to price risk arising from retail prices of the products.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

b) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables, due from related parties and cash and cash equivalents. The Company minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company limits its credit risk with respect to bank balances by dealing only with reputable banks. Amounts due from the related parties are considered to have low probability of default and accordingly no material expected credit losses has been recognised as at the reporting date.

c) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short-term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.



23. CAPITAL MANAGEMENT

Equity consists of share capital and retained earnings amounting to - AED 2,555,221 (PY - AED 2,644,278). The Company manages its capital with an objective to ensure that adequate funds are available to it to continue the operations of the Company as a going concern and provide the Shareholder with reasonable rate of return under the prevailing economic conditions and to maintain an optimal capital structure to reduce the cost of capital.

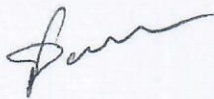
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

24. All the figures are expressed in AED and Fils have been rounded off to the nearest AED.

25. COMPARATIVE AMOUNTS

Figures of the previous year are regrouped/reclassified wherever necessary to confirm the current year's presentation.

Approved by the director on May 03, 2025
For EMDI (Overseas) FZ- LLC



Director

