

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Independent Auditor's Report and Financial statements
for the year ended March 31, 2024

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

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Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

General information

Principal office address : P2-ELOB Office No. E-43G-01
Hamriyah Free Zone
Sharjah
United Arab Emirates

Owner : Name
Orient Abrasives Limited

INDEPENDENT AUDITOR'S REPORT

To The Owner of Orient Advanced Materials FZE

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of M/s. Orient Advanced Materials FZE, ("the Entity"), which comprise the statement of financial position as at 31 March 2024, 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 Entity as at 31 March 2024 and 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 Establishment in accordance with 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 United Arab Emirates 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 IFRS and their preparation in compliance with the provisions of the Emiri decree issued in November 2, 1995 for entities in Hamriyah Free Zone, Sharjah and for such internal control as management determines in necessary to enable the preparation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible to overseeing the Entity's financial reporting process

Auditors' 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 that 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 expressing an opinion on the effectiveness of the Entity's internal control.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on financial statements. We are responsible for the direction, supervision and performance of the Entity's audit. We remain solely responsible for our audit opinion.

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 communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Reports on Other Legal and Regulatory Requirements

Further, As required by the provisions of the Emiri decree issued in November 2, 1995 for entities in Hamriyah Free Zone, Sharjah; we report that:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and complied, in all material respects, with the applicable provisions of the above law and the Entity's Memorandum and Articles of Association ;
- iii) the Entity has maintained proper books of account;
- iv) the Entity has not purchased any shares during the financial year ended 31 March 2024; and
- v) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened during the financial year ended 31 March 2024 any of the applicable provisions of the above law or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2024.

Al Maqtari Auditing
An Independent member firm of AGN International

Mohamed Ahmed Maqtari Al Ameri,
Register of Auditors No. (1020)

16 April 2024,
Sharjah, United Arab Emirates

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Statement of financial position as at March 31, 2024
(In United States Dollar)

Assets	Notes	2024	2023
Current assets			
Advances, deposits and other receivables	5	5,226	-
Cash and bank balances	6	51,763	-
Total current assets		56,989	-
Total assets		56,989	-
Equity and liabilities			
Equity			
Share capital	7	9,530	9,530
Accumulated losses	8	(23,517)	(15,347)
Total equity		(13,987)	(5,817)
Non-current liabilities			
Loans from related parties	4	54,452	-
Total non-current liabilities		54,452	-
Current liabilities			
Trade and other payable	9	1,115	3,704
Due to related parties	4	15,409	2,113
Total current liabilities		16,524	5,817
Total liabilities		70,976	5,817
Total equity and liabilities		56,989	-

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 2, 3 and 4.

The financial statements on pages 5 to 23 were approved on April 16, 2024 and signed on behalf of the Company, by:

Manager



Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2024
(In United States Dollar)

	Notes	2024	2023
Revenue		-	-
Direct cost		-	-
Gross profit		-	-
Selling and distribution expenses		-	-
Administrative expenses		-	-
Finance costs	10	(4,404)	(15,347)
(Loss) for the year / period	11	(3,766)	-
Other comprehensive income		(8,170)	(15,347)
Total comprehensive (loss) for the year / period		(8,170)	(15,347)

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 2, 3 and 4.

The financial statements on pages 5 to 23 were approved on April 16, 2024 and signed on behalf of the Company, by:

Manager



Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Statement of changes in shareholders' equity for the year ended March 31, 2024
(In United States Dollar)

	Share capital	Accumulated losses	Total equity
Capital introduced during the period	9,530	-	9,530
Total comprehensive (loss) for the period	-	(15,347)	(15,347)
Balance as at March 31, 2023	9,530	(15,347)	(5,817)
Total comprehensive (loss) for the year	-	(8,170)	(8,170)
Balance as at March 31, 2024	9,530	(23,517)	(13,987)

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 2, 3 and 4.

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Statement of cash flows for the year ended March 31, 2024
(In United States Dollar)

	2024	2023
Cash flows from operating activities		
(Loss) for the year / period		
Adjustments for:	(8,170)	(15,347)
Finance costs	3,766	-
	(4,404)	(15,347)
(Increase) / decrease in current assets		
Advances, deposits and other receivables	(5,226)	-
Increase in current liabilities		
Trade and other payable	(2,589)	3,704
Due to related parties	13,296	2,113
Cash generated from / (used in) operations	1,077	(9,530)
Finance costs paid	(3,766)	-
Net cash (used in) operating activities	(2,689)	(9,530)
Cash flows from financing activities		
Capital introduced during the period	-	9,530
Proceeds/repayment of loans from related parties	54,452	-
Net cash from financing activities	54,452	9,530
Net increase in cash and cash equivalents	51,763	-
Cash and cash equivalents, beginning of the year / period	-	-
Cash and cash equivalents, end of the year / period	51,763	-
Cash and cash equivalents		
Cash at banks	51,763	-
	51,763	-

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 2, 3 and 4.

Notes to the financial statements for the year ended March 31, 2024

1 Legal status and business activities

- 1.1 Orient Advanced Materials FZE, Hamriyah Free Zone, Sharjah, United Arab Emirates (the "Company") was incorporated on December 5, 2022 as a Free Zone Establishment and operates in the United Arab Emirates under a commercial license issued by the Hamriyah Free Zone Authority of the Government of Sharjah.
- 1.2 The principal activity of the Company consists of general trading.
- 1.3 The registered office of the Company is located at P2-ELOB Office No. E-43G-01, Hamriyah Free Zone, Sharjah, United Arab Emirates.
- 1.4 The management and control are vested with the shareholders.
- 1.5 These financial statements incorporate the operating results of the commercial license no. 24543.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of March 31, 2024, the Entity has a deficit in the equity of USD 13,987 (2023: AED 5,817).

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Entity be unable to continue as a going concern since the Entity's shareholders have committed to provide such financial support as may be required to enable the Entity to meet its debts and obligations as they fall due.

2 New standards and amendments

2.1 New and revised IFRSs and interpretation that are effective for the current year

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 1, 2023.

- * Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
 - * Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
 - * Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts - Cost of Fulfilling a Contract.
 - * Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.
- The above amendments did not have any material impact on the Company's financial statements for the year ended 31 December 2023.

Notes to the financial statements for the year ended March 31, 2024

2 New standards and amendments (continued)

2.2 Standards issued but not yet effective

The following standards and interpretations had been issued were not mandatory for annual reporting periods ending December 31, 2023.

Description	<u>Effective for</u> <u>annual periods</u> <u>beginning on or</u> <u>after</u>
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) - The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) - The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	January 1, 2024
Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'.	January 1, 2024
Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.	

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Company functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

Notes to the financial statements for the year ended March 31, 2024

3 Significant accounting policies (continued)

3.3 Current/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 sold or consumed in normal operating cycle or held primarily for the purpose of trading or 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 or it is held primarily for the purpose of trading or 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.

3.4 Foreign currency

The transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Notes to the financial statements for the year ended March 31, 2024

Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

3.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

Notes to the financial statements for the year ended March 31, 2024

0 Significant accounting policies (continued)

3.7 Financial instruments

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

3.8 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets comprise of cash and cash equivalents, receivables and other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Company assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Notes to the financial statements for the year ended March 31, 2024

0 Significant accounting policies (continued)

3.8 Financial assets (continued)

Other financial assets

Other financial assets include both debt instrument and equity instruments. Debt instruments include those subsequently carried at amortized cost, those carried at FVTPL and those carried at FVTOCI.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

For trade receivables and due from related parties, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

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 Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the 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 recognise the financial asset.

3.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, due to and loans from related parties.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Notes to the financial statements for the year ended March 31, 2024

Significant accounting policies (continued)

3.9 Financial liabilities (continued)

Due to/from related parties

Amounts due to/from related parties are stated at amortised cost.

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.10 Offsetting financial instruments

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

3.11 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. When 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, a 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.

3 Significant accounting policies (continued)

3.12 Revenue recognition

Revenue from contracts with customers

IFRS 15 *Revenue from Contracts with Customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes five-step model that will apply to revenue arising from contracts with customers.

- Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
- Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.
- Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue as and when the Company satisfies a performance obligation.

3.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Notes to the financial statements for the year ended March 31, 2024

3 Significant accounting policies (continued)

Critical judgements in applying accounting policies

In the process of applying the Company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Company considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Company has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

Business model assessment - classification and measurement of financial statements

Classification and measurement of financial assets depends on the results of business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Key sources of estimation uncertainty

The key assumptions 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 discussed below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the financial statements.

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Notes to the financial statements for the year ended March 31, 2024
(In United States Dollar)

	2024	2023
4 Related party transactions		
The Company enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.		
The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.		
a) Due to a related party		
Due to a related party	15,409	2,113
	<u>15,409</u>	<u>2,113</u>
b) Loans from related parties		
Loans from related parties	54,452	-
	<u>54,452</u>	<u>-</u>
5 Advances, deposits and other receivables		
Prepayments	5,226	-
	<u>5,226</u>	<u>-</u>
6 Cash and bank balances		
Cash at banks	51,763	-
	<u>51,763</u>	<u>-</u>

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Notes to the financial statements for the year ended March 31, 2024
(In United States Dollar)

7 Share capital

2024

2023

Authorised, issued and paid up share capital of the Company is AED 35,000 (equivalent to USD 9,530) divided into 35 shares of AED 1,000 each fully paid.

The details of the shareholding as at reporting date are as follows:

<u>Name of Shareholder</u>	<u>Percentage</u>	<u>No of Shares</u>		
Orient Obrasives Limited	100%	35	9,530	9,530
			<u>9,530</u>	<u>9,530</u>

8 Accumulated losses

Balance at the beginning of the year / period

(Loss) for the year / period

Balance at the end of the year / period

(15,347)	-
(8,170)	(15,347)
<u>(23,517)</u>	<u>(15,347)</u>

9 Trade and other payable

Other payables

1,115	3,704
<u>1,115</u>	<u>3,704</u>

Orient Advanced Materials FZE
Hamriyah Free Zone
Sharjah - United Arab Emirates

Notes to the financial statements for the year ended March 31, 2024
(In United States Dollar)

	For the year ended March 31, 2024	For the year ended March 31, 2023
10 Administrative expenses		
Rent	960	-
Legal, Visa and professional	3,015	15,347
Bank charges	429	-
	<u>4,404</u>	<u>15,347</u>
11 Finance costs		
Interest on borrowings	3,766	-
	<u>3,766</u>	<u>-</u>
12 Financial instruments		
a) <i>Significant accounting policies</i>		

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

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Notes to the financial statements for the year ended March 31, 2024
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12 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at March 31,		As at March 31,	
	2024	2023	2024	2023
	Carrying amount		Fair value	
Cash and bank balances	51,763	-	51,763	-
Financial liabilities	51,763	-	51,763	-
Loans from related parties	54,452	-	54,452	-
Trade and other payable	1,115	3,704	1,115	3,704
Due to related parties	15,409	2,113	15,409	2,113
	70,976	5,817	70,976	5,817

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial liabilities consist of accounts and other payable and due to related parties.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

13 Financial risk management objectives

The Company management set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Company's policy guidelines are complied with.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

a) Foreign currency risk management

The Company does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in United States Dollar.

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at floating interest rates as at year end.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the financial statements for the year ended March 31, 2024
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13 Financial risk management objectives (continued)

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Company's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

Particulars	Interest bearing		Non Interest bearing			Total
	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
As at March 31, 2024						
Financial assets						
Cash and bank balances	-	-	51,763	-	-	51,763
	-	-	51,763	-	-	51,763
Financial liabilities						
Loans from related party	-	-	-	-	54,452	54,452
Trade and other payable	-	-	-	1,115	-	1,115
Due to related parties	-	-	-	15,409	-	15,409
	-	-	-	16,524	54,452	70,976
As at March 31, 2023						
Financial liabilities						
Trade and other payable	-	-	-	3,704	-	3,704
Due to related parties	-	-	-	2,113	-	2,113
	-	-	-	5,817	-	5,817
d) Credit risk management						

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

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14 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance.

15 Contingent liabilities

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Company's financial statements as of reporting date.

16 Comparative amounts

During the year, the management has done certain reclassifications on the statement of financial position for better presentations.