

**ENGAGEMENT LETTER FOR AUDIT OF ACCOUNTS**  
**FAKHRUDDIN PROPERTIES DEVELOPMENT L.L.C**  
**DUBAI - UNITED ARAB EMIRATES**

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Member of HLB International, a global network of independent audit, tax and advisory firms.



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Ref: AW/HLB46202024

May 22, 2024

**M/s. FAKHRUDDIN PROPERTIES DEVELOPMENT L.L.C**  
**Dubai**  
**United Arab Emirates**

Subject: Engagement Letter for Audit of the Accounts

Dear Sir,

We refer to the discussion with you and would like to thank you for your confidence in our Organization and for allowing us to submit this engagement letter for the Audit of M/s. **FAKHRUDDIN PROPERTIES DEVELOPMENT L.L.C** for the year ended **December 31, 2023**.

We would ensure that the Entity management receives the very best professional services.

HLB Hamt is a leading financial consultancy service provider for Audit, Accounting and Business Consultancy in UAE. We aid an organisation's growth by offering effective audit, assurance, advisory, consultancy, and taxation services & solutions. HLB Hamt is a member of global independent audit, tax and advisory firm "HLB International, U.K." (Included in the top 8 audit and advisory firms in the world) and also has certification in ISO 27001:2013, ISAE 3402 (Type II) and ISO 9001:2015.

If you agree to the terms of the Engagement Letter, please sign and return a copy for our records.

Very truly yours,

**HLB HAMT Chartered Accountants**

A handwritten signature in black ink, appearing to read 'Nithin NK'. To the right of the signature is a circular blue seal or stamp, though its text is not clearly legible.

**Nithin NK**  
**Partner**

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## ENGAGEMENT LETTER FOR AUDIT OF FINANCIAL STATEMENTS

### THE OBJECTIVE AND SCOPE

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Audit of the financial statements of **M/s. FAKHRUDDIN PROPERTIES DEVELOPMENT L.L.C** (the Entity), which comprise the statement of financial position as of **December 31, 2023** and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended **December 31, 2023** and a summary of significant accounting policies and other explanatory information. We confirm our acceptance and understanding of this audit engagement through this letter. The audit will be conducted to express an opinion on the Entity's financial statements.

### THE RESPONSIBILITIES OF THE AUDITOR

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We will conduct our audit in accordance with International Standards on Auditing (ISAs). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessing the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes assessing the accounting policies used and significant estimates made by management and evaluating the overall presentation of the financial statements.

Because of the test nature and other inherent limitations of an audit, along with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs.

In making our risk assessment, we consider internal control relevant to the Entity's preparation of the financial statements to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Entity's internal control. However, we expect to provide you with a separate letter concerning any material weaknesses in the design or implementation of internal control over financial reporting that comes to our attention during the audit of the financial statements.

Our audit's objective is to express an opinion on the fairness of the presentation of the Entity's financial statements in accordance with International Financial Reporting Standards in all material respects. Our ability to express an opinion, and the wording of our opinion, will be dependent on the facts and circumstances at the date of our report.

As DNFBP (Designated Non-Financial Business and professions), HLB hamt has a statutory obligation under Federal Decretal-Law No. (20) of 2018 on "Anti Money Laundering and combating the financing of Terrorism and Illegal Organisations and its implementing regulations". Our responsibility on this law is to maintain instructed records about our client's business and to report matters related to Anti Money Laundering and Financing of Terrorism to the Financial Intelligence Unit – UAE and any other statutory supervisory authority, including but not limited to the Ministry of Economy, Central Bank UAE, FSRA and DIFC. Any such report shall be made in strictest confidence with the obligation; neither the firm's owner nor principal or any employee may enter into any correspondence or discussion with you regarding such matters.

### THE RESPONSIBILITIES OF THE MANAGEMENT

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Our audit will be conducted on the basis that the management or those charged with governance acknowledge and understand that they have responsibility;

For the preparation of financial statements; that present fairly the financial position, financial performance and cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS).

For designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from misstatement, whether due to fraud or error; and

To provide us with;

- i. Access to all information that the management is aware of relevant to preparing the financial statements, such as records, documentation, and other matters.
- ii. Additional information for audit that we may request from the management; and
- iii. Unrestricted access to persons within the Entity from whom we determine is necessary to obtain audit evidence.
- iv. Obtaining a report from the Expert wherever required and as suggested by the auditor

As part of our audit procedures, we will request that the management to provide representation letters (General and Specific). These letters are to acknowledge management's responsibility for the preparation of the financial statements and affirm management's belief that the effects of any uncorrected financial statement misstatements aggregated by us during the current audit engagement and about the latest period presented are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

The results of our audit tests, the responses to our inquiries together with the written representations of management as required by International Standards on Auditing comprise the evidential matter that we will rely upon as auditors in forming our opinion on the Entity's financial statements.

Management's responsibilities related to the maintenance of books and records is mentioned as below;

- a) Identifying and ensuring that the Entity complies with the laws and regulations applicable to its activities;
- b) Properly recording transactions in the accounting records;
- c) Adjusting the financial statements to correct material misstatements;
- d) Safeguarding assets;
- e) Selecting and applying appropriate accounting policies; and making accounting estimates that are appropriate in the circumstances.
- f) Keeping the books of accounts for a minimum retention period as indicated by the relevant laws and regulations of the country

## **CONFIDENTIALITY**

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Where we receive confidential information, we will take such steps to preserve such confidential information from unauthorised disclosure or other misuses, both during and after the termination of this engagement. Our client relationship with you should not be treated as confidential information, and we may disclose this fact to clients, potential clients, or other third parties if required. Subject to our duty of confidentiality, with this, you agree that we may act for your competitors or for other clients whose interests are or may be opposed to yours. The reports, letters, information and advice we provide to you during this engagement are given solely for this engagement. These and any other confidential information made available to you by us during our work should not be disclosed to any third party (being a party other than those to whom the respective report, letter, information or advice is addressed) without our prior written consent.

Neither you nor we will be prevented from disclosing confidential information:

- a) Which is or becomes public knowledge other than by a breach of an obligation of confidentiality;
- b) Which is or becomes known from other sources without restriction on disclosure; or
- c) Which is required to be disclosed by law or any professional or regulatory obligation

You agree that to carry out our responsibilities in this engagement; we should not be treated as having notice of the information that may have been provided to individuals within this firm who are not involved in this engagement.

The working papers prepared in conjunction with our audit assignment are the property of HLB Hamt chartered accountants and constitute confidential and proprietary information, and will be retained by us in accordance with our policies and procedures and the provisions of International Standards Auditing. A separate written request is usually required from you to disclose to a party other than a statutory body.

## **INDEMNIFICATION**

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You agree to indemnify and hold harmless HLB Hamt and its partners, principals, members and employees and any subcontractors from any liabilities, costs and expenses (including, without limitation, attorney's fees and expenses) incurred or suffered because of or in any way relating to this engagement other than caused by HLB Hamt's bad faith, willful misconduct, breach of contract or negligence. This provision shall survive the termination of this agreement.

## **LITIGATION**

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Suppose we are requested under subpoena or other legal processes to produce the documents relating to this engagement in judicial or administrative proceedings to which we are not a party. In that case, the Entity shall reimburse us at standard billing rates for our professional time and expenses, including reasonable attorney's fees to respond to such requests.

## **LIMITATION OF LIABILITY**

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We understand that the information and representations supplied to us by the Entity's directors, employees, and agents during the audit process are confidential. We shall not save to the extent that the law requires otherwise, be held responsible or liable for any loss, damage, cost, expense or other consequences (together "losses") whatsoever and howsoever, caused, incurred, sustained or arising if information material to our work is withheld or concealed from us or misrepresented to us.

The liability of HLB Hamt for any reasons whatsoever arising under or relating to this engagement letter shall not exceed in the aggregate the amounts received by HLB Hamt for its services hereunder. We will not be liable for any claim or demand against you, your officers, directors, employees, agents or representatives by any third party, or for any amounts representing a loss of profit, loss of business or particular, indirect, incidental, consequential, or consequential punitive damages. This provision shall survive the termination of this engagement letter.

## **INDEPENDENCE MATTERS RELATING TO HIRING**

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Management will coordinate with HLB Hamt to ensure that HLB Hamt's independence is not impaired by hiring former or current HLB Hamt partners, principals, members or professional employees for certain positions. Management of the Entity will ensure that the Entity, together with its subsidiaries and other entities that comprise the Entity for purposes of the financial statements, also has policies and procedures in place for purposes of ensuring that any employment opportunities with the Entity for a former or current HLB Hamt partner, principal, or employee should be discussed with the partner responsible. This should be done before entering into substantive employment conversations that would cause a violation of independence restrictions, securities laws and regulations.

## **GOVERNING LAW**

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This engagement letter shall be governed by and construed according to the laws of the United Arab Emirates. The parties irrevocably submit to the exclusive jurisdiction of UAE courts, including DIFC court, where applicable, to settle any disputes that may arise out of or in connection with this engagement letter.

## **TIMETABLE AND ENGAGEMENT TEAM**

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The senior engagement team responsible for your account is composed of:

Name	Designation	E-mail ID
Mr Sumesh Kunnath	Quality Review Partner	sumesh@hlbhamt.com
Mr Nithin NK	Engagement Partner	nithin@hlbhamt.com
Mr Ashton Madiyiko	Engagement Manager	ashton.m@hlbhamt.com

We will plan the performance of our audit in accordance with a timetable to be set before the commencement of our fieldwork and in coordination with the Entity's Management. We anticipate 20-25 working days to issue the draft report once we start the audit fieldwork. We will make every effort to complete the engagement within the time frame estimated for completion. However, we will not be responsible for delays in furnishing information and other delays due to reasons beyond our control.

Assistance to be supplied by your personnel, including preparation of schedules and analysis of accounts, will be described in a separate document. Timely completion of your personnel's work will facilitate the completion of our audit

Other circumstances that may impact the audit's timing or the estimated fees are included in Appendix 1 to this engagement letter.

## FEES

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Our fees are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses if any (upon prior consent). Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. We have estimated our fees for the audit engagement as follows:

#	Details	Fee (In AED)
1	Audit fee for the year ended December 31, 2023	22,500
2	VAT @5%	1,125
	Total	23,625

1. The terms of payment request are 50% of the fees upon signing of this engagement and the balance 50% upon presentation of our bill after our work and submission of the draft report (within three business days or issuing the final copies, which comes earliest).
2. Translation charges (mentioned in the "Deliverables" section below) would need to be paid immediately once agreed and invoiced.
3. Fees, once paid, shall be treated as non-refundable.

## DELIVERABLES

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We will issue three copies of the audit report and the financial statements upon completing our assignment and based on your written approval of the financial statements. The audit report and financial statements would be prepared in the "English" language (if you need the report in any other language, the official translation charges would be invoiced as reimbursement of expense).

## INDEPENDENCE MATTERS RELATING TO FINANCIAL INTERESTS AND SERVICES

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In connection with our engagement, HLB Hamt's Management will assume specific roles and responsibilities to maintain independence and ensure compliance with the independence restrictions, securities laws, and regulations. Our management will ensure that; the Entity, together with its subsidiaries and other entities, has policies and procedures in place to ensure that neither the Entity nor any such subsidiary or other Entity will act to engage HLB Hamt or accept from HLB Hamt for any other service that either has not been subjected to our pre-approval process, national securities legislation or other applicable rules that would impair HLB Hamt's independence. The partner responsible for providing our services will discuss all possible services.

In connection with the preceding, the Entity agrees to furnish to HLB Hamt and keep HLB Hamt updated concerning (i) a corporate tree that identifies the legal names of the Entity's affiliates (e.g. parents, subsidiaries, investors or investees), together with the ownership relationship among such entities, and (ii) equity and debt securities of the Entity and its affiliates (including, without limitation, the tax-advantaged debt of such entities that is issued through governmental authorities) that are available to individual investors (whether through stock, bond, commodity, futures or similar markets, or equity, debt or any other securities offerings), together with related securities identification information. The Entity acknowledges and consents that HLB Hamt may treat such information as being in the public domain. To the extent the Entity notifies HLB Hamt of concerns regarding the confidentiality of such information, HLB Hamt agrees to discuss such concerns with the management.

## OTHER MATTERS

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- a) Electronic Communications and mail usage: -Unless otherwise agreed by you, we may correspond using the Internet or other electronic media or provide information to you in electronic form. Because of the inherent risks associated with the electronic transmission of information on the Internet or otherwise, we

cannot guarantee the security and integrity of any electronic communications or information sent or received about this engagement. While our policy is to check our e-mail correspondence and other electronic information with antivirus software, we similarly cannot guarantee that transmissions or other electronic information will be free from infection. You acknowledge that if we are working on your premises, we may need to connect to the Internet through your internal network to access our systems.

- b) Uncertainties: - Neither you nor we should be liable in any way for failure to perform or delay in performing our respective obligations under this engagement if the failure or delay is due to causes outside the reasonable control of the party which has failed to perform (force majeure).

## TERM

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This Engagement letter will commence from our appointment date until our re-appointment, termination or resignation.

The Engagement letter contained herein shall survive the audit's completion or termination, which is the subject of this letter. If any of the business terms is held to be invalid, the remainder of the terms will continue in full force and effect.

## QUALITY OF SERVICE

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Our desire is always to provide the best quality service to meet your needs. If at any time, you believe that our services to you could be improved, or if you are dissatisfied with any aspect of our services, You need to raise the matter immediately with the partner or director responsible for the provision of our services.

Please sign and return a copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements.

Very truly yours,

**HLB HAMT Chartered Accountants**



**Nithin NK**  
**Partner**

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We hereby confirm our agreement to the terms of the above letter:

On behalf of: **M/s. FAKHRUDDIN PROPERTIES DEVELOPMENT L.L.C**

Name:

Designation:

Date:

I hereby confirm that; I am the authorised signatory of the Entity to appoint auditor and the powers have been vested in me by way of:

Ownership (Applicable for Sole Establishment)

Power of Attorney

Memorandum of Association

(Please tick whichever is applicable)

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## **ANNEXURE 1**

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### **CIRCUMSTANCES AFFECTING TIMING AND FEE ESTIMATE**

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

#### **AUDIT FACILITATION**

1. Changes to the timing of the engagement at the Entity's request. Changes to the timing of the engagement usually require reassignment of personnel used by HLB Hamt in the performance of services hereunder. However, because it is often challenging to reassign individuals to other engagements, HLB Hamt may incur high unanticipated costs.
2. All audit schedules, including documentation of the Entity's internal control over financial reporting, are not (a) provided by the Entity on the date requested, (b) completed in a format acceptable to HLB Hamt, (c) mathematically correct, or (d) in agreement with the appropriate Entity records (e.g., general ledger accounts). HLB Hamt will provide the Entity with a separate listing of required schedules, information requests, and the dates when they are needed.
3. Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents).
4. Incorrect information provided by staff, which results in modification of prepared financial statements .
5. A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the Group.

#### **SIGNIFICANT ISSUES OR CHANGES**

1. Significant deficiencies or material weaknesses in the design or operating effectiveness of the Entity's internal control over financial reporting are identified during our audit that results in either an expansion of the scope of our testing procedures related to internal control over financial reporting and/or an expansion of our audit procedures on the related financial statement accounts.
2. A significant level of proposed audit adjustments is identified during our audit.
3. Changes in audit scope are caused by events that are beyond our control.

