

**JK Drychem Industries LLC
Ras Al Khaimah Economic Zone
Ras Al Khaimah - United Arab Emirates**

**Auditor's report and special purpose financial statements
For the period from October 06, 2025 (Inception)
to March 31, 2026**



JK Drychem Industries LLC
Ras Al Khaimah Economic Zone
Ras Al Khaimah - United Arab Emirates

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Ref: EJRB/2026/1173 - AR

Independent auditor's report

To,

The Shareholder

M/s. JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Report on the audit of the special purpose financial statements

Opinion

We have audited the accompanying special purpose financial statements of **M/s. JK Drychem Industries LLC**, Ras Al Khaimah Economic Zone, Ras Al Khaimah - United Arab Emirates (the "Entity") which comprise the statement of financial position as at March 31, 2026 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period from October 06, 2025 (Inception) to March 31, 2026 and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026 and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Special Purpose Separate Financial Statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the special purpose financial statements 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.

Restriction on use

As stated in Note 3.1 these special purpose financial statements have been prepared for the period from October 06, 2025 (Inception) to March 31, 2026 in order to align the financial information of the Entity with Parent's (JK Cement Ltd. - India) financial year end as on March 31, 2026 to enable them to prepare consolidated financial statements. Therefore, these special purpose separate financial statements may not be suitable for any other purpose.

Independent auditor's report to the Shareholder of JK Drychem Industries LLC (continued)

Responsibilities of management for the special purpose financial statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with IFRS Accounting Standards, in compliance with the requirements of the applicable laws and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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.

The management is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 Entity'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 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 special purpose 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.

Independent auditor's report to the Shareholder of JK Drychem Industries LLC (continued)

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

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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.

For ECOVIS JRB Chartered Accountants


Rashmi/Rajkumar
Reg. No. 2341

May 06, 2026

Dubai - United Arab Emirates



JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Statement of financial position as at March 31, 2026

(In Arab Emirates Dirham)

	<u>Notes</u>	<u>Mar 31, 2026</u>
Assets		
<i>Current assets</i>		
Advances and other receivables	5	1,950,780
Cash and bank balances	6	302,452
<i>Total current assets</i>		<u>2,253,232</u>
Total assets		<u><u>2,253,232</u></u>
Equity and liabilities		
<i>Equity</i>		
Share capital	7	300,000
Accumulated (loss)	8	(174,013)
<i>Total equity</i>		<u>125,987</u>
<i>Current liabilities</i>		
Due to a related party	9	2,123,245
Other payables	10	4,000
<i>Total current liabilities</i>		<u>2,127,245</u>
Total liabilities		<u>2,127,245</u>
Total equity and liabilities		<u><u>2,253,232</u></u>

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

The report of the auditor is set out on pages 2 to 4.

The special purpose financial statements on pages 5 to 18 were approved on May 06, 2026 and signed on behalf of the Entity, by:

AJAY
KUMAR
SARAOGI

Digitally signed
by AJAY KUMAR
SARAOGI
Date: 2026.05.06
12:37:46 +05'30'

Authorised signatory



JK Drychem Industries LLC
Ras Al Khaimah Economic Zone
Ras Al Khaimah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

	<u>Note</u>	<u>Oct 06, 2025 to Mar 31, 2026</u>
Operating expenses:		
Administrative expenses	11	<u>(174,013)</u>
(Loss) before tax		(174,013)
Corporate tax		<u>-</u>
(Loss) for the period		(174,013)
Other comprehensive income		<u>-</u>
Total comprehensive (loss) for the period		<u>(174,013)</u>

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

The report of the auditor is set out on pages 2 to 4.



JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Statement of changes in equity for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

	<u>Share capital</u>	<u>Accumulated (loss)</u>	<u>Total equity</u>
Share capital introduced	300,000	-	300,000
(Loss) for the period	<u>-</u>	<u>(174,013)</u>	<u>(174,013)</u>
Balance as at March 31, 2026	<u>300,000</u>	<u>(174,013)</u>	<u>125,987</u>

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

The report of the auditor is set out on pages 2 to 4.



JK Drychem Industries LLC
Ras Al Khaimah Economic Zone
Ras Al Khaimah - United Arab Emirates

Statement of cash flows for the period from October 06, 2025 (Inception) to March 31, 2026
(In Arab Emirates Dirham)

	Oct 06, 2025 to Mar 31, 2026
Cash flows from operating activities	
(Loss) for the period	<u>(174,013)</u>
Operating (loss) before changes in operating assets and liabilities	(174,013)
<i>(Increase) in current assets</i>	
Advances and other receivables	(1,950,780)
<i>Increase in current liabilities</i>	
Due to a related party	2,123,245
Other payables	<u>4,000</u>
Net cash from operating activities	<u>2,452</u>
Cash flows from financing activities	
Share capital introduced	<u>300,000</u>
Net cash from financing activities	<u>300,000</u>
Net increase in cash and cash equivalents	302,452
Cash and cash equivalents, beginning of the period	<u>-</u>
Cash and cash equivalents, end of the period	<u><u>302,452</u></u>
Cash and cash equivalents	
Cash in hand	9,090
Cash at bank	<u>293,362</u>
	<u><u>302,452</u></u>

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

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



JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Notes to the special purpose financial statements

for the period from October 06, 2025 (Inception) to March 31, 2026

1 Legal status and business activities

- 1.1 M/s. JK Drychem Industries LLC**, Ras Al Khaimah Economic Zone, Ras Al Khaimah - United Arab Emirates (the "Entity") was registered on October 06, 2025 as a Limited Liability Company and operates in the United Arab Emirates under a license issued by Department of Economic Development, Government of Ras Al Khaimah, Ras Al Khaimah - United Arab Emirates.
- 1.2** The Entity is licensed to engage in the manufacturing of ready-mix and dry-mix concrete and mortars, construction plaster products - gypsum, paints and varnishes, activated carbon, auxiliary agents and anti corrosions chemicals, cements prepared additives and glues and prepared adhesives.
- 1.3** The registered address of the Entity is Unit No. PLN21, Ghil Street, Ras Al Khaimah Economic Zone, Ras Al Khaimah - United Arab Emirates.
- 1.4** The management and control are vested with the Director, Mr. Amit Kothari Dinesh Chandra (Indian national).
- 1.5** These special purpose financial statements incorporate the operating results of the license no. 63004.
- 1.6** These special purpose financial statements are prepared for a period from October 06, 2025 (inception) to March 31, 2026.

2 New accounting standards and amendments

2.1 New accounting standards, amendments and IFRS interpretations that are effective for the current year

The following standards, amendments and interpretations are effective for the current year begins on or after January 01, 2025. These standards, amendments and interpretations are either not relevant to the Entity's operations or are not expected to have significant impact on the Entity's special purpose financial statements other than certain additional disclosures.

- a)** Amendments to IAS 21: The effects of changes in foreign exchange rates 'Lack of exchangeability' - Effective for annual periods beginning on or after January 01, 2025.
- b)** Amendments to IAS 1: Presentation of financial statements 'classification of liabilities as current or non-current' - Effective for annual periods beginning on or after January 01, 2023.
- c)** Amendments to IAS 1: Presentation of financial statements 'non-current liabilities with covenants' - Effective for annual periods beginning on or after January 01, 2023.
- d)** Amendments to IAS 7: Statement of cash flows and to IFRS 7: Financial instruments disclosure 'supplier finance arrangements' - Effective for annual periods beginning on or after January 01, 2023.

Certain annual improvements have also been made to a number of IFRSs.

2.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Entity's operations or are not expected to have significant impact on the Entity's special purpose financial statements other than certain additional disclosures.



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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

2 New accounting standards and amendments (continued)

2.2 New accounting standards, amendments and IFRS interpretations that are not yet effective (continued)

- a) IFRS 18: Presentation and disclosures in financial statements - Effective for annual periods beginning on or after January 01, 2027.
- b) IFRS 19: Subsidiaries without public accountability disclosures - Effective for annual periods beginning on or after January 01, 2027.
- c) Annual Improvements to IFRS Standards – Volume 11 (various standards): Clarifications and minor changes. Effective 1 Jan 2026.
- d) Amendments IFRS 9: Financial instruments and IFRS 7: Financial instruments disclosures 'Classification and measurement of financial instruments' on or after January 01, 2026.

Certain annual improvements have also been made to a number of IFRSs.

3 Significant notes

3.1 Special purpose financial statements

The special purpose separate financial statements have been prepared for the period from October 06, 2025 (Inception) to March 31, 2026 in order to align the financial information of the Entity with Parent's (JK Cement Ltd. - India) financial year end as on March 31, 2026 to enable them to prepare consolidated financial statements. Therefore, these special purpose separate financial statements may not be suitable for any other purpose.

4 Significant accounting policies

4.1 Statement of compliance

The special purpose financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These special purpose financial statements are presented in Arab Emirates Dirham (AED) which is the Entity's functional and presentation currency.

4.2 Basis of preparation

The special purpose financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies as follows.

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 special purpose financial statements are set out as follows.

4.3 Current/non-current classification

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



JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

4 Significant accounting policies (continued)

4.3 Current/non-current classification (continued)

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 Entity classifies all other liabilities as non-current.

4.4 Foreign currency

The transactions in currencies other than the Entity'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.

4.5 Financial instruments

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

4.6 Financial assets

Classifications

The Entity 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 Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

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

Financial assets comprise cash and bank balances and other receivables.



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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

4 Significant accounting policies (continued)

4.6 Financial assets (continued)

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 Entity 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.

Impairment of financial assets

The Entity 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 Entity 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 Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

4.7 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 and borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include due to a related party and other payables.

Other payables

Other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.



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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

4 Significant accounting policies (continued)

4.7 Financial liabilities (continued)

Due to a related party

Amounts due to a related party is stated at amortised cost.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity'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.

4.8 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.

4.9 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity 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.

4.10 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in 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 Entity expects to be entitled in exchange for transferring promised goods to the customer.

The consideration expected by the Entity may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.



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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

4 Significant accounting policies (continued)

4.10 Revenue recognition (continued)

Sale of goods (continued)

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

4.11 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity'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 year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgements 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 as follows.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management has not made any judgement that may have significant effect on the amounts recognised in the special purpose financial statements.

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 Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity'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 special purpose financial statements.



JK Drychem Industries LLC

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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

5 Advances and other receivables	Mar 31, 2026
Advances to suppliers for capital assets*	1,949,646
VAT receivable	1,134
	<u>1,950,780</u>

* The above represent advances paid to suppliers for the purchase of machinery and equipment.

6 Cash and bank balances	Mar 31, 2026
Cash in hand	9,090
Cash at bank	293,362
	<u>302,452</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.

7 Share capital

Authorised, issued and paid up capital of the Entity is AED 300,000 divided into 300,000 shares of AED 1 each fully paid.

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

<u>Name of Shareholder</u>	<u>Domicile/ nationality</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>Mar 31, 2026</u>
M/s. J.K. Cement Works (Fujairah) FZC	U.A.E.	100	300,000	<u>300,000</u>

Out of the total issued share capital of the Entity, 1% has been allotted to Mr. Ajay Kumar Saraogi (Indian national), who holds the shares as a beneficiary shareholder on behalf of JK Cement Works Fujairah FZC.

8 Accumulated (loss)	Mar 31, 2026
(Loss) for the period	(174,013)
Balance at the end of the period	<u>(174,013)</u>

9 Related party transactions

The Entity 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 are decided by the management with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

a) Due to a related party	Mar 31, 2026
<i>Shareholder</i>	
M/s. JK Cement Works (Fujairah) FZC - U.A.E.	<u>2,123,245</u>



JK Drychem Industries LLC

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Notes to the special purpose financial statements

for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

	Mar 31, 2026
10 Other payables	
Accruals	4,000
	Oct 06, 2025 to
	Mar 31, 2026
11 Administrative expenses	
Legal and professional expenses	157,780
Office expenses	2,238
Printing and stationery expenses	12,200
Bank charges	1,795
	174,013

12 Financial instruments

a) Significant accounting policies

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 special purpose financial statements.

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

	As at March 31, 2026	
	Carrying amount	Fair value
<i>Financial assets</i>		
Cash and bank balances	302,452	302,452
<i>Financial liabilities</i>		
Due to a related party	2,123,245	2,123,245
Other payables	4,000	4,000
	2,127,245	2,127,245

Financial instruments comprise 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 assets consists of cash and bank balances. Financial liabilities consists of due to a related party and other payables.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

13 Financial risk management objectives

The Entity management has set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity's 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 Entity's policy guidelines are complied with.



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Notes to the special purpose financial statements

for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

13 Financial risk management objectives (continued)

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

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

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

c) Liquidity risk management

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

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk.

Liquidity and interest risk table:

The table on the following page summarises the maturity profile of the Entity'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 financial position date based on contractual repayment arrangements were shown on the following page:



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Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

13 Financial risk management objectives (continued)

c) Liquidity risk management (continued)

Liquidity and interest risk table (continued)

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	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, 2026							
Financial assets							
Bank balances	-	-	-	302,452	-	-	302,452
	-	-	-	302,452	-	-	302,452
Financial liabilities							
Due to a related party	-	-	-	-	2,123,245	-	2,123,245
Other payables	-	-	-	-	4,000	-	4,000
	-	-	-	-	2,127,245	-	2,127,245

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.

Details of credit risks on other receivables are disclosed in note 4 to the special purpose financial statements.

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 special purpose financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

14 Capital risk management

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

The capital structure of the Entity consists of equity comprising issued capital and accumulated (loss) as disclosed in the special purpose financial statements.

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 the Entity's special purpose financial statements as at the reporting date.



JK Drychem Industries LLC

Ras Al Khaimah Economic Zone

Ras Al Khaimah - United Arab Emirates

Notes to the special purpose financial statements
for the period from October 06, 2025 (Inception) to March 31, 2026

(In Arab Emirates Dirham)

16 Commitments

Except for commitments disclosed below, and ongoing business obligations which are under normal course of business, there has been no other known commitment on the Entity's special purpose financial statements as at the reporting date.

	<u>As at</u> <u>March 31,</u> <u>2026</u>
Capital commitment towards purchase of assets (Note 4)	<u>510,875</u>

17 Corporate Tax

The United Arab Emirates introduced a federal Corporate Tax effective from June 01, 2023 under Federal Decree-Law No. 47 of 2022. Corporate Tax is applicable on the taxable income of UAE businesses at a rate of 9% above a threshold of AED 375,000.

The Entity is registered for UAE Corporate Tax in accordance with the applicable regulations. The financial year falls within the scope of the Corporate Tax regime, and the Company has assessed its obligations under the law.

Management has confirmed that the necessary compliance and filing requirements are being monitored and will be fulfilled in accordance with the prescribed timelines.

18 Comparative amounts

This being the first period of audit since its inception, comparative figures are not applicable.

