



Director's Report Year ended 31 December 2024

I welcome you to this 7th annual general meeting of the Company.

Review of business

The Company's principal activity during the year was dealing in onshore & offshore oil & gas fields services.

Results

Revenue grew 33% from USD 24,575,995 in the previous year to USD 32,745,843 during the current year. The corresponding cost of revenue also increased by 27% from USD 22,103,840 in the previous year to USD 28,049,723 during the current year. As a result of this, the gross profit margin of the Company has improved from 10% in the previous year to 14% in the current year.

The revenue mix, between service and sales, changed from 37 : 57 in the previous year to 41 : 55 during the current year. This had a significant impact on the gross profit.

I submit my report and the audited financial statements for the year ended 31 December 2024.

The Management is satisfied with the performance and endeavours to improve the performance in the coming year significantly.

Administrative expenses increased 78% over the previous year to USD 589,986 for the current year. 67% of the administrative expenses comprised of staff costs. The Company earned a net profit of USD 4,114,197 for the current year compared to a net profit of USD 2,142,667 for the previous year.

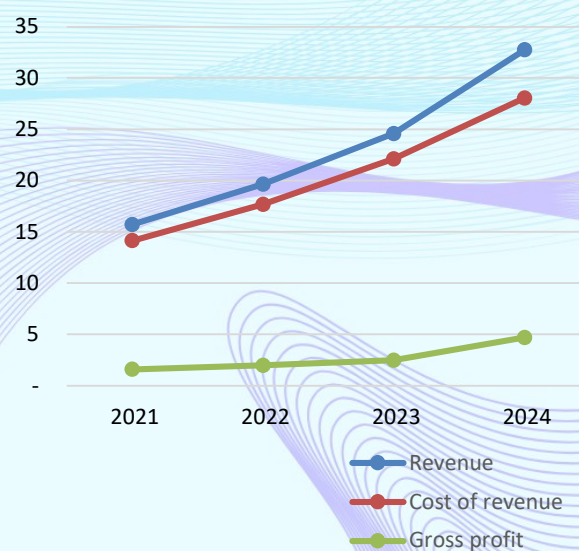
The Management expects better results in the forthcoming year.

Several initiatives have been put in place to better manage the resources during the coming year.

The Company's performance for the past four years is as follows:

(USD millions)

Indicator	2021	2022	2023	2024
Revenue	15.73	19.66	24.58	32.75
Cost of revenue	14.14	17.68	22.10	28.05
Gross profit	1.59	1.98	2.47	4.70
Administrative expenses	0.21	0.26	0.33	0.59
Profit for the year	1.37	1.71	2.14	4.11

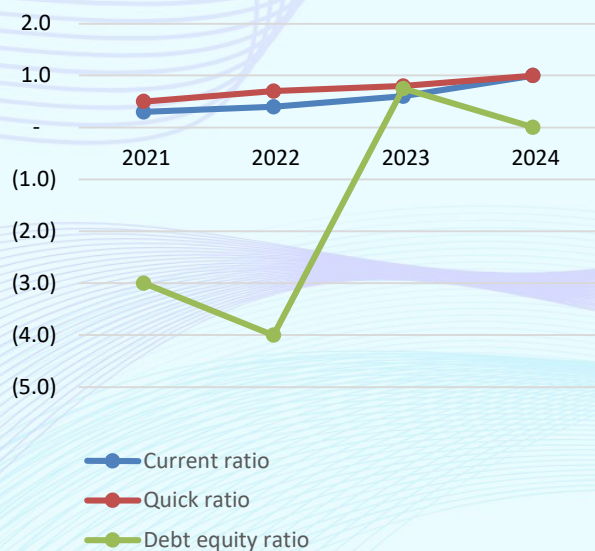


Results (Continued)

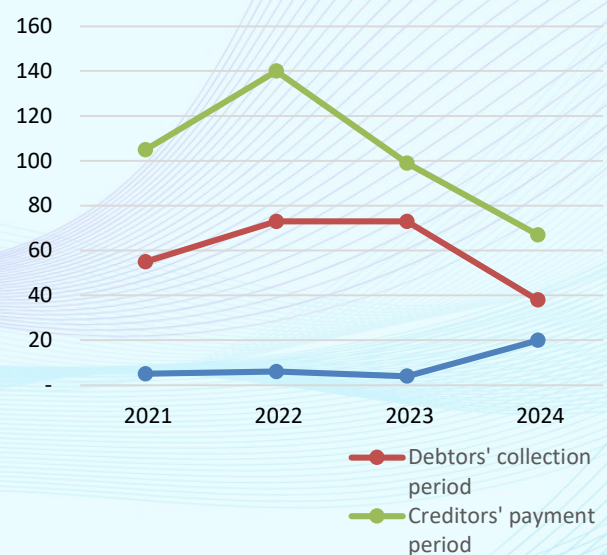
The Company's key performance indicators for the reporting periods are as follows:

Performance indicator		2021	2022	2023	2024
Gross profit ratio	Proportion	10%	10%	10%	14%
Net profit ratio	Proportion	9%	9%	9%	13%
Return on capital employed	Proportion	-48%	-48%	-78%	1275%
Current ratio	Ratio	0.4 : 1	0.4 : 1	0.6 : 1	1.0 : 1
Quick ratio	Ratio	0.7 : 1	0.7 : 1	0.8 : 1	1.0 : 1
Debt equity ratio	Ratio	5 : 1	5 : 1	5 : 1	0 : 1
Debtors' collection period	Duration	55 days	73 days	73 days	38 days
Creditors' payment period	Duration	105 days	140 days	99 days	67 days
Cash holding period	Duration	5 days	6 days	4 days	20 days

A healthy gross profit ratio of 14% and net profit ratio of 13% was maintained in comparison to 10% and 9% respectively in the previous year. Management expects this trend to continue.



The average debtors' collection period improved from 73 days in the previous year to 38 days in the current year, while the average creditors' payment period worsened from 99 days to 67 days.



Business model

The Company trades in general purpose items on the wholesale market in the region.

It acts as a vital link between the overseas manufacturers and the retail distributors in UAE and other countries in the GCC region.

With the growing needs of the business, the Management is planning on investing in owned warehouse facilities in various ports in the major cities where the Company trades.



Customer base

The number of customers increased from 7 in the previous year to 12 in the current year.

The Management expects a similar growth of about 71% in the forthcoming year.

Working capital cycle

The customers were given a better credit period during the current year, however, due to improved market conditions, they paid earlier.

The Company has committed greater support to its vendors and improved the credit periods.



Image: Process Chart

Staff strength

The Company's task team increased as planned from 3 people in the previous year to 4 in the current year.

The Management will be recruiting 3 more persons in the forthcoming year who will service the Company remotely from India, USA & UK.

Compliance

As responsible citizens, the Management has tried its best to comply with all local laws and regulations applicable to it, directly or indirectly.

In the forthcoming year, the staff of the Company have decided to participate in marathons and clean-up drives organised locally.

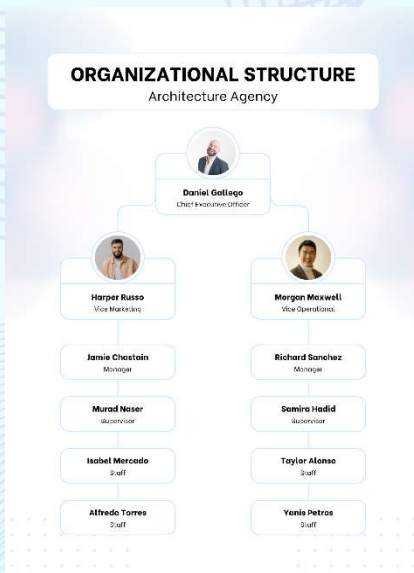


Image: Organisation Structure

Note that all the images and text used on these two pages are dummy sample images and meaningless text, that should be replaced by the client with their own information and text.

Environment

The Management tried its best to use recycled paper, reduce the carbon footprint by commuting less and overall tried being energy efficient.

As a special initiative, the Company has decided to refrain from using envelopes to share simple bills and receipts with its customers.

CSR

Although the Company is not legally liable to spend on corporate social responsibility, it did.

During the current year two trainees were provided internship in the Company and they have been offered jobs too.



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Appropriations

An amount of USD 13,624, being 10% of the profit of the year, has been set aside as statutory reserve as required by the AoA of the Company.

The Management believes that the profit retained in the Company will yield better returns than the market and no dividend is proposed for the year.

Events since the end of the year

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

The Management has continued to focus on the business growth with the same vigour.

Shareholders and their interests

As at 31 December 2024 the entire share capital of AED 100,000, divided into 100 shares of AED 1,000 each, was held by Mr Alpha Beta Gamma.

There was no change in the shareholding structure during the year and up to the date of issue of these financial statements.

The Shareholders as at 31 December 2024 and their interests in the share capital of the Company as at that date were as follows:

Names of the Shareholders	Designation	Share-holding ratio	Profit sharing ratio	Number of shares	Value in AED
Mr Alpha Beta Gama	Managing partner	51%	80%	51	51,000
Mr Sin Cos Tan	Investing partner	49%	20%	49	49,000
		<u>100%</u>	<u>100%</u>	<u>100</u>	<u>100,000</u>

Pursuant to an amendment of the Memorandum of Association on 13 October 2015, 51% of the share capital held by Alpha Beta Gamma,

comprising of 51 Shares of AED 1,000 each, was transferred to Mr Alpha Beta Gama.

Management responsibilities

The Implementing Regulation No 1 of 2003 of the Dubai Multi Commodities Centre Authority (DMCC-IR) read with the UAE Federal Law No 32 of 2021 on Commercial Companies, as amended (CCL), require the Management to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the performance for each financial year, to get them duly audited, to authorise the same by presenting them to the Shareholders and to issue the same in the annual general meeting.

I confirm that I am responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgments underlying them. I further confirm that I have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

Auditors

The AoA of the Company makes it mandatory for the Director to appoint an auditor for the forthcoming year.

I propose the reappointment of Prudential Auditing as auditors of the Company for the forthcoming year.

Alpha B G
Director