

Cover letter



- We are please to present our audit proposal for Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries for the years ended 31 December 2020, 31 December 2022 and 31 December 2023.

- Our proposed audit fees for the engagement would be as follow:

Description of Services	Accounting year	Fees
Annual audit	December 31, 2020	AED 232,100 + VAT
Annual audit	December 31, 2022	AED 272,000 + VAT
Annual audit	December 31, 2023	AED 286,500 + VAT

- Further information regarding about our proposal can be found in the proposal reference Nv/ECNW/HO4043/15 JAN 2024 which has been shared with the management.
- The scope for the entities which is covered in our proposed audit fees can be found on Page 10 of this proposal
- **Partner rotation for the financial year 2023**

In accordance with Federal Decree-Law no. (32) of 2021, Article 267 stipulates the extension of all regulatory provisions governing Public Joint Stock Companies to encompass Private Joint Stock Companies. Furthermore, as outlined in Article 245, there are specific limitations on the consecutive audit tenure, allowing a maximum of three years for an auditor (partner) within a firm and six years for an entire audit firm. Based on the aforementioned legal provisions, we ensure compliance by implementing a change in the signing partner for the audit engagement for the financial year ended 31 December 2023, aligning with the parameters established in Articles 267 and 245 of Federal Decree-Law no. (32) of 2021.



Smart decisions. Lasting value.

Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries

Proposal for Statutory Audit

Ref: Nv/ECNW/HO4043/15 JAN 2024

Crowe Mak

Date: November 15, 2023

Value Proposition

November 15, 2023

To,
The Board of Directors,
Saeed Ahmad Lootah and Sons Group PSC

Dear Sir:

Re: Statutory Audit of Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries

We refer to our meeting regarding offering our services to Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries. As requested, we are pleased to submit our proposal for statutory audit services. This proposal gives detailed scope of work, our methodology, fees and the time frame of our audit service to Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries for the audit period mentioned in page 10.

Please review our proposal carefully. If you would like any further information or clarification about any aspect of our proposal, please do not hesitate to contact the undersigned. We look forward to receiving your approval on our proposal.

Please note that the acceptance of the proposal is subject to our internal clearance from our compliance team and terms of our separate engagement letter. This proposal is valid for 21 days from the date of issue.

Thanking you for providing us this opportunity, we look forward to work with you.

For Crowe Mak,

Accepted,

Basil Naser
Partner- Audit and Assurance

Authorized signatory

Technical

Our knowledge and understanding

Legal status and business activities

Saeed Ahmed Lootah & Sons Group (PSC) (the "Parent Entity") was incorporated on 27 October 2002. It operates in the United Arab Emirates under a license issued by the Government of Dubai under the registration number 60836.

The principal activities of the Parent Entity and its subsidiaries (collectively referred as the "Group") includes investment in industrial enterprises & management, investment in agricultural enterprises & management and investment in commercial enterprises & management.

The registered office of the Group is P.O. Box 553, Dubai, United Arab Emirates.

The management and control are vested with Mr. Yahya Saeed Ahmad Nasser Lootah, Vice Chairman of Board of Trustees, Emirati national.

List of subsidiaries

Subsidiaries	Place of incorporation / registration and operation	Proportion of ownership interest (%)	Principal activity
S.S.Lootah Ready Mix Concrete LLC	Dubai - U.A.E	99%	Manufacturing ready mix concrete
S.S Lootah Trading Buidling Material Division LLC	Dubai - U.A.E	99%	Trading of building and construction materials
S.S.Lootah Ready Mix Concrete (Br. Of Freezone)	Dubai - U.A.E	99%	Manufacturing ready mix concrete
EQ Source LLC	Dubai - U.A.E	99%	Equipment & machinery rental
S.S.Lootah Electro Mechanical LLC	Dubai - U.A.E	99%	Electromechanical equipment installation and maintenance
Saeed Ahmed Lootah Trading Est. LLC	Dubai - U.A.E	99%	General trading
Dar Lootah Printing & Publishing Distribution LLC	Dubai - U.A.E	99%	Publishing of books & other publications services and books printing.
S.S Lootah Renewable Energy LLC	Dubai - U.A.E	99%	Solar energy systems installation and solar energy systems & components trading
Lootah Hotel Management LLC	Dubai - U.A.E	99%	Hospitality service

Scope of Work

We shall provide statutory audit on Financial Statements of Saeed Ahmad Lootah and Sons Group PSC and its subsidiaries.

We are required to provide audit services based on the International Audit Standards (ISAs) and issue our independent audit opinion on the financial statement as prepared by the Management in compliance with International Financial Reporting Standards (IFRSs).

Key assumptions: Our scope of work, timelines and fees are based on certain underlying assumptions as explained below:

Structure	There will be no major changes to the structure, systems or reporting requirements of the entities within the structure, based on the information shared.
Timetable & Deliverables	Management will reasonably notify us of their readiness for the commencement of the audit and adhere to co-developed audit timetables and detailed document request lists.
Current Accounting Policies	The current accounting policies are in accordance with International Financial Reporting Standards.
Internal Controls	A preliminary assessment of your internal control environment based on our initial discussions with management remains unchanged. The strength or otherwise of the internal controls will directly impact our ability to perform analytical and other audit procedures and our ultimate audit approach.
Financial Statements	IFRS compliant financial statements that are free from material misstatements, whether due to fraud or error, approved by the audit committee or those in charge of governance will be provided to us, without any subsequent changes.

Our Methodology

Step 1 - Planning

Initiation Meeting, Risk Assessment
Procedures and overall Audit Strategy

Step 3 – Substantive Testing

Collect sufficient and appropriate audit
evidence to support conclusions as per ISA.



Step 2 – Control Evaluation

Understanding Entity & Control
Environment. Design, Testing and
Implementation of key controls.

Step 4 - Completion

Evaluate overall presentation and
disclosures in the financial
statements as per IFRS.

Commercials and Terms of Engagement

Timeframe and Fees

Our fees are computed based on the estimated time required to be spent by our partners, directors, managers and audit personnel assigned to the engagement and on the level of skills required and responsibility involved in the audit. Based on our discussion and the information conveyed to us, we have prepared budgets of the time we expect to spend on the audit.

Audit shall commence once the client provides the audit team with the final system generated trial balance. We urge our clients to avoid amending the trial balance entries, especially those material in nature, post submission to the audit team as such amendments would result in delays, incorrect referencing and result into significant alterations to the audit planning.

We shall furnish two copies of the audit report, which, we request our clients to collect within 30 days from the date of signing.

Accordingly, our total fees for the engagement would be as follows:

Description of Services	Fees
Annual audit for the year ended 31 December 2020 (for the Entities mentioned on page 10)	AED 232,100 + VAT
Annual audit for the year ended 31 December 2022 (for the Entities mentioned on page 10)	AED 272,000 + VAT
Annual audit for the year ending 31 December 2023 (for the Entities mentioned on page 10)	AED 286,500 + VAT

Timeframe and Fees (contd...)

Payment Terms	Breakdown	Amount 2020 (AED)	Amount 2022 (AED)	Amount 2023 (AED)
1 st Payment – Fee payable in advance upon signing of proposal (Non-refundable)	50%	116,050 + VAT	136,000+ VAT	143,250 + VAT
2 nd Payment – Balance fee payable on submission of first draft	50%	116,050 + VAT	136,000 + VAT	143,250 + VAT

- Should the size, scale of business change, alterations to final trial balance or we are required to provide other certification due to regulatory requirements, a separate fee shall be applicable, which shall be communicated and agreed with you.
- As our audit approach requires all engagements to be completed on CaseWare software, changes to the above requires us to spend additional time remapping and altering ISA compliant forms which increases the allocated budget hours of the engagement which in turn will need us to revise the fees accordingly.
- If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services of this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request.
- Client Support and technology expenses at 10% of audit fees are to be paid separately to cover supporting data privacy, data centre, data analysis, admin support, conveyance, independent bank confirmation, printing, courier, etc.
- The invoice will be transmitted to you by e-mail.

Timeframe and Fees (contd...)

S. No	Entity Name	Audit Report Type
2	Saeed Ahmad Lootah and Sons Group	Consolidation
2/1	Saeed Ahmad Lootah and Sons Group	Standalone
2/2	S.S Lootah Ready mix Concrete	Standalone
2/3	S.S Lootah Ready mix Concrete (Br. Of Freezone)	Standalone
2/4	S.S Lootah Trading Building Material Division LLC	Standalone
2/5	S.S Lootah Electro mechanical Works LLC	Not Active
2/6	EQ Source LLC	Standalone
2/7	Home Gallery Branch of Group	Not Active
2/8	Saeed Ahmed Lootah Trading Est. LLC	Not Active
2/9	Dar Lootah Printing, Publishing & distribution LLC	Not Active
2/10	S.S. Lootah Renewable Energy LLC	Not Active
2/11	Lootah Hotel Management LLC	Not Active

Other major Terms and Conditions

Detection of fraud, error and non-compliance with law and regulations.

The Client has sole responsibility for safeguarding the assets of the Company and for the prevention and detection of fraud, error and non-compliance with law or regulation. However, we shall endeavor to plan our work so that we have a reasonable, but not absolute, expectation of detecting material misstatements resulting from fraud or other irregularities, error or non-compliance with law or regulations. However, our work should not be relied on to detect all such material misstatements, error, fraud or other irregularities, or other instances of non-compliance that may exist.

Should our work lead us to believe that a fraud or irregularity has occurred; we will report the matter to the Client's management at an appropriate level, and/or to the relevant regulatory body, if required by applicable laws and regulations. Where there is an impact on the project outcome, we will consider reporting the matter to the members through the relevant medium.

Confidential information:

The Receiving Party shall maintain Confidential Information in confidence and shall exercise in relation thereto no lesser security measures and degree of care than those which applies to its own confidential information. The Receiving Party shall ensure that disclosure of such Confidential Information is restricted to those employees or directors of the Receiving Party having the need to know the same for the Purpose as described above. Copies or reproductions of the Confidential Information shall not be made except to the extent necessary for the services.

For the purposes of marketing or publicising or selling its services, the Firm may wish to disclose the general nature or category of engagement and may identify the Client's name and logo. The Client hereby consents for such disclosure.

Other major Terms and Conditions (contd...)

Conflict of interest:

Based on the information available at the time of this proposal, the Firm represents that there are no conflicts of interest, for services to be rendered under this engagement, and the Firm's services and employment with other parties. If, during the course of the engagement, the Firm becomes aware of facts which constitute or may give rise to a conflict of interest, the Firm shall advise the Client. In such an event, the Firm and the Client will mutually determine appropriate action for managing the conflict of interest.

Both parties agree that a conflict of interest does not arise merely because the Firm is providing, or may provide, services to other clients in the same or similar business.

Liability:

The Firm or any director, officer, employee or representative of the Firm shall have no liability to the Client for any direct or indirect losses, claims, damages or liabilities relating to or arising from the performance of the services by the Firm, except if proven that the loss is due to our gross negligence or fraud on our part.

Indemnity:

The Client shall indemnify the Firm, its directors and employees, from all third-party claims, litigations, damages, losses, expenses, or costs (including attorney's/lawyer's fees and court expenses) directly or indirectly arising out of misrepresentation, fraud, or non-disclosure of material facts.

Other major Terms and Conditions (contd...)

Data Protection:

We may collect and process information about individuals (“Personal Data”) for the purposes of performing the engagement, pursuing our legitimate interests or for complying with relevant laws, regulations or professional standards. Such individuals may include, but is not limited to, employees, directors, beneficial owners, agents or counterparties of the Client, Client’s group or affiliates or your clients, suppliers and banks. We hold and process Personal Data in a fair, lawful, and transparent manner in accordance with the DIFC Data Protection Law (Law No. 5 of 2020).

The Client represents and warrants that (a) it has notified the relevant Data Subjects of our Privacy Policy statement available at www.crowe.ae, (b) where necessary, it has obtained appropriate consents from the relevant Data Subjects for providing us with Personal Data and that we are not responsible or accountable for the consequences of not obtaining such consent by the Client.

Governing law:

This Agreement shall be governed by the Dubai Laws

Engagement Team

Engagement Team



Khalid Maniar
Founder & Managing Partner
+44 234 234 2345

Dr. Khalid Maniar, a fellow member of ACCA, UK and a doctorate from Washington University, USA. In 1981, he established the firm with a vision of “due diligence with client care”. As a founder and group managing partner, his top priority is to build the brand image based on quality to enhance the profile and ranking of his firm.



Zayd Maniar, FCA (England & Wales), ICAEW
International Liaison Partner
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zayd.maniar@crowe.ae

Mr. Zayd completed his Bachelor of Arts degree in Economics with Honors from the University of Reading. A practicing member of the Institute of Chartered Accountants in England and Wales and a registered auditor with the Ministry of Economy, Government of Dubai.



Basil Naser, CPA
Partner – Audit and Assurance
+9714 447 3951
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Basil Naser has 12 years of professional experience in rendering audit and assurance services to companies in various industries. His strong business knowledge and technical skills would ensure effective management of the engagement in overall delivery of the service. He would be involved in closely monitoring the work of the team in the execution and review of the evidences to support the opinion.



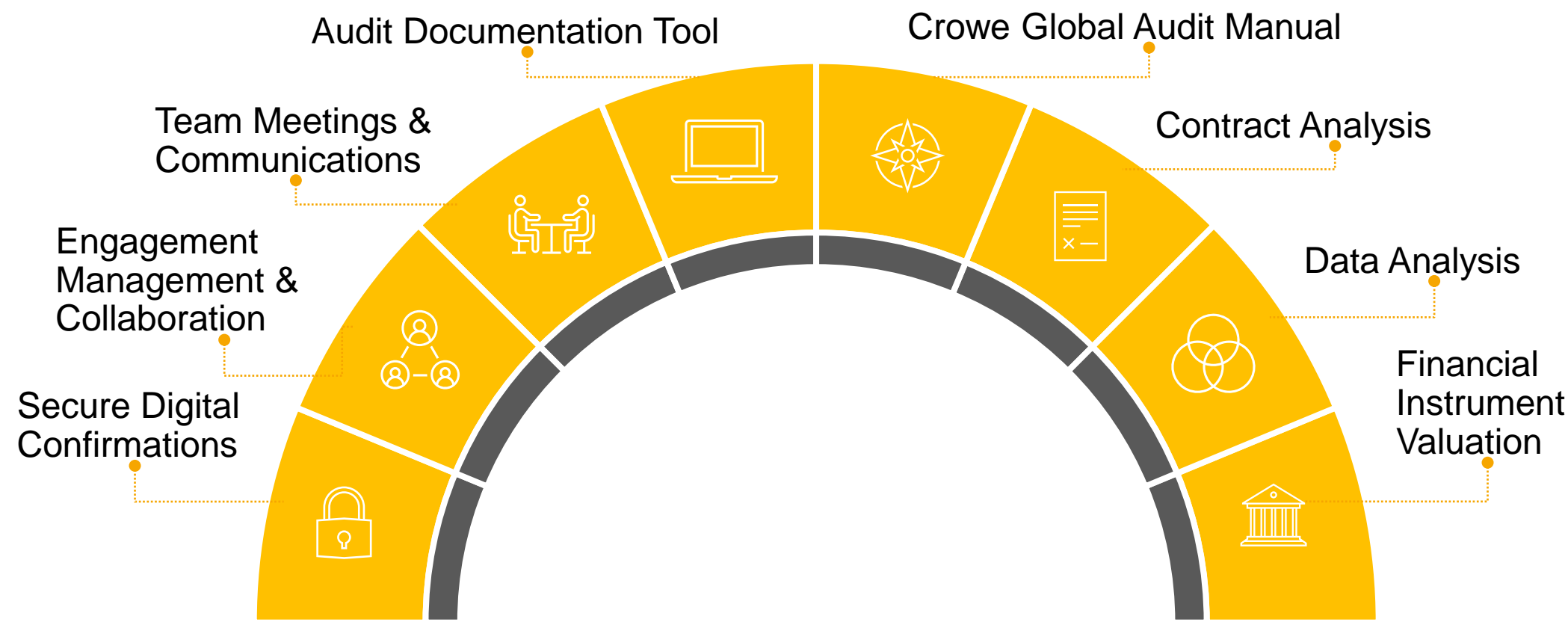
Armen Biberian
Director – Audit and Assurance
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Armen has extensive experience over his 17 year career in Auditing which began with Ernst & Young Los Angeles (EY). As a US CPA and member of AICPA, Armen has worked in Ernst & Young Middle East and in the UAE since 2018. Joining Crowe UAE as an Audit Director in October 2022, he has proven to be a valuable asset winning several new clients, some based on his existing relationships he has developed while working in the UAE.

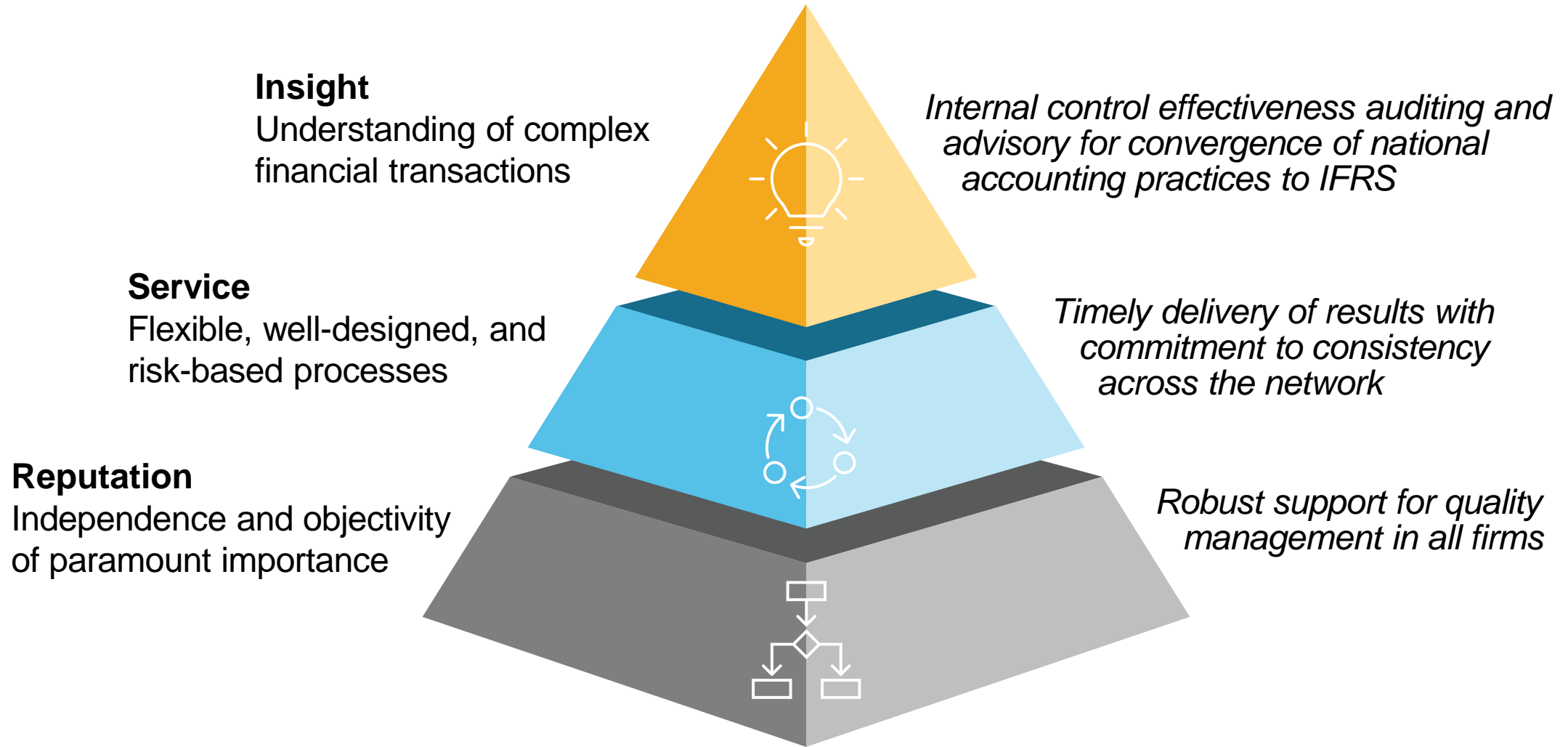
About Us

Crowe Global Audit Centre

Ensuring audit quality through resources and applications



Building Lasting Value

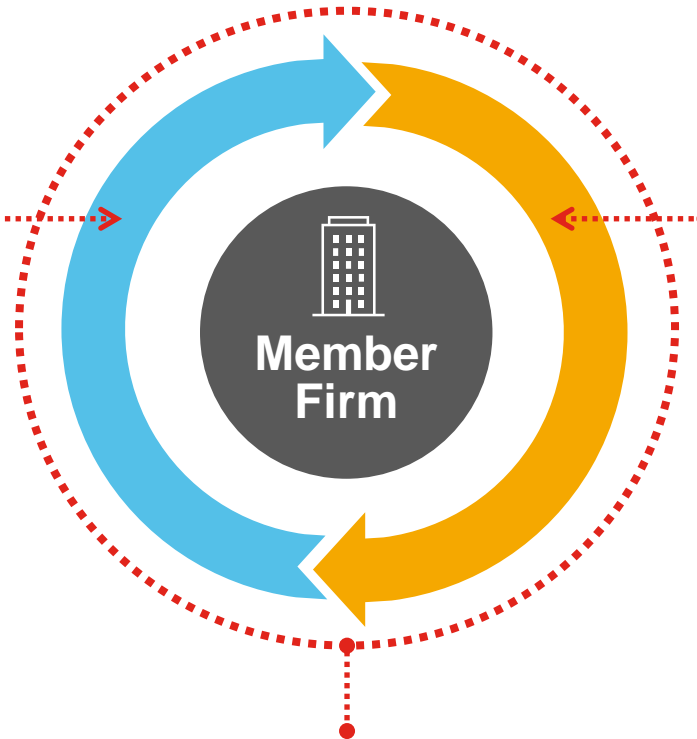


Ensuring Audit Quality

Our member firms maintain policies and procedures consistent with international professional standards that promotes continuous audit quality improvement.

External Monitoring

Member firms are subject to external regulation and periodic monitoring to assess work quality.



Our Network

Members receive a rigorous periodic review to assess global quality standards compliance.

Compliant with international audit quality policies and procedures

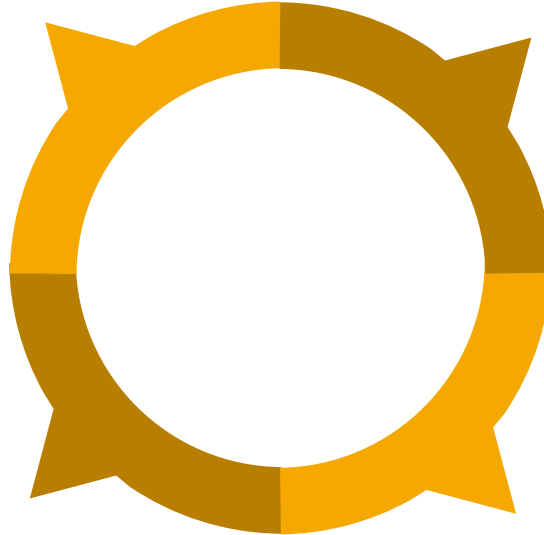
Audit Technology

CaseWare

A cloud-based auditing tool to improve the quality of our engagements and compile with ISA, IFRS and related standards.

Quality Management System

A secure cloud-based tool for client acceptance and risk assessment procedures for engagements.



MS Office Suite

Enabling collaboration with clients and colleagues remotely and securely.

Data Analytics

Used to analyse data to identify anomalies, trends or patterns during audits.

Ensuring Audit Quality



- Our member firms apply the Crowe Global Audit Centre, which comprises audit applications and resources that together deliver a quality audit
- Our applications and resources comply with the International Standards on Auditing (ISAs) as issued by the International Audit & Assurance Standards Board (IAASB)
- The IAASB is an independent standard setting body that is hosted by the International Federation of Accountants (IFAC)
- Member firms participate in our Audit Quality Assurance Review programme, receiving periodic reviews of their audit practices

Firm Affiliations

Regulatory Affiliations



Professional Affiliations





Thank You