Ghitha Holding PJSC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2023

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF GHITHA HOLDING PJSC

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Ghitha Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2023, comprising of the interim consolidated statement of financial position as at 30 June 2023, and the related interim consolidated statements of profit or loss and comprehensive income for the three and six month periods then ended and related interim consolidated statement of changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34.

Signed by:
Anthony O'Sullivan
Partner
Ernst & Young
Registration No 687

31 July 2023
Abu Dhabi

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three and six month periods ended 30 June 2023

		Three months ended 30 June		*Six months ended 30 June*	
	Notes	***2023 AED' 000***	*2022 AED' 000*	***2023 AED' 000***	*2022 AED' 000*
Revenue from contracts with customers	5	**1,174,002**	576,284	**2,068,088**	882,123
Cost of sales		**(993,210)**	(450,825)	**(1,757,661)**	(715,419)
GROSS PROFIT		**180,792**	125,459	**310,427**	166,704
General and administrative expenses		**(101,271)**	(52,012)	**(173,955)**	(66,141)
Selling and distribution expenses		**(46,365)**	(11,204)	**(63,554)**	(21,347)
Share of profit (loss) from investment in associates and a joint venture	7	**8,134**	4,976	**28,311**	(20,157)
Gain on disposal of investment in a joint venture		**-**	37,379	**-**	37,379
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		**-**	(7,077)	**-**	(7,077)
Changes in fair value of investments carried at fair value through profit or loss	8	**(22,360)**	(18,595)	**(204,626)**	(21,378)
Other income		**3,925**	4,414	**30,696**	8,231
Finance costs		**(18,277)**	(2,686)	**(31,299)**	(4,590)
PROFIT (LOSS) FOR THE PERIOD		**4,578**	80,654	**(104,000)**	71,624
Attributable to:					
Owners of the Company		**1,301**	72,658	**(39,775)**	61,667
Non-controlling interests		**3,277**	7,996	**(64,225)**	9,957
		4,578	80,654	**(104,000)**	71,624
(Loss) earnings per share:					
Basic and diluted (AED)	13	**0.01**	0.37	**(0.16)**	0.42

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three and six month periods ended 30 June 2023

	Notes	*Three months ended 30 June* **2023** **AED' 000**	*Three months ended 30 June* *2022* *AED' 000*	*Six months ended 30 June* **2023** **AED' 000**	*Six months ended 30 June* *2022* *AED' 000*
PROFIT (LOSS) FOR THE PERIOD		**4,578**	80,654	**(104,000)**	71,624
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange difference on translation of foreign operations		**401**	(5,453)	**(34,819)**	(37,208)
Share of other comprehensive loss of a joint venture		-	-	-	(7,077)
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		-	7,077	-	7,077
Items that will not be reclassified subsequently to profit or loss:					
Decrease in fair value of investments at fair value through other comprehensive income	8	**(7,814)**	(12,900)	**(72,965)**	(12,900)
Total other comprehensive loss		**(7,413)**	(11,276)	**(107,784)**	(50,108)
Total comprehensive (loss) income for the period		**(2,835)**	69,378	**(211,784)**	21,516
Attributable to:					
Owners of the Company		**(2,773)**	67,638	**(111,626)**	17,815
Non-controlling interests		**(62)**	1,740	**(100,158)**	3,701
		(2,835)	69,378	**(211,784)**	21,516

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	*(Unaudited)* *30 June 2023* *AED' 000*	*(Audited)* *31 December 2022* *AED' 000*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**1,999,035**	1,145,456
Intangible assets and goodwill		**411,544**	408,202
Biological assets		**100,463**	-
Right-of-use assets		**112,532**	101,943
Investment in associates and a joint venture	7	**640,364**	614,599
Investments in financial assets	8	**115,752**	188,717
Deferred tax assets		**10,323**	16,769
		3,390,013	2,475,686
Current assets			
Inventories		**386,562**	204,042
Biological assets		**57,246**	57,640
Investments in financial assets	8	**500,344**	688,810
Trade and other receivables	9	**1,315,342**	1,019,543
Due from related parties	15	**443,319**	451,058
Cash and bank balances	10	**812,442**	469,438
		3,515,255	2,890,531
TOTAL ASSETS		**6,905,268**	5,366,217
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**241,600**	241,600
Contributed capital	11	**37,294**	37,294
Merger and other reserves		**2,239,624**	1,939,278
Statutory reserve	12	**35,664**	35,664
Cumulative changes on revaluation of investments		**(48,609)**	(11,029)
Currency translation reserve		**(104,046)**	(69,775)
Retained earnings		**313,011**	352,786
Equity attributable to owners of the Company		**2,714,538**	2,525,818
Non-controlling interests		**1,559,717**	1,271,297
Total equity		**4,274,255**	3,797,115
Non-current liabilities			
Employees' end of service benefits		**65,517**	26,785
Lease liabilities		**94,112**	90,287
Bank borrowings	14	**825,094**	422,437
Loan from a related party	15	**71,428**	-
Other non – current liabilities		**11,400**	-
Deferred tax liabilities		**-**	3,794
		1,067,551	543,303
Current liabilities			
Trade and other payables		**940,305**	513,239
Due to related parties	15	**159,774**	152,643
Loans from related parties	15	**219,286**	205,000
Lease liabilities		**12,388**	5,784
Bank borrowings	14	**231,709**	149,133
		1,563,462	1,025,799
Total liabilities		**2,631,013**	1,569,102
TOTAL EQUITY AND LIABILITIES		**6,905,268**	5,366,217

Chairman

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six month period ended 30 June 2023

	Attributable to equity holders of the Company									
	Share capital AED' 000	*Contributed capital AED' 000*	*Merger reserve AED' 000*	*Statutory reserve AED' 000*	*Currency translation reserve AED' 000*	*Cumulative changes on revaluation of investments AED' 000*	*Retained earnings AED' 000*	*Total AED' 000*	*Non-controlling interest AED' 000*	*Total AED' 000*
Balance at 1 January 2022 (audited)	100,000	12,294	716,163	7,492	-	-	99,240	935,189	28,142	963,331
Profit for the period	-	-	-	-	-	-	61,667	61,667	9,957	71,624
Other comprehensive loss for the period	-	-	-	-	(37,208)	(6,644)	-	(43,852)	(6,256)	(50,108)
Total comprehensive income for the period	-	-	-	-	(37,208)	(6,644)	61,667	17,815	3,701	21,516
Business combination of entities under common control	141,600	-	839,234	-	-	-	-	980,834	980,885	1,961,719
Balance at 30 June 2022 (unaudited)	241,600	12,294	1,555,397	7,492	(37,208)	(6,644)	160,907	1,933,838	1,012,728	2,946,566
Balance at 1 January 2023 (audited)	241,600	37,294	1,939,278	35,664	(69,775)	(11,029)	352,786	2,525,818	1,271,297	3,797,115
Loss for the period	-	-	-	-	-	-	(39,775)	(39,775)	(64,225)	(104,000)
Other comprehensive loss for the period	-	-	-	-	(34,271)	(37,580)	-	(71,851)	(35,933)	(107,784)
Total comprehensive loss for the period	-	-	-	-	(34,271)	(37,580)	(39,775)	(111,626)	(100,158)	(211,784)
Capital contributed by a non-controlling interest	-	-	-	-	-	-	-	-	102,008	102,008
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Business combination of entities under common control (note 4)	-	-	300,346	-	-	-	-	300,346	288,570	588,916
Balance at 30 June 2022 (unaudited)	**241,600**	**37,294**	**2,239,624**	**35,664**	**(104,046)**	**(48,609)**	**313,011**	**2,714,538**	**1,559,717**	**4,274,255**

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six month period ended 30 June 2023

		Six month period ended 30 June	
	Notes	***2023*** ***AED' 000***	*2022* *AED' 000*
OPERATING ACTIVITIES			
(Loss) profit for the period		**(104,000)**	71,624
Adjustments for:			
Depreciation of property, plant and equipment	6	**63,090**	19,826
Amortisation of intangible assets		**10,279**	1,820
Depreciation of right-of-use assets		**7,981**	1,454
Depreciation of biological assets		**5,679**	-
Changes in fair value of investments carried at fair value through profit or loss	8.2	**204,626**	21,378
(Reversal) provision for expected credit losses on trade receivables	9	**(7,814)**	15,742
Provision for expected credit losses on amounts due from related parties	15	**384**	935
Gain on disposal of investment in a joint venture		**-**	(37,379)
Dividend income		**(1,242)**	-
Gain on disposal of property, plant and equipment		**(21,880)**	(50)
Impairment of property, plant and equipment		**408**	-
Share of loss from investment in associates and a joint venture	7	**(28,311)**	20,157
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		**-**	7,077
Provision for employees' end of service benefits		**5,842**	1,611
Finance costs		**31,299**	4,590
		166,341	128,785
Working capital adjustments:			
Inventories		**(37,812)**	(47,016)
Biological assets		**4,085**	(12,065)
Trade and other receivables		**(83,467)**	212,629
Amounts due from related parties		**7,355**	(95,776)
Trade and other payables		**179,081**	(129,285)
Amounts due to related parties		**(33,121)**	(91,658)
Net cash from (used in) operations		**202,462**	(34,386)
Employees' end of service benefits paid		**(2,678)**	(930)
Finance costs paid		**(28,679)**	(2,645)
Net cash from (used in) operating activities		**171,105**	(37,961)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) continued
For the six months period ended 30 June 2023

	Notes	*Six months period ended 30 June* 2023 AED' 000	2022 AED' 000
INVESTING ACTIVITIES			
Movement in term deposits with original maturities more than six months		**(249,318)**	(22,926)
Purchase of property, plant and equipment	6	**(346,775)**	(24,007)
Addition to intangible assets		**(997)**	(269)
Cash acquired on business combination of entities under common control	4	**54,288**	51,616
Dividend received		**40,538**	-
Sale proceeds from disposal of property, plant and equipment		**43,765**	254
Proceeds from sale of investments carried at fair value through profit or loss		**15,479**	16,575
Purchase of investment carried at fair value through profit or loss	8.2	**(31,639)**	(21,985)
Net cash used in investing activities		**(474,659)**	(742)
FINANCING ACTIVITIES			
Repayment of lease liabilities		**(8,378)**	(1,764)
Net movement in loans from related parties		**(7,143)**	125,000
Capital contributed by non-controlling interest		**102,008**	-
Dividend paid to non-controlling interest		**(2,000)**	-
Net movement in bank borrowings		**318,607**	(82)
Net cash generated from financing activities		**403,094**	123,154
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		**99,540**	84,451
Cash and cash equivalents at 1 January		**453,295**	172,411
Effect of foreign exchange rate changes		**(3,570)**	(13,177)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10	**549,265**	243,685

Significant non-cash transaction

Depreciation capitalised in biological assets		**297**	-

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Ghitha Holding PJSC (the "Company") is a private joint stock company incorporated under the UAE Federal Law No. (2) of 2015 (as amended) which was replaced by UAE Federal Law No. (32) of 2021. The registered address of the Company is P.O. Box 53314, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- providing food catering services, including meal preparation;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles;
- clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management;
- camps and labour accommodation management; and
- facilities management services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing events and providing interior design work.

IHC Food Holding LLC is the Parent and International Holding Company PJSC is the Ultimate Parent of the Company.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issuance on 31 July 2023.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by International Accounting Standards Board ("IASB").

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. In addition, results for the six month period ended 30 June 2023 are not necessarily indicative of the results for the year ending 31 December 2023.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets and biological assets which are stated at fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the presentation currency of the Group and the functional currency of the Company. All values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Details of the Company's subsidiaries as at 30 June 2023 and 31 December 2022 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2023	*2022*
Zee Stores International LLC	UAE	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services	**100%**	100%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	UAE	Warehouses management and operations	**100%**	100%
Tamween Group LLC	UAE	Holding Company	**100%**	100%
Tamween Companies Management LLC	UAE	Holding Company	**100%**	100%
Green Park Investment – Sole Proprietorship LLC	UAE	Commercial enterprises investment, institution and management	**100%**	100%
Ghitha Companies Management L.L.C. (ii)	UAE	Investment Company	**100%**	-
Ghitha Enterprises Holding RSC (ii)	UAE	Investment Company	**100%**	-
NRTC International Investment – Sole Proprietorship LLC (i)	UAE	Holding Company	**60%**	-
Ghitha Investment Holding LLC (ii)	UAE	Holding Company	**100%**	-
Ghitha Culinary RSC Ltd (ii)	UAE	Holding Company	**100%**	-
Subsidiary of Zee Stores International LLC:				
Royal Horizon Holding LLC	UAE	Holding Company	**60%**	60%
Subsidiaries of Royal Horizon Holding LLC:				
Overseas Foodstuff Trading – Sole Proprietorship LLC	UAE	Importing and wholesale of canned and preserved foodstuff trading	**100%**	100%
Royal Horizon General Trading – Sole Proprietorship LLC	UAE	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff	**100%**	100%
Royal Horizon Fazaa Stores LLC	UAE	Retail and wholesale consumer stores	**100%**	100%
Subsidiaries of Tamween Group LLC:				
Al Ajban Poultry LLC	UAE	Rearing, hatching, feed processing and sale of poultry products.	**100%**	100%
Alliance Foods Co. LLC	UAE	Trading, processing and packing of seafood products.	**100%**	100%
AGRINV SPV RSC	UAE	Investment Company.	**100%**	100%
NRTC Food Holding LLC	UAE	Holding Company	**41%**	41%
W A S Commercial Investment - Sole Proprietorship LLC. (iv)	UAE	Holding Company	**100%**	-
Subsidiary of AGRINV SPC RSC:				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	**100%**	100%
NRTC Dubai International Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables, Food & frozen trading	**100%**	100%

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2023	*2022*
Subsidiaries of N.R.T.C Food Holding LLC				
Nasser Al Refaee Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables trading, Food and beverage trading, Frozen poultry trading.	**100%**	100%
Nasser Al Refaee Potatoes Trading LLC	UAE	Potatoes Trading	**100%**	100%
Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	UAE	Fruits & Vegetables canning and Packaging	**100%**	100%
Food Care LLC	UAE	Fruits & Vegetables trading, Food and beverage trading	**100%**	100%
Al Rifai Sons Vegetables & Fruits Trading LLC	UAE	Fruits & Vegetables trading, Food and beverage trading	**100%**	100%
Wholes Sale Market Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen foodstuff, fresh fish and meat, canned and preserved foodstuff	**100%**	100%
NRTC International Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen food, canned fresh meat. Onshore and offshore oil & gas and facilities services.	**100%**	100%
NRTC Investment SP LLC	UAE	Commercial Agricultural Enterprises Investment, Institution and Management.	**100%**	100%
Mirak Royal Nature Fruit and Vegetable LLC	UAE	Trading of baby foods items, food and beverages, vegetables and fruits.	**100%**	100%
Subsidiary of WAS Commercial Investment -Sole Proprietorship LLC:				
Al Ain Farms For Livestock Production	UAE	Dairy and livestock	**51%**	-
Subsidiaries of Tamween Companies Management LLC:				
Apex Investment PSC	UAE	Holding Company.	**51.5%**	51.5%
Al Jaraf Fisheries LLC	UAE	Wholesale of fresh fish and Marine animals Trading.	**100%**	100%
Abu Dhabi Vegetable Oil Company LLC	UAE	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	**70%**	70%
Subsidiary of Abu Dhabi Vegetable Oil Company LLC:				
Cebag Middle East LLC	UAE	Food and beverage trading.	**98%**	98%
Subsidiaries of Apex Investment PSC:				
Apex Holding LLC	UAE	Investment Company.	**100%**	100%
Ras Al Khaimah Cement Co. LLC	UAE	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.	**100%**	100%
Apex Alwataniah Catering Service LLC	UAE	Food catering.	**100%**	100%
The Central Tents Company – Sole Proprietorship LLC	UAE	Sale and rental of tents.	**100%**	100%
R Facility Management – Sole Proprietorship LLC	UAE	Facilities management services.	**100%**	100%
Boudoir Interiors - Sole Proprietorship LLC	UAE	Interior design implementation works.	**100%**	100%
Apex National Investment LLC	UAE	Investment, institution and management of enterprises.	**100%**	100%

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2023	*2022*
Subsidiaries of Apex Investment PSC: continued				
Support Services Catering Company – Sole Proprietorship LLC	UAE	Building cleaning services.	**100%**	100%
Apex Companies Management LLC	UAE	Management services of companies and private institutions	**40%**	40%
Apex Construction and Development – Sole Proprietorship LLC	UAE	Real estate development and construction.	**100%**	100%
Apex Padel Sport – Sole Proprietorship LLC (iii)	UAE	Tennis club.	**-**	100%
Apex Alwataniah Logistics – Sole Proprietorship LLC	UAE	Land, marine, air shipment and clearance.	**100%**	100%
Apex Agro Investment – Sole Proprietorship LLC	UAE	Agricultural crop trading and investments	**100%**	100%
Apex UL Investment LLC	UAE	Commercial enterprises investment	**51%**	51%
Riva Marine General Marine Services – Sole Proprietorship LLC (iii)	UAE	Marine machine and equipment repair and maintenance.	**-**	100%
Subsidiaries of Al Jaraf Fisheries LLC:				
Pristine Caviar – Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	**100%**	100%
Pristine Fish Farm – Sole Proprietorship LLC	UAE	Land-based Aquaculture	**100%**	100%
Pristine Seafood Production LLC	UAE	Fish and seafood processing and preserving	**100%**	100%
Emirates Fish Farm – Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	**100%**	100%
Subsidiary of NRTC International Investment – Sole Proprietorship LLC:				
NRTC Limited Company	Kingdom of Saudi Arabia	Agriculture, forestry and fishing for wholesale and retail trade of fresh produce and repair of motor vehicles and motorcycles.	**100%**	-

(i) Holding company acquired during the period for AED 90 thousand.
(ii) Subsidiaries incorporated during the period.
(iii) These represent non-operating companies, the trade licences of which were cancelled during the period.
(iv) W A S Commercial Investment - Sole Proprietorship LLC acquired during the period

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

UAE Corporate Tax
On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Company and its UAE based subsidiaries with effect from 1 January 2024. The Ministry of Finance continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial period ended 30 June 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, we do not consider there to be material temporary differences on which deferred taxes should be accounted.

The Group will continue to monitor the publication of subsequent Decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to the position at subsequent reporting dates.

3.2 Significant accounting judgements, estimates and assumptions

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the financial statements as at and for the year ended 31 December 2022.

4 BUSINESS COMBINATION UNDER COMMON CONTROL

During the period, the Group acquired WAS Commercial Investment- Sole Proprietorship LLC under common control. The acquisition is excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is a business combination of an entity under common control, given that the Group and the acquired entity are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the interim condensed consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

Acquisition of WAS Commercial Investment – Sole Proprietorship LLC
Effective 1 April 2023, the Company acquired 100% interest in WAS Commercial Investment- Sole Proprietorship LLC ("WAS") for a consideration of AED 1. WAS is a holding company, based in the United Arab Emirates, and owns 51% shareholding in Al Ain Farms for Livestock Production.

From the date of acquisition, WAS contributed revenue and profit to the Group amounting to AED 237,914 thousand and AED 3,966 thousand, respectively. If the acquisition had taken place at the beginning of the year, WAS would have contributed revenue and profit to the Group amounting to AED 457,258 thousand and AED 10,091 thousand, respectively.

The following table summarises the assets acquired and liabilities assumed:

	Total AED'000
Assets	
Property, plant and equipment	621,198
Biological assets	109,536
Intangible assets	12,624
Right of use of assets	15,550
Inventories	144,708
Trade and other receivables	204,518
Cash and bank balances	54,288
Total assets	**1,162,422**
Liabilities	
Provision for employees' end of service benefits	35,568
Amounts due to related parties	3,502
Loan from related party	92,857
Lease liabilities	13,284
Borrowings	168,910
Trade and other payables	259,385
Total liabilities	**573,506**
Net assets	**588,916**
Less: non-controlling interest	**(288,570)**
Proportionate share of identifiable net assets acquired	**300,346**
Cash paid for consideration	-
Merger reserve	**300,346**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	**54,288**
Cash paid	-
Net cash acquired on acquisition	**54,288**

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Three months ended 30 June		***Six months ended 30 June***	
	(Unaudited) 2023 AED' 000	*(Unaudited) 2022 AED' 000*	***(Unaudited) 2023 AED' 000***	*(Unaudited) 2022 AED' 000*
Types of goods or services				
Sale of goods	**1,019,898**	373,270	**1,766,247**	679,109
Catering services	**58,187**	77,733	**128,790**	77,733
Sale of tents	**-**	79,162	**17,000**	79,162
Facility management services	**30,071**	26,850	**63,543**	26,850
Sale of cement	**34,590**	11,059	**57,288**	11,059
Contracting services	**31,256**	8,210	**35,220**	8,210
	1,174,002	576,284	**2,068,088**	882,123
Geographical concentration of revenue				
Within the UAE	**1,140,399**	546,007	**1,853,991**	827,955
Outside the UAE	**33,603**	30,277	**214,097**	54,168
	1,174,002	576,284	**2,068,088**	882,123
Timing of revenue recognition				
Goods and services transferred at a point in time	**1,072,828**	545,184	**1,918,125**	851,023
Goods and services transferred over time	**101,174**	31,100	**149,963**	31,100
	1,174,002	576,284	**2,068,088**	882,123

6 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 346,775 thousand (six month period ended 30 June 2022: AED 24,007 thousand), excluding property, plant and equipment acquired through business combination, and depreciation for the six month period ended 30 June 2023 amounted to AED 63,090 thousand (six month period ended 30 June 2022: AED 19,826 thousand). During the period, assets with a net book value of AED 21,885 thousand were disposed off (six month period ended 30 June 2022: AED 203 thousand). Property, plant and equipment acquired through business combination amounted to AED 621,198 thousand (note 4) (six month period ended 30 June 2022: 501,939 thousand). Other movements included in property, plant and equipment include foreign currency translation adjustment of AED 28,714 thousand (six month period ended 30 June 2022: AED 31,214 thousand), impairment of AED 408 thousand (six month period ended 30 June 2022: nil) and capitalization of depreciation to biological assets of AED 297 thousand (six month period ended 30 June 2022: AED 297 thousand).

Included in additions is an acquisition of assets from a Company in Saudi Arabia for a total consideration of AED 253,472 thousand. Management has concluded that the assets acquired do not represent a business as per the requirements of IFRS 3, Business Combinations.

7 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

Details of the Group's associates and a joint venture, as of 30 June 2023 and 31 December 2022, are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest*	
			2023	*2022*
Associates:				
Invictus Investment Company PLC	Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items	UAE	**22.5%**	22.5%
Reem Ready Mix LLC	Manufacturing and sale of concrete ready mix and providing concrete pumping services	UAE	**20%**	20%
Anina Culinary Art Ltd	Development of a technology that prepares a nutritionally balanced meal from fresh ugly produce that otherwise would have been discharged	Israel	**45%**	-
Joint venture:				
Sky Go Transport of Goods LLC	Engaged in air transportation for goods using unmanned aerial vehicles (Drones)	UAE	**50%**	50%

Movement in investment in associates and a joint venture is as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
At the beginning of the period / year	**614,599**	270,499
Acquired in business combinations	**-**	609,674
Addition/acquisition during the period / year	**36,750**	3,675
Transferred from investments in financial assets	**-**	6,165
Transferred to investments in subsidiaries	**-**	(183,198)
Disposal during the period / year	**-**	(63,621)
Dividend received during the period/year	**(39,296)**	**-**
Share of other comprehensive loss for the period / year	**-**	(7,077)
Share of profit (loss) for the period / year	**28,311**	(21,518)
At the end of the period / year	**640,364**	614,599

The group's share in material contingencies and commitments of the associates and a joint venture is as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Letters of guarantees and credits	**52,003**	106,311
Capital commitments	**21,426**	14,765

8 INVESTMENTS IN FINANCIAL ASSETS

	Notes	***(Unaudited) 30 June 2023 AED' 000***	*(Audited) 31 December 2022 AED' 000*
Investments carried at fair value through other comprehensive income	8.1	**115,752**	188,717
Investments carried at fair value through profit or loss	8.2	**500,344**	688,810
		616,096	877,527

Disclosed in the interim consolidated statement of financial position as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Current	**500,344**	688,810
Non-current	**115,752**	188,717
	616,096	877,527

8.1 Investments carried at fair value through other comprehensive income

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Quoted equity investments and inside the UAE	**110,684**	183,649
Unquoted equity investments and inside the UAE	**5,068**	5,068
	115,752	188,717

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, management of the Group has elected to designate these investments in financial instruments as FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The investments are recorded at fair value using the valuation techniques as disclosed in note 17. Movement in investments in financial assets carried at fair value through other comprehensive income is as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
At the beginning of the period / year	**188,717**	-
Acquired in business combination	**-**	210,132
Changes in fair value	**(72,965)**	(21,415)
At the end of the period / year	**115,752**	188,717

8 INVESTMENTS IN FINANCIAL ASSETS continued

8.2 Investments carried at fair value through profit or loss

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Quoted equity investments and inside the UAE	**500,344**	688,810

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. The fair values of the quoted investments are determined by reference to published price quotations in an active market.

The investments are recorded at fair value using the valuation techniques as disclosed in note 17. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
At the beginning of the period / year	**688,810**	82,747
Acquired in business combination	**-**	573,174
Transferred to investment in an associate	**-**	(6,165)
Additions during the period / year	**31,639**	24,769
Disposals during the period / year	**(15,479)**	(52,714)
Changes in fair value during the period / year	**(204,626)**	66,999
At the end of the period / year	**500,344**	688,810

9 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Trade receivables	**1,137,794**	962,607
Unbilled receivable	**81,661**	37,613
Less: provision for expected credit losses	**(72,187)**	(66,830)
	1,147,268	933,390
Deposits and other receivables	**59,020**	25,642
Advances to suppliers	**59,084**	23,424
Prepayments	**32,697**	18,234
Margin receivables	**17,273**	18,853
	1,315,342	1,019,543

9 TRADE AND OTHER RECEIVABLES continued

Movement in the provision for expected credit losses on trade receivables is as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
At the beginning of the period / year	**66,830**	14,769
Acquired in business combinations	**13,516**	34,228
(Reversal) / charge for the period / year	**(7,814)**	21,439
Write off	**(345)**	(3,606)
At the end of the period / year	**72,187**	66,830

The carrying amounts of the Group's trade receivables are denominated in the UAE Dirham. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the receivables mentioned above. The Group does not hold any collateral as security.

10 CASH AND BANK BALANCES

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Cash in hand	**7,293**	4,650
Cash at bank		
Bank balances	**501,812**	464,136
Term deposits	**303,363**	682
Less: allowance for expected credit losses	**(26)**	(30)
Cash and bank balances	**812,442**	469,438
Less: term deposits with an original maturity of more than six months	**(250,000)**	(682)
Less: bank overdrafts	**(13,177)**	(15,461)
Cash and cash equivalents	**549,265**	453,295

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates.

11 SHARE CAPITAL

	***(Unaudited)* 30 June 2023 AED' 000**	*(Audited) 31 December 2022 AED' 000*
Authorised, issued and fully paid shares		
241,600 thousand ordinary shares of AED 1 each (31 December 2022: 241,600 thousand ordinary shares of AED 1 each)	**241,600**	241,600

Contributed capital
Contributed capital represents a long term interest free advance from shareholders with no fixed terms of repayment. The shareholders have confirmed that this will not be called in the foreseeable future, and that, on dissolution of the company, the rights, benefits and obligations in the residual net assets and liabilities, attached to the balance in the additional shareholder contribution account, shall rank pari passu with those attached to the share capital of the company. Therefore, this advance is more akin to an equity instrument rather than a liability, and accordingly the balance has been presented within equity.

12 STATUTORY RESERVE

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 10% of the profit for the year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the share capital of the Company.

13 EARNINGS (LOSS) PER SHARE

Earnings (Loss) per share is calculated by dividing the profit (loss) for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	Three month period ended 30 June		***Six month period ended 30 June***	
	***(Unaudited)* 2023**	*(Unaudited) 2022*	***(Unaudited)* 2023**	*(Unaudited) 2022*
Profit (loss) attributable to the owners of the Company *(AED '000)*	**1,301**	72,658	**(39,775)**	61,667
Weighted average number of shares *(shares in '000)*	**241,600**	195,973	**241,600**	147,987
Earnings (loss) per share for the period *(AED)*	**0.01**	0.37	**(0.16)**	0.42

There are no dilutive securities therefore diluted EPS is the same as basic EPS.

14 BANK BORROWINGS

Movement in bank borrowings during the year is as follows:

	(Unaudited) 30 June 2023 AED 000	*(Audited) 31 December 2022 AED 000*
At 1 January	**571,570**	75,203
Acquired in business combinations (note 4)	**168,910**	39,399
Drawdowns	**414,460**	577,580
Repayments	**(98,137)**	(120,612)
At 31 December	**1,056,803**	571,570

Disclosed in the consolidated statement of financial position as follows:

	(Unaudited) 30 June 2023 AED	*(Audited) 31 December 2022 AED*
Non-current	**825,094**	422,437
Current	**231,709**	149,133
	1,056,803	571,570

15 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, associated companies, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances due from related parties included in the interim consolidated statement of financial position are as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Due from related parties:		
Entities under common control:		
International Securities LLC	**64,384**	2,540
ATGC Transport and GC LLC	**62,396**	82,453
Tamouh Healthcare Group LLC	**27,047**	6,908
Tamouh Healthcare LLC	**23,149**	100,220
National Petroleum Construction Company	**22,497**	52,171
Moon Flower Real Estate Development LLC	**13,629**	9,754
Asmak Holding Company Limited	**13,405**	15,434
International Fresh Harvest Fruits and Vegetables LLC	**8,420**	-
Al Ataa Investment LLC	**6,839**	-
Construction Workers Residential City LLC	**6,394**	13,541
Abu Dhabi Health Services Company PJSC	**2,695**	-
Sarha Ship	**1,793**	4,070
Abu Dhabi Fund for Development	**1,685**	-
H.H. Sheikh Mansour Bin Zayed Al Nahyan	**1,399**	-
Al Wathba Cow Farm	**1,092**	-
The Private Department Of The President	**1,049**	-
Cine Royal Cinema LLC	**836**	116
National Marine Dredging Company PJSC	**750**	-
International Holding Company PJSC	**-**	5,774
Others	**6,885**	5,808
	266,344	298,789
Other related parties:		
The Private Affairs Department of Sheikha Fatima	**164,149**	115,063
Meena Palace	**18,694**	36,888
Al Ataa Investment LLC	**-**	3,018
Others	**-**	2,784
	449,187	456,542
Less: allowance for excepted credit losses	**(5,868)**	(5,484)
	443,319	451,058

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

Set out below is the movement in the allowance for expected credit losses of due from related parties:

	***(Unaudited)* 30 June 2023 AED' 000**	*(Audited) 31 December 2022 AED' 000*
At the beginning of the period / year	**5,484**	469
Acquired in business combination	**-**	3,105
Provision for expected credit losses	**384**	1,910
At the end of the period / year	**5,868**	5,484

	***(Unaudited)* 30 June 2023 AED' 000**	*(Audited) 31 December 2022 AED' 000*
Balances with a financial institution *(other related party)*	**586,867**	406,335
Borrowings from a financial institution *(other related party)*	**900,937**	545,208
Investments in financial assets *(entities under common control)*	**582,932**	836,885
Lease liabilities *(entities under common control)*	**3,931**	4,447

Balances due to related parties included in the interim consolidated statement of financial position are as follows:

	***(Unaudited)* 30 June 2023 AED' 000**	*(Audited) 31 December 2022 AED' 000*
Due to related parties:		
Entities under common control:		
International Holding Company PJSC	**90,999**	96,928
NRTC Holding L.L.C	**16,000**	-
Malaih Investments LLC	**5,116**	-
Masakin Camel Farm	**3,440**	-
Royal Group Companies Management LLC	**2,611**	2,611
IHC Food Holding Company LLC	**1,888**	-
National Health Insurance Company (Daman) PJSC	**63**	-
Pal Technology Services LLC	**-**	30,850
ATGC Transport and GC LLC	**-**	7,594
Asmak Holding Company Limited	**-**	2,029
Construction Workers Residential City LLC	**-**	7,141
Others	**2,907**	2,761
	123,024	149,914
Other related parties:		
Anina Culnary Art LTD	**36,750**	-
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	**-**	400
Others	**-**	2,329
	159,774	152,643

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Loans from related parties:		
IHC Food Holding LLC	**105,000**	105,000
Abu Dhabi Fund for Development	**85,714**	-
International Holding Company PJSC	**100,000**	100,000
	290,714	205,000

Loans from related parties are analysed in the interim condensed consolidated statement of financial position as follows:

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Current	**219,286**	205,000
Non-current	**71,428**	-
	290,714	205,000

Loan from Abu Dhabi Fund for Development was obtained by Al Ain Farms for Livestock Production and is payable semi-annually over a period of ten years including a three year grace period for payment of principal. The loan carries interest at an agreed rate with Abu Dhabi Fund for Development.

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income are as follows:

	(Unaudited) Three months ended 30 June		***(Unaudited) Six months ended 30 June***	
	2023 AED	*2022 AED*	***2023 AED***	*2022 AED*
Revenues:				
Entities under common control	**19,276**	108,377	**99,675**	120,150
Other related parties	**142,840**	48,597	**250,833**	136,553
	162,116	156,974	**350,508**	256,703
Cost of goods sold:				
Entities under common control	**6,444**	10,021	**10,612**	10,044
Other related parties	**17,956**	3,228	**17,956**	3,402
	24,400	13,249	**28,568**	13,446
Interest expense on loans from related parties	**1,031**	554	**1,031**	934
Disposal of investment in a joint venture to a related party	**-**	101,000	**-**	101,000
General and administrative expenses				
Entities under common control	**105**	79	**669**	373
Other related parties	**105**	-	**105**	3
	210	79	**774**	376

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

Compensation of key management personnel

The remuneration of the key management personnel during the period was as follows:

	(Unaudited) Three months ended 30 June		***(Unaudited) Six months ended 30 June***	
	2023 AED 000	*2022 AED 000*	***2023 AED 000***	*2022 AED 0000*
Management remuneration	**8,476**	3,056	**14,068**	4,463
Employees' end of service benefits	**199**	116	**546**	148
	8,675	3,172	**14,614**	4,611

16 CONTINGENT LIABILITIES AND COMMITMENTS

	(Unaudited) 30 June 2023 AED' 000	*(Audited) 31 December 2022 AED' 000*
Letters of guarantee	**47,018**	42,296
Commitment for capital expenditure	**50,347**	42,311

The above letters of guarantee have been issued in the ordinary course of business on which the bank charges a fee at the market rate.

17 FAIR VALUES MEASUREMENT

Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

17 FAIR VALUES MEASUREMENT continued

Fair value of the Group's assets that are measured at fair value on recurring basis continued
The Group held the following financial instruments measured at fair value:

	Fair value as at					
	30 June 2023 (unaudited) AED' 000	*31 December 2022 (audited) AED' 000*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets:						
Quoted equity investments – investments carried at fair value through profit of loss	**500,344**	688,810	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted equity investments – investments carried at fair value through other comprehensive income	**110,684**	183,649	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investments carried at fair value through other comprehensive income	**5,068**	5,068	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Non-Financial assets:						
Biological assets -fish and shrimps	**152,083**	51,500	Level 2	Current market prices of similar type of assets	None	Not Applicable

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

18 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the six month period ended 30 June 2023 and 30 June 2022.

19 SEGMENT INFORMATION

For operating purposes, the Group organised into business segments as follows:

Consumer goods	Includes retail and wholesale of traded and manufactured consumer products
Catering	Offers catering services to public and private organizations in UAE
Facility Management Services	Offers a range of facilities management services with customized solutions to various businesses across a variety of sectors
Manufacturing	Engaged in the manufacturing and distribution of clinker and cements across UAE and internationally.
Contracting	Provides tents, shades and mobile halls to customers, building field hospitals and offers a wide range of services including planning, design consultancy and delivery of high end interiors
Others	(unallocated) includes head office expenses and income not allocated to any segment

19 SEGMENT REPORTING continued

	Six months period ended 30 June 2023 (Unaudited)							
Description	*Consumer goods AED'000*	*Catering AED'000*	*Facility management services AED'000*	*Manufacturing AED'000*	*Contracting AED'000*	*Others AED'000*	*Inter segment eliminations AED'000*	*Total AED'000*
Revenue from contracts with customers	**1,850,304**	**146,504**	**64,760**	**57,288**	**52,220**	**910**	**(103,898)**	**2,068,088**
Cost of sales	**(1,582,226)**	**(133,235)**	**(40,148)**	**(64,870)**	**(41,080)**	**-**	**103,898**	**(1,757,661)**
Gross profit	**268,078**	**13,269**	**24,612**	**(7,582)**	**11,140**	**910**	**-**	**310,427**
General and administrative expenses	**(154,930)**	**(5,391)**	**(6,067)**	**2,535**	**(3,822)**	**(14,333)**	**8,053**	**(173,955)**
Selling and distribution expenses	**(63,554)**	**-**	**-**	**-**	**-**	**-**	**-**	**(63,554)**
Changes in fair value of investments carried at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**(204,626)**	**-**	**(204,626)**
Other income	**31,574**	**1,810**	**249**	**123**	**221**	**5,379**	**(8,660)**	**30,696**
Profit share from associates and joint ventures	**-**	**-**	**-**	**-**	**-**	**28,311**	**-**	**28,311**
Finance costs	**(31,007)**	**(214)**	**(193)**	**(465)**	**(24)**	**(3)**	**607**	**(31,299)**
Profit (loss) for the period	**50,161**	**9,474**	**18,601**	**(5,389)**	**7,515**	**(184,362)**	**-**	**(104,000)**
Segment assets	**4,354,040**	**936,063**	**217,736**	**388,176**	**406,425**	**6,069,646**	**(5,466,818)**	**6,905,268**
Segment liabilities	**2,042,689**	**112,169**	**49,180**	**78,176**	**247,384**	**1,478,039**	**(1,376,624)**	**2,631,013**

19 SEGMENT REPORTING continued

	Six month period ended 30 June 2022 (Unaudited)							
Description	*Consumer goods AED'000*	*Catering AED'000*	*Facility management services AED'000*	*Manufacturing AED'000*	*Contracting AED'000*	*Others AED'000*	*Inter segment eliminations AED'000*	*Total AED'000*
Revenue from contract with customers	731,569	77,733	28,955	11,059	87,372	-	(54,565)	882,123
Cost of sales	(632,773)	(40,011)	(15,538)	(12,157)	(69,505)	-	54,565	(715,419)
Gross profit	98,796	37,722	13,417	(1,098)	17,867	-	-	166,704
General and administrative expenses	(42,268)	(3,505)	(2,294)	(14,145)	(2,262)	(2,078)	411	(66,141)
Selling and distribution expenses	(21,347)	-	-	-	-	-	-	(21,347)
Share of loss from investment in associates and a joint venture	(19,926)	-	-	-	-	(231)	-	(20,157)
Gain on disposal of investment in a joint venture	37,379	-	-	-	-	-	-	37,379
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	(7,077)	-	-	-	-	-	-	(7,077)
Changes in fair value of investments carried at fair value through profit or loss	8,584	-	-	-	-	(29,962)	-	(21,378)
Other income (expenses)	8,064	-	-	1,021	-	-	(854)	8,231
Finance cost	(4,870)	(7)	(7)	(146)	(2)	(1)	443	(4,590)
Profit for the period	57,335	34,210	11,116	(14,368)	15,603	(32,272)	-	71,624
Segment assets	4,245,467	966,978	204,185	389,721	365,442	1,297,659	(2,103,235)	5,366,217
Segment liabilities	2,120,946	152,557	54,231	74,332	214,066	297,087	(1,344,117)	1,569,102