ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

INDEX

	Exhibit	Page
Board of Director's Report	-	3
Independent Auditor's Report	-	4 - 10
Consolidated statement of financial position as at 31 December 2023	A	11 - 12
Consolidated statement of comprehensive income for the year ended 31 December 2023	B	13
Consolidated statement of changes in shareholders equity for the year ended 31 December 2023	C	14
Consolidated statement of cash flows for the year ended 31 December 2023	D	15 - 16
	Notes	
Notes to consolidated financial statements	1 - 26	17 - 45

BOARD OF DIRECTORS REPORT

For The Period Ended 31, December 2023

Asalam Alikom,

We are presenting our Financial Report for the Period ended 31 December , 2023 for our Group of Companies, Abu Dhabi National Co. for Building Material -Bildco. PJSC, Bildco Reinforcing Steel Services Est., Bildco Cement Products. LLC and Bildco Aerated Concrete Production LLC.

The company Made revenue AED 41,147,738 during the Year 2023 compared to AED 31,635,897 for the Same Period last year.

The Cost of sales AED (43,662,434) compared to AED (36,240,543) for The Same Period last year.

The company made gross loss AED (2,514,696) during the period, compared to gross Loss AED (4,604,646) dirhams for the same period last year.

The Consolidated Net loss during the Year 2023 for the Company AED (24,981,702) compared to consolidated Net Loss AED (28,860,095) for the Same Period last year.

Losses per share during the year 2023 AED (0.08) compared to AED (0.10) for the Same Period last year.

Shareholders Equity is AED 20,680,212 as of 31, December, 2023 compared to AED 45,775,895 at the end of the last year.

The Board of Directors has authorized the following gentlemen to sign the financial statements :

1-Mr / Suhail Saeed Abdulla Sulayem Alfalasi	Chairman
2-Mr / Rasheed Ali Rasheed Naser Al Omaira	Deputy Chairman of the Board
3-Mr / Salah Khamis Saleh Ali Aljunaibi	Member of the Board of Directors

BOARD OF DIRECTORS

Date 21 March 2024

Independent Auditor's Report

The Shareholders'
Abu Dhabi National Company for Building Materials PJSC
Abu Dhabi - United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the consolidated financial statements of **Abu Dhabi National Company for Building Materials PJSC** (the "**Company**") and its subsidiaries (together the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, because of the significant of the matters discussed in the basis for adverse opinion section of our report, the accompanying consolidated financial statements do not present fairly, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Adverse Opinion

- We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of AED 24,981,702 during the year ended 31 December 2023 (2022 : AED 28,860,095), accumulated losses of AED 344,625,270 (2022 : AED 313,047,262), Group current liabilities exceed its current assets by AED 199,199,018 (2022 : AED 173,914,922) as of that date. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. However, the consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders. We have not been able to obtain sufficient and corroborative evidences about the Group's management plans and new strategies. Accordingly, we are unable to comment on the appropriateness of the going concern assumption of the consolidated financial statements and their consequential impact on the financial results of the Group.

- We have not received direct confirmation letter from several banks, and Group not provide us the supporting document of bank facilities and loan repayment schedules as explained in Note (23). Accordingly we were unable to satisfy ourselves on the completeness of any special arrangements or restrictions arising from the relationship with these banks and on the completeness and accuracy of the balances and commitments held with these banks.

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شارع زايد الأول (الكترا)، برج جلوبال
الطابق الثالث، مكتب رقم ٣٠٣،٣٠٤
هاتف : ٦/٦٧٢٤٤٢٥ ٢ ٩٧١+
فاكس: ٦٧٦٥٠٠٣/٦٧٢٣٥٢٦ ٢ ٩٧١+
ص.ب: ٤٢٩٥ أبو ظبي، الإمارات العربية المتحدة

- Unquoted securities amounting to AED 8,781,758 Note 9 (b) are under the personal name of Mr. Ali Rasheed Naser Alomaira, (Managing Director) which are beneficially held and controlled by the Group.

- As described in Note 21, we have not received confirmation from related parties receivables and payables, which is included in the consolidated statements of financial position as of 31 December 2023 amounting AED 195,191 and AED 73,452 respectively. We were unable to satisfy ourselves as to this balance by other audit procedures.

- We would like to draw attention to Note 10 to the consolidated financial statements were shows investment properties amounting to AED 29,000,000, the value of the properties not evaluated by an independent evaluator.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in *United Arab Emirates* , and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Other Information

Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

In addition to the information described in the basis for adverse opinion section of our report, we enumerate below the other key audit matters:

- Impairment of trade and other receivables.
- Repayment of interest-bearing loans and borrowings.
- Valuation of investment properties and capital work in progress .

As part of designing our audit, we determine materiality and assessed the risks of material misstatement in the consolidated financial statements. We considered where management made subjective judgment; for instance, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represent a risk of material misstatement due to fraud. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking in to account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How our audit addressed the key audit matter**
Impairment of trade and other receivables As at December 31, 2023, the Group has a trade and claim receivables Balance of AED 99,173,789 and recorded expected credit losses against it of AED 92,050,257. Management performed an assessment of the recoverability of the Group's trade receivables to determine whether any were impaired. The Group has adopted International Financial Reporting Standard 9, Financial Instruments (IFRS 9), which provides specific guidance in this area of impairment loss allowances.	*Our audit procedures included carrying out the following:* a. Agreed the detailed listing of the loss allowance recognized on trade receivables to the Group's trial balances, b. Tested how the expected credit losses model had calculated the allowance on a lifetime basis, and how this compared with the guidance contained in IFRS 9. We also tested the mathematical accuracy of the *calculations;* c. Tested the historic payment experience used as the starting point for the re-calculation of the lifetime expected credit losses;

Key Audit Matters	How our audit addressed the key audit matter
We considered this to be a key audit matter due to the significant judgment required in determining the recoverability of trade receivables and the potentially material adjustments resulting from it that could effects the Group's consolidated financial position as at December 31, 2023 and its reported resulted for the year then ended.	d. Evaluated the appropriateness of the adjustments for forward looking information to historical balances, loss rates and other information, including agreeing to supporting documents on the sample basis; e. Assessed the completeness and accuracy of data used in calculating the expected credit losses, including the appropriate exclusion of balances assessed individually;
The computation of a Group's trade receivable loss allowance was made by reference to the lifetime expected credit losses of the trade *receivables* adjusted by forward looking information in line with the requirements of, and guidance in, IFRS 9 guidance. As a result of the assessment performed, management recoded an additional loss allowance/expected credit loss of AED 'NIL' for the year ended December 31, 2023 for trade receivables, to give a total loss allowance/expected credit loss of AED 92,050,257 as at that date.	f. Assessed whether time value of money was *considered in the* expected credit loss impairment model and checked the mathematical accuracy and calculations; g. Evaluated the appropriateness of the assumptions and judgments used by the management to estimate how much of the balance is recoverable; h. Evaluate the adequacy of the disclosures in Note (6) to the consolidated financial statements in accordance with IFRS.
Repayment of interest-bearing loans and borrowings Interest-bearing loans and borrowings as at December 31, 2023 amount to AED 205,881,228 as stated in note (13) which represent 69.42% of total liabilities. Compliance with financing and legal covenants and monitoring the liquidity position are important aspects for our audit since these can impact the Group's ability to repay its obligations.	Our audit procedure included carrying out the following: We applied the assumptions applied by the management for complying with the covenants and legal orders including its sensitivity.

Key Audit Matters	How our audit addressed the key audit matter
Interest-bearing loans and borrowings are under legal case and the amount presented in these consolidated financial statements has been derived from the court decision as disclosed in Note (23).	
Valuation of investment properties and capital work in progress . As at December 31, 2022, the Group has evaluate investment properties and capital work in progress amounting to AED 29,000,000 and AED 122,524,757 respectively.	*Our audit procedures included carrying out the following:* a. We evaluate the efficiency independent and integrity of the external evaluators, and we reviewed the conditions of their association contracts with the Group to determine any matter effected their objectivity or imposed limits on their scope of work.
Investment properties and capital work in progress are carried at fair value through profit or loss in the consolidated statement of financial position of Group and it is included within level 2 in the fair value measurement as at 31 December 2022.	b. We obtained the external evaluation reports for investment properties and capital work in progress, and checked whether evaluation method complied to the standards of surveying works issued by the department of municipal affairs and transport that they are appropriate for use in determining the fair value in consolidated statement of financial position.
Investment properties and capital work in progress has been revaluated only by one independent evaluator issued reports on 26 January 2023	c. We have implemented procedures to test whether the key information provided by the management to external evaluation firms were appropriate and reliable. d. Based on our evaluation results, we determined the adequacy of the disclosures in the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and in compliance with applicable provisions of Group's Articles of Association and Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

As required by Federal Decree Law No. (32) of 2021 we report that :

1. We have obtained all the information and explanation we considered necessary for our audit.

2. The consolidated financial statements comply, in all material respect with the applicable provisions of Federal Decree Law No. (32) of 2021 and the Articles of Association of the Group.

3. The Group has maintained proper books of accounts.

4. Investments in properties and financial assets disclosed in Note (9 & 10).

5. Transactions and term with related parties disclosed in Note 21.

6. The financial information mentioned in board of directors' report comply with the Group's' books of accounts.

7. There were no social contributions made during the year ended 31 December 2023.

8. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023 any of the applicable provisions of Federal Decree Law No. (32) of 2021 or the Articles of Association of the Group which would have a material effect on the Group's activities or on its consolidated financial position for the year.

For Talal Abu Ghazaleh & Co. International

Firas Kilani
Licensed Auditor No. 632

Abu Dhabi

21 March 2024

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	NOTE	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**3,513,390**	3,128,005
Bank term deposit	13 (f)	**632,034**	632,034
Trade and other receivables	6	**14,264,727**	11,663,803
Other asset	7	**1,062,601**	1,386,305
Inventories	8	**5,526,560**	5,944,987
Investments at fair value through profit or loss (FVTPL)	9 (a)	**72,374,201**	86,509,190
Total current assets		**97,373,513**	109,264,324
NON-CURRENT ASSETS			
Investments properties	10	**29,000,000**	29,000,000
Right-of-use assets	11	**25,848,048**	26,850,810
Property, plant and equipment	12	**202,456,946**	201,629,873
Total non-current assets		**257,304,994**	257,480,683
TOTAL ASSETS		**354,678,507**	366,745,007

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

To the best of our knowledge, the financial information include in these consolidated financial statements fairly presents in all material respects the financial condition, result of operation and cash flows of the Group as of, and for, the periods presented therein.

These financial statements were approved for issue by the Board of Directors on 21 March 2024 and signed on their behalf by:

Mr. Suhail Saeed Abdullah Sulayem Al Falasi
Chairman

Dr. Salah Khamis Saleh Aljunaibi
Chief Executive Officer

Mr. Rasheed Ali Rasheed Naser Al Omaira
Vice Chairman

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

CONT. EXHIBIT A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

EQUITY AND LIABILITIES	NOTE	2023	2022
CURRENT LIABILITIES			
Bank overdraft	13 (f)	**26,136,005**	26,136,005
Borrowings	13	**179,745,223**	179,745,223
Trade and other payables	14	**90,303,241**	76,987,158
Lease liabilities	15	**388,062**	310,860
Total current liabilities		**296,572,531**	283,179,246
NON-CURRENT LIABILITIES			
Lease liabilities	15	**27,224,796**	27,821,457
End of service benefits obligation	16	**1,951,559**	1,832,981
Total non-current liabilities		**29,176,355**	29,654,438
Total liabilities		**325,748,886**	312,833,684
EQUITY			
Share capital	17	**300,000,000**	300,000,000
Statutory reserve		**43,424,314**	43,424,314
Capital reserve		**15,398,843**	15,398,843
Accumulated (losses)		**(344,625,270)**	(313,047,262)
Revaluation reserve for property and equipment		**6,482,325**	----
Net equity attributable to the shareholders of the Company		**20,680,212**	45,775,895
Non controlling interest		**8,249,409**	8,135,428
Total equity - Exhibit C		**28,929,621**	53,911,323
TOTAL LIABILITIES AND EQUITY		**354,678,507**	366,745,007

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

To the best of our knowledge, the financial information include in these consolidated financial statements fairly presents in all material respects the financial condition, result of operation and cash flows of the Group as of, and for, the periods presented therein.

These financial statements were approved for issue by the Board of Directors on 21 March 2024 and signed on their behalf by:

Mr. Suhail Saeed Abdullah Sulayem Al Falasi
Chairman

Dr. Salah Khamis Saleh Aljunaibi
Chief Executive Officer

Mr. Rasheed Ali Rasheed Naser Al Omaira
Vice Chairman

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT B

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	NOTE	2023	2022
Revenues		**41,147,738**	31,635,897
Direct costs		**(43,662,434)**	(36,240,543)
Gross (loss)		**(2,514,696)**	(4,604,646)
General and administrative expenses	18	**(9,701,952)**	(9,970,736)
Impairment for slow moving inventories	8 (b)	**(362,701)**	(349,977)
Directors remunerations		**(225,000)**	(164,429)
Unrealized gain on revaluation of investment properties	10	**----**	3,683,843
(Loss) on revaluation on property, plant and equipment	12	**(505,983)**	(3,023,215)
Finance cost		**(11,338,865)**	(10,124,349)
Impairment for investments in financial assets (FVTPL)	9 (b)	**(1,017,500)**	----
Unrealized (loss) on revaluation of investments in financial assets (FVTPL)	9 (b)	**(7,853,879)**	(10,753,876)
(Loss) / gain from sale of fair value investments		**(296,510)**	1,831,068
Other income	19	**2,353,059**	4,616,222
(Loss) for the year - Exhibit C & D		**(31,464,027)**	(28,860,095)
Other comprehensive income			
Gain on revaluation of property, plant and equipment	12	**6,482,325**	----
Total other comprehensive income for the year		**6,482,325**	----
Total comprehensive (loss) for the year - Exhibit C		**(24,981,702)**	(28,860,095)
(Loss) for the year attributable to:			
Shareholders of the group		**(25,095,683)**	(28,790,953)
Non controlling interest		**113,981**	(69,142)
Total		**(24,981,702)**	(28,860,095)
Basic (loss) per share		**(0.08)**	(0.10)

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT C

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	Share Capital	Statutory reserve	Capital reserve	Accumulated (losses)	Revaluation reserve for property, plant and equipment	Net	Non controlling interest	Total
Shareholders' equity at 31 December 2021	300,000,000	43,424,314	15,398,843	(284,256,309)	----	74,566,848	8,204,570	82,771,418
Total comprehensive (loss) for the year 2022 - Exhibit B	----	----	----	(28,790,953)	----	(28,790,953)	(69,142)	(28,860,095)
Shareholders' equity at 31 December 2022 - Exhibit A	300,000,000	43,424,314	15,398,843	(313,047,262)	----	45,775,895	8,135,428	53,911,323
Total comprehensive (loss) for the year 2023 - Exhibit B	**----**	**----**	**----**	**(31,578,008)**	**6,482,325**	**(25,095,683)**	**113,981**	**(24,981,702)**
Shareholders' equity at 31 December 2023 - Exhibit A	**300,000,000**	**43,424,314**	**15,398,843**	**(344,625,270)**	**6,482,325**	**20,680,212**	**8,249,409**	**28,929,621**

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE CONSOILDATED FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT D

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	NOTE	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES :			
(Loss) for the year - Exhibit B		**(31,578,008)**	(28,790,953)
Profit / (loss) for non-controlling interest		**113,981**	(69,142)
Adjustments for			
Depreciation on property, plant and equipment	12	**5,138,461**	5,438,996
(Gain) on sale of property, plant and equipment	19	**(53,101)**	(243,142)
Depreciation of right-of-use assets	11	**1,002,762**	1,018,120
Impairment for investments in financial assets (FVTPL)	9	**1,017,500**	----
Unrealized loss in fair value through profit or loss	9	**7,853,879**	10,753,876
Loss / (gain) from sale of fair value investment		**296,510**	(1,831,068)
Unrealized (profit) on revaluation of investment properties	10	**----**	(3,683,843)
Loss on revaluation on property, plant and equipment	12	**505,983**	3,023,215
Impairment of slow moving inventories	8	**362,701**	349,977
Impairment of trade receivables - written back	6	**----**	600,000
End of service benefits obligation	16	**215,177**	374,881
Finance cost on lease liability	15	**1,440,602**	1,445,893
Finance cost		**9,898,263**	8,678,456
Operating (loss) before working capital changes		**(3,785,290)**	(2,934,734)
Changes in the components of working capital :			
(Increase) / decrease in trade and other receivables	6	**(2,662,614)**	1,017,986
Decrease in other assets	7	**323,704**	176,482
Decrease in inventories	8	**55,726**	445,395
Increase in trade and other payables	14	**13,530,288**	17,180,865
Cash (used) / generated from operations		**7,461,814**	15,885,994
End of service benefits obligation paid	16	**(96,599)**	(502,041)
Net cash flows from operating activities		**7,365,215**	15,383,953
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	12	**(181,556)**	(393,655)
Purchase of investment in financial assets (FVTPL)	9	**----**	(29,246,976)
Proceeds from disposal of property, plant and equipment		**245,465**	243,142
Proceeds from disposal of investment in financial assets		**4,967,100**	22,335,092
Net cash flows from / (used in) investing activities		**5,031,009**	(7,062,397)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

CONT.EXHIBIT D

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	NOTE	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease in related parties - receivables	21	**61,690**	27,047
Increase in bank overdraft	13 (f)	**----**	1,580
(Decrease) / increase in related parties - payables	21	**(214,205)**	286,338
Lease liabilities paid	15	**(1,960,061)**	(1,870,225)
Finance cost		**(9,898,263)**	(8,678,456)
Net cash flows (used in) financing activities		**(12,010,839)**	(10,233,716)
NET CASH FLOWS GENERATED / (USED) DURING THE YEAR		**385,385**	(1,912,160)
Cash and cash equivalents at beginning of the year		**3,128,005**	5,040,165
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	**3,513,390**	3,128,005

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

1. STATUS AND ACTIVITIES

a) **Abu Dhabi National Company for Building Materials PJSC ("BILDCO"** or the "Company") was incorporated in Abu Dhabi by Amiri Decree No. 5 for the year 1974 and registered with Department of Economic Development - Abu Dhabi with a trade license number 1002141 on 18 May 1980. The Company was listed for trading on Abu Dhabi Securities Exchange (ADX) on 15 November 2000 following the Company's Initial Public Offering ("IPO"). The registered address of Company is at Abu Dhabi Building Material Company Building , Salam Street, Abu Dhabi. The Group is also operating through following subsidiaries registered in other emirates.

Legal Name	License Number	Date of Incorporation	Location	Activities
i) Abu Dhabi National Company for Building Materials	1005372	19 September 2006	Al Ain	Commercial agencies, Companies Representation and General trading.
ii) Abu Dhabi National Company for Building Materials - Buildco - Branch	546792	6 July 2003	Dubai	General trading and Oilfield and natural gas equipment and spare parts trading.
iii) Bildco Aerated Concrete Products L.L.C	608886	5 November 2008	Dubai	Bricks manufacturing.

b) The Company holds investment in subsidiaries (referred together with Company as "Group"). The Activities of subsidiaries as listed below and consolidated financial information include the performance and financial position as at a 31 December 2023 as follows:

Trade Name	Legal status	License Number	Date of Incorporation	Percentage of ownership	Location	Activities
i) Bildco Cement Products L.L.C	Limited Liability Company	1000463	14 June 1997	80%	Abu Dhabi	Construction precast concrete, cement or artificial stones articles manufacturing.
ii) Bildco Reinforcing Steel Services	Local establishment	1000606	31 March 1998	100%	Abu Dhabi	Steel bars preparation.
iii) Bildco Steel Industries	Local establishment	1001347	5 August 2006	100%	Abu Dhabi	Hot-Rolled steel bars and rods manufacturing.

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those applied by the Company in the interpretation of the consolidated financial statements for the year ended 31 December 2022 except for the adoption of the following new standards, interpretation and amendments.

2.1 Standards, interpretations issued and effective for the current year

The Group has adopted all the applicable new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 January 2023.

- ***Definition of Accounting Estimates***

Definition of Accounting Estimates amends IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies.

- ***Disclosure of Accounting Policies***

Disclosure of Accounting Policies amends IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

- ***Covid-19 Related Rent Concessions beyond 30 June 2021***

Covid -19-Related Rent Concessions beyond 30 June 2021 amended IFRS 16 to extend by one year the application period of the practical expedient in paragraph 46A to held lessees accounting for Covid-19- related rent concessions.

- ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

Deferred Tax related to Assets and Liabilities arising from a Single Transaction amends IAS 12 Income Taxes. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments apply to transactions such as leases and decommissioning obligations.

- ***Initial application of IFRS 17 and IFRS 9 - Comparative Information***

Initial Application of IFRS 17 and IFRS 9 - Comparative Information amends IFRS 17 Insurance Contracts. The amendment adds a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023.

These amendments had no material impact on the consolidated financial statements of the Group.

2.2 **Standards, interpretations and amendments in issue not yet effective and not early adopted:**

		Effective date
IFRS 16	Lease liability in a sale and leaseback.	1 January 2024
IAS 1	Non-current liabilities with covenants.	1 January 2024

If applicable, the Group intends to adopt these new and amended standards and interpretations when they become effective. The management anticipates that the adoption of the above standards and interpretations in future periods may have an impact on the consolidated financial statements of the Group.

3. GOING CONCERN

The Group incurred a net loss of AED 24,981,702 during the year ended 31 December 2023 (2022 : AED 28,860,095), accumulated losses of AED 344,625,270 (2022 : AED 313,047,262), Group current liabilities exceed its current assets by AED 199,199,018 (2022 : AED 173,914,922) as of that date. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. However, the consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Group is consistent with those applied in prior periods except for the new and amended IFRS's effective as of 1 January 2023 as detailed in Note 2 which did not have material impact on the consolidated financial statements of the Group. The significant accounting policies adopted by the Group in the preparation of the consolidated financial statements are as follows:-

a. *Consolidated Financial Statements Preparation Framework*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) and comply with the relevant Article of the Company and the UAE Federal Law No. (32) of 2021.

b. *Basis of preparation*

- The consolidated financial statements for the public joint stock Company are prepared under the historical cost convention, except for the measurement / revaluation of certain assets and financial instruments at a basis other than the historical cost. The significant accounting policies are set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services, while Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

c. *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the parent Company and its subsidiaries mentioned Note 1. Control is achieved when the parent Company:

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

The parent Company 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.

Consolidation of a subsidiary begins when the parent Company obtains control over the subsidiary and ceases when the parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the parent Company gains control until the date when it ceases to control the subsidiary. All intra Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d. *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

e. *Financial assets*

Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

The Group does not have debt instruments that qualify for measurement at fair value through other comprehensive income nor at fair value through profit or loss. Moreover the Group's financial assets does not have any equity instrument financial assets.

Initial measurement

Financial assets are recognized when the Group becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

i) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, cash at banks-current accounts and other short-term highly liquid investments with original maturities of three months or less.

ii) *Trade and other receivables*

Trade and other receivables do not bear interest. Trade receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

Impairment

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. For trade receivables, the company measures the loss allowance at an amount equal to the lifetime expected credit losses.

Derecognition

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

iv) *Financial assets at fair value through profit or loss (FVTPL)*

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

f. *Value Added Tax (VAT)*

Value added tax is imposed on import and supply of goods or services, including deemed supply, at each stage of production and distribution. Tax collected or due on supply of services are credited to output tax account and tax paid on purchases and business expenses and are available for input tax credit are debited to input tax account. At the end of each tax period, value added tax payable / receivable is calculated in accordance with U.A.E. Tax Laws and are carried in the consolidated statement of financial position.

g. *Related parties*

Related parties are considered to be related because they have the ability to exercise control over the Group or to exercise significant influence or joint control over the Group's financial and operating decisions. Further, parties are considered related to the Group when the Group has the ability to exercise control, significant influence, or joint control over the financial and operating decisions of those parties. Transactions with related parties, normally, comprise of transfer of resources, services, or obligations between the parties. At the consolidated statement of financial position date, the related parties receivables and payables are stated at the net realizable value.

h. *Inventories*

Raw materials inventories are stated at the lower of cost and net realizable value. Inventory costs include:

a) costs of purchase (including transport, and handling) net of trade discounts received, and

b) other costs incurred in bringing the inventories to their present location and condition.

Year-end inventory cost of raw materials is reached at using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

- *Finished goods*

Finished goods are stated at raw materials and consumables cost used in production, plus cost of conversion (including fixed and variable manufacturing overheads which are estimated by management).

- *Raw materials*

Raw materials are stated at costs of purchase (including taxes, transport and handling) net of trade discounts received, plus other costs incurred in bringing the inventories to their present location and condition.

i. *Investments properties*

Investment property (land or building or part of a building or both) is property: (a) held by the Group to earn rentals, (b) for capital appreciation rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, and/or for undetermined use. Investment property is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the consolidated statement of comprehensive income in the year in which they arise.

j. *Right of use asset*

The Group assess whether a contract is or contains a lease, at inception of the contract. The Group recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets for which lease payments are recognized as an expense in the consolidated statement of comprehensive income on straight line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using effective interest method, by reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any accumulated impairment. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset which ever is shorter.

The carrying values of right-of-use assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 4 (l).

Whenever the Group incurs an obligation for costs to dismantle and remove the leased assets or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with Note 4 (o).

k. *Property, plant and equipment*

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

After initial recognition, the property, plant and equipment are carried in the consolidated statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. The depreciation charge for each period is recognized in the consolidated statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group over the estimated useful lives of the assets. The useful lives of the assets are estimated as follows:

Category	Useful life
Building and caravans	10 - 45 years
Furniture, fixtures, decoration and hardwares	4 years
Machinery and equipment	4 - 45 years
Tools and equipment	4 years
Motor vehicles	3 - 4 years
Moulds	2 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 4 (l).

On the subsequent derecognition (sale or retirement) of the property, plant and equipment, the resultant gain or loss, being the difference between the net disposal proceeds, if any, and the carrying amount, is included in the consolidated statement of comprehensive income.

l. *Impairment of tangible assets*

At each consolidated statement of financial position date, the public joint stock Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the of consolidated statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m. *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

n. *Borrowing costs*

Finance cost comprises interest expense on bank borrowings, profit expense on bank financing and bank charges. All finance costs are recognized in profit or loss using the effective interest rate method. However, borrowing costs which are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is an asset which necessarily takes a substantial year of time to get ready for its intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

o. *Provisions*

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the consolidated statement of financial position date or to transfer it to a third party.

Provisions reviewed and adjusted at each consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

p. *End of service benefits obligation*

- Provision for employees' end-of-service benefits is calculated in accordance with the Federal Labour Laws of United Arab Emirates. The Group measures its obligations under employees' benefits as described in IAS 19 using actuarial valuation method unless the differences between actuarial valuation and actual liability and service cost is immaterial.

- Pension funds for UAE nationals has been computed as per rates approved by the concerned government department.

q. *Statutory reserve*

In accordance with the Article of Association of the Company and the requirements of the U.A.E. Commercial Companies Law, an amount equal to 10% of the annual net profit should be transferred to statutory reserve account till such reserve equal 50% of the Group's paid up capital. This reserve is not available for distribution.

r. *Capital reserve*

The Group articles provide for setting aside 10 % of the Company net profit to create a capital reserve. The ordinary general assembly may stop deduction based on suggestion of Board of Directors or if the capital reserve reaches twice of the Company paid up capital. This reserve may be used to the purpose decided by the Board of Directors. The Board has decided not to transfer any amount to capital reserves during the year.

s. *Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. The company's performance obligations are satisfied at a point in time. The amount of revenue recognized is the amount allocated to the satisfied performance obligations.

i) *Sale of goods*

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

- *Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

- *Rights of return*

period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

- *Volume rebates*
  The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

ii) *Rental income*
Rental income from property, plant and equipment is recognized in the consolidated statement of comprehensive income on a straight line basis over the term of the lease.

iii) *Interest income*
Interest revenue is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iv) *Dividend income*
Dividend income is recognized in profit or loss on the date that the Group's right to receive the payment is established.

t. *Contingent liabilities*
Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the consolidated financial statements.

u. *Critical accounting judgments and key sources of estimation uncertainty*
The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant impact on the amounts recognized in the consolidated financial statements.

i. *Impairment of slow moving inventories*

Provisions for slow moving inventories are based on assumptions about risk of decrease in selling price due to changes in customer preference, availability of new technology and/or competition from substitute goods, etc., in an arms length transaction between a knowledgeable buyer and a seller. The Group uses judgment in making these assumptions and selecting the inputs to the calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

ii. *Impairment of non-current assets*

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in earnings, timing and quantum of future, long term growth rates and the selection of discounts.

iii *Useful lives of property, plant and equipment*

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

iv. *Impairment of financial assets*

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting

v. *Impairment of slow moving inventories*

Provisions for slow moving inventories are based on assumptions about risk of decrease in selling price due to changes in customer preference, availability of new technology and/or competition from substitute goods, etc., in an arms length transaction between a knowledgeable buyer and a seller. The Group uses judgment in making these assumptions and selecting the inputs to the calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. CASH AND CASH EQUIVALENTS

This item consists of the following:

	2023	2022
Cash in hand	**587,203**	167,881
Cash at banks - current accounts	**2,926,187**	2,960,124
Total - Exhibit A & D	**3,513,390**	3,128,005

6. TRADE AND OTHER RECEIVABLES

a) This item consists of the following:

	2023	2022
Trade receivables	**24,041,563**	22,019,492
Claim receivables	**75,132,226**	75,132,226
Impairment of trade and claim receivables - Note 6 (c)	**(92,050,257)**	(92,050,257)
Net trade and claim receivables - Note 6 (b)	**7,123,532**	5,101,461
Dividend receivables	**266,609**	394,810
Related parties -receivables - Note 21 (a)	**443,667**	505,357
Post dated cheques received - Note 6 (d)	**1,456,462**	1,769,424
Margin on letters of guarantee	**1,195,000**	1,195,000
Refundable deposits	**715,353**	715,353
Staff advances	**206,743**	208,612
Value added tax - receivables (net)	**448,701**	519,968
Advance payment to suppliers	**2,408,660**	1,253,818
Net - Exhibit A	**14,264,727**	11,663,803

b) The aging for the trade and claim receivables is as the following:

	2023				2022			
	Trade receivables	**Claim receivables**	**Expected credit loss**	**Net trade and claim receivables**	Trade receivables	Claim receivables	Expected credit loss	Net trade and claim receivables
1 - 90 days	**3,687,740**	----	----	**3,687,740**	3,137,132	----	----	3,137,132
91 - 180 days	**1,519,528**	----	----	**1,519,528**	1,833,999	----	----	1,833,999
181 - 365 days	**132,861**	----	----	**132,861**	53,017	----	----	53,017
More than 365 days	**18,701,434**	**75,132,226**	**(92,050,257)**	**1,783,403**	16,995,344	75,132,226	(92,050,257)	77,313
Total - Note 6 (a)	**24,041,563**	**75,132,226**	**(92,050,257)**	**7,123,532**	22,019,492	75,132,226	(92,050,257)	5,101,461

The Group sells its products to various customers in UAE. The Group's largest Sixteen customers amounting to AED 5,346,531 accounted for 22.24% of outstanding trade receivables as of 31 December 2023 (2022 : 10,264,373, 46.61%, twenty two customers).

c) *Movement of impairment of trade and claim receivables:*

This item consists of the follows:	**2023**	2022
As at 1 January	**(92,050,257)**	(93,232,545)
Written off	**----**	582,288
Written back - Note 19	**----**	600,000
As at 31 December - Note 6 (a)	**(92,050,257)**	(92,050,257)

d) Post dated cheques received amounting to AED 1,456,462 (Note 6 (a)) and are mature during the period from January to May 2024.

7. OTHER ASSET

This item consists of the following:

	2023	2022
Prepaid expenses	**1,062,601**	1,386,305
Total - Exhibit A	**1,062,601**	1,386,305

8. INVENTORIES

a) This item consists of the following :

	2023	2022
Steel	**1,470,278**	1,619,654
Raw materials	**1,691,305**	1,274,668
Finished goods	**2,157,041**	2,705,137
Consumables	**525,107**	367,232
Spare parts	**2,467,771**	2,400,537
Other building materials	**1,322,198**	1,322,198
Total	**9,633,700**	9,689,426
Impairment slow moving inventories - Note 8 (b)	**(4,107,140)**	(3,744,439)
Net - Exhibit A	**5,526,560**	5,944,987

b) *Movement of impairment of slow moving inventories:*

This item consists of the following :

	2023	2022
As at 1 January	**(3,744,439)**	(3,394,462)
Charge for the year - Exhibit B	**(362,701)**	(349,977)
As at 31 December - Note 8 (a)	**(4,107,140)**	(3,744,439)

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

a) i) This item consists of the following:

	2023	2022
Quoted securities (local)	**64,609,943**	69,349,669
Unquoted securities (local)	**8,781,758**	17,159,521
Total	**73,391,701**	86,509,190
Impairment for investments in financial assets (FVTPL)	**(1,017,500)**	----
Net - Exhibit A	**72,374,201**	86,509,190

ii) The Abu Dhabi Court for Urgent Matters issued a court order to freeze the Group's securities amounting to AED 31,485,420 from the above mentioned investment in securities for the year ended 31 December 2023 (2022: AED 34,931,585) against a suit filed by First Abu Dhabi Note (23).

b) Unquoted securities amounting to AED 8,781,758 are under the personal name of Mr. Ali Rasheed Naser Alomaira, (Managing Director) which are beneficially held and controlled by the Group.

c) Changes in investment in financial assets for the current year as follows:

i) *INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS*

Changes in investment designated at fair value through profit or loss statement (FVTPL) for the year as follows:

	2023	2022
Fair value as at 1 January	**86,509,190**	88,213,763
Purchase	**----**	29,246,976
Disposals	**(5,263,610)**	(20,197,673)
Impairment for investments in financial assets - Note 9 (d)	**(1,017,500)**	----
Unrealized (loss) in fair value through profit or loss - Exhibit B	**(7,853,879)**	(10,753,876)
Fair value as at 31 December - Note 9 (a)	**72,374,201**	86,509,190

d) This item represents investments in listed securities in the market which are distributed as follows:

	2023	2022
Banks sector	**12,195,817**	14,610,374
Insurance sector	**31,485,420**	34,931,585
Real estate	**5,497,988**	4,447,336
Others	**24,212,476**	32,519,895
Total	**73,391,701**	86,509,190
Impairment for investments in financial assets (FVTPL)	**(1,017,500)**	----
Net - Note 9 (a)	**72,374,201**	86,509,190

10. INVESTMENT PROPERTIES

a) This item consists of the following :

	Buildings	Total
COST		
At 1 January 2022	25,316,157	25,316,157
Unrealized gain on revaluation of investment property	3,683,843	3,683,843
At 31 December 2022	29,000,000	29,000,000
Unrealized gain on revaluation of investment property	----	----
At 31 December 2023	**29,000,000**	**29,000,000**
NET BOOK VALUE		
At 31 December 2023 - Exhibit A	**29,000,000**	**29,000,000**
At 31 December 2022 - Exhibit A	29,000,000	29,000,000

b) Investment properties has been revaluated by independent evaluator M/s. Wellington Valuation Services and Properties Management (WVSPM) and they issued the final revaluation report on 26 January 2023.

11. RIGHT-OF-USE ASSETS

a) The details of the cost, accumulated depreciation and the respective carrying amounts of various categories of right-of-use assets are as follows:

	Land
COST	
At 1 January 2022	31,493,828
At 31 December 2022	31,493,828
At 31 December 2023	**31,493,828**
ACCUMULATED AMORTISATION	
At 1 January 2022	(3,624,898)
Charge for the year - Note 18	(1,018,120)
At 31 December 2022	(4,643,018)
Charge for the year - Note 18	**(1,002,762)**
At 31 December 2023	**(5,645,780)**
NET BOOK VALUE	
At 31 December 2023 - Exhibit A	**25,848,048**
At 31 December 2022 - Exhibit A	26,850,810

b) During the year, the Group has recognized following amounts related to leases in the consolidated statement of comprehensive income.

	2023	2022
Depreciation expense on right of use assets	**1,002,762**	1,018,120
Interest expense on lease liabilities	**1,440,602**	1,445,893
Total cash outflow for leases	**1,960,061**	1,870,225

c) Right of use assets mentioned above represents lease lands for a period of 6 and 50 years.

12. PROPERTY, PLANT AND EQUIPMENT

a) The details of cost, accumulated depreciation and the respective carrying amounts of various categories of property, plant and equipment are as follows:

	Building and caravans	Furniture, fixtures, decoration and hardware	Machinery and equipment	Tools and equipment	Motor vehicles	Moulds	Capital work in progress	Total
COST								
At 1 January 2022	127,435,836	4,946,844	174,502,669	1,424,593	3,659,004	8,335,062	125,547,972	445,851,980
Additions	----	5,460	160,000	5,460	----	222,735	----	393,655
Disposals	----	----	(3,828,047)	----	(214,000)	----	----	(4,042,047)
Written off	----	(3,000)	----	----	----	----	----	(3,000)
Revaluation	----	----	----	----	----	----	(3,023,215)	(3,023,215)
At 31 December 2022	127,435,836	4,949,304	170,834,622	1,430,053	3,445,004	8,557,797	122,524,757	439,177,373
Additions	----	----	----	----	----	**181,556**	----	**181,556**
Disposals	----	----	**(467,769)**	----	----	----	----	**(467,769)**
Revaluation	**6,282,327**	----	**(505,983)**	----	**199,998**	----	----	**5,976,342**
Elimination on revaluation	**(19,267,189)**	----	----	----	**(589,093)**	----	----	**(19,856,282)**
At 31 December 2023	**114,450,974**	**4,949,304**	**169,860,870**	**1,430,053**	**3,055,909**	**8,739,353**	**122,524,757**	**425,011,220**
ACCUMULATED DEPRECIATION								
At 1 January 2022	(40,793,879)	(4,833,613)	(93,880,425)	(1,338,141)	(3,478,116)	(8,204,620)	(83,624,757)	(236,153,551)
Charge for the year	(2,459,409)	(49,369)	(2,621,533)	(27,643)	(51,953)	(229,089)	----	(5,438,996)
Related to disposals	----	----	3,828,047	----	214,000	----	----	4,042,047
Related to written off	----	3,000	----	----	----	----	----	3,000
At 31 December 2022	(43,253,288)	(4,879,982)	(92,673,911)	(1,365,784)	(3,316,069)	(8,433,709)	(83,624,757)	(237,547,500)
Charge for the year	**(2,442,242)**	**(24,410)**	**(2,356,684)**	**(27,498)**	**(45,985)**	**(241,642)**	----	**(5,138,461)**
Related to disposals	----	----	**275,405**	----	----	----	----	**275,405**
Related to elimination on revaluation	**19,267,189**	----	----	----	**589,093**	----	----	**19,856,282**
At 31 December 2023	**(26,428,341)**	**(4,904,392)**	**(94,755,190)**	**(1,393,282)**	**(2,772,961)**	**(8,675,351)**	**(83,624,757)**	**(222,554,274)**
NET BOOK VALUE								
At 31 December 2023 - Exhibit A	**88,022,633**	**44,912**	**75,105,680**	**36,771**	**282,948**	**64,002**	**38,900,000**	**202,456,946**
At 31 December 2022 - Exhibit A	84,182,548	69,322	78,160,711	64,269	128,935	124,088	38,900,000	201,629,873

b) Depreciation of property, plant and equipment was charged in consolidated statement of comprehensive income for the period as follows:

	2023	2022
Direct cost	**4,422,157**	4,688,056
General and administrative expenses - Note 18	**716,304**	750,940
Total	**5,138,461**	5,438,996

c) Capital work in progress has been revaluated by independent evaluator M/s. Wellington Valuation Services and Properties Management (WVSPM) and they issued the final revaluation report on 28 January 2023.

d) The revaluation of the property, plant and equipment has been done by independent evaluator (M/s. Pioneers Surveyors and Loss Adjusters) dated on 9 November 2023.

13. BORROWINGS

a) This item consists of the following :

	2023	2022
Borrowings - current	**179,745,223**	179,745,223
Total - Exhibit A	**179,745,223**	179,745,223

b) The details of movement in the carrying amount of long term borrowings are as follows:

	2023	2022
Balance at 1 January	**179,745,223**	179,745,223
Balance at 31 December - Exhibit A & Note 13 (a)	**179,745,223**	179,745,223

c) Loans of AED 334,243,218 were obtained from Several banks at interest rates between 3% and 4.6 % annually plus EIBOR. The balance as of 31 December 2023 was AED 179,745,223 (2022 : AED 179,745,223).

d) Loans installments which are due for less than twelve months are classified as current liabilities, and the remaining installments which are due after that date are classified as non - current liabilities.

e) The Group has defaulted in the repayment of the term loans and bank borrowings obtained from various banks. The details of the legal proceedings and settlements in relation to these facilities have been disclosed under Note 23 of these consolidated financial statements.

f) Fund and non-fund bank facilities are granted against the following securities :

- Hypothecation over machineries amounting AED 33,000,000/- in favor of bank.
- Assignment of insurance policy over factory located on plot # 41003, Dubai Industrial City Dubai amounting AED 40,000,000/- assigned to bank.
- Cash margin / fixed deposit under lien as specified under Schedule " A" supported by lien over deposit agreement.
- Post dated cheques drawn on any other bank covering the loan installments.

14. TRADE AND OTHER PAYABLES

a) This item consists of the following:

	2023	2022
Securities payable against financial market	**22,043,654**	20,748,894
Trade payables	**21,418,583**	23,036,525
Post dated cheques issued - Note 14 (b)	**12,596,171**	8,392,967
Related parties - payables - Note 21 (b)	**73,452**	287,657
Accrued expenses	**27,172,666**	18,564,305
Accrued salary	**275,000**	----
Advance payment received from customers	**3,137,950**	2,383,851
Provision for leave salaries and air tickets	**924,173**	910,541
Deposit from others	**66,720**	66,720
Dividend payables	**2,589,969**	2,589,969
Others	**4,903**	5,729
Total - Exhibit A	**90,303,241**	76,987,158

b) Post dated cheques issued amounting to AED 12,596,171 (Note 14 (a)) and are mature during the period from January 2024 to November 2024.

15. LEASE LIABILITIES

a) This item consists of the following:

	2023	2022
Lease liabilities - current - **Exhibit A**	**388,062**	310,860
Lease liabilities - non-current - **Exhibit A**	**27,224,796**	27,821,457
Total - Note 15 (b & c)	**27,612,858**	28,132,317

b) The details of movement in lease liabilities during the year as follows:

	2023	2022
Balance at 1 January	**28,132,317**	28,556,649
Finance cost on lease liabilities	**1,440,602**	1,445,893
Repayments	**(1,960,061)**	(1,870,225)
Balance at 31 December - Note 15 (a)	**27,612,858**	28,132,317

c) Maturity analysis of lease liabilities are as follows:

	2023	2022
Within a year	**1,537,767**	1,654,092
Year 2 - 5 years	**5,881,068**	6,616,368
Year 5 - 10 years	**6,338,835**	7,190,460
More than 10 years	**31,694,175**	34,718,625
Less: unearned interest	**(17,838,987)**	(22,047,228)
Net lease liability - Note 15 (a)	**27,612,858**	28,132,317

d) Lease liabilities that are due within twelve months from the financial position date are classified as current liability and the remaining balances are classified as non-current liability.

16. END OF SERVICE BENEFIT OBLIGATION

The details of movement in this item during the year are as follows:

	2023	2022
Balance at 1 January	**1,832,981**	1,960,141
Charge during the year	**215,177**	374,881
Settlements	**(96,599)**	(502,041)
Balance at 31 December - Exhibit A	**1,951,559**	1,832,981

17. SHARE CAPITAL

As per the Authorized Organization Structure incorporated in Abu Dhabi by Amiri Decree No. 5 for the year 1974 the capital amounting to AED 300,000,000 is divided into 300,000,000 shares of AED 1 each.

18. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:	2023	2022
Salaries and related benefits	**4,792,192**	5,572,568
Rent	**362,615**	442,000
Depreciation on property and equipment - Note 12 (b)	**716,304**	750,940
Depreciation on right-of-use asset - Note 11	**1,002,762**	1,018,120
Repairs and maintenance expenses	**114,872**	181,987
Legal, visa, government and professional expenses	**1,196,307**	1,023,684
Printing and stationery	**49,189**	2,151
Utilities expenses	**168,417**	173,955
Communication expenses	**132,745**	47,753
Bank charges	**58,402**	40,534
Insurance expenses	**147,294**	271,031
Miscellaneous expenses	**960,853**	446,013
Total - Exhibit B	**9,701,952**	9,970,736

19. OTHER INCOME

This item consists of the following :	2023	2022
Rental income	**984,120**	905,347
Dividend income	**1,069,623**	2,141,540
Scrap sales	**----**	151,516
Gain on sale of property, plant and equipment	**53,101**	243,142
Impairment of trade receivables - written back - Note 6 (c)	**----**	600,000
Provision for air ticket written back	**78,940**	----
Gain on transportation (net)	**1,449**	11,187
Others	**165,826**	563,490
Total - Exhibit B	**2,353,059**	4,616,222

20. RISK MANAGEMENT

The financial risk management function is regularly performed by the management of the Group including investment decisions and monitoring and managing the financial risks relating to the Group's business and operations. These risks includes capital risk, credit risk, foreign currency risk, market price risk, interest rate risk and liquidity risk.

The Group seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

a) *Capital risk*

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

The capital structure of the Group consists of debt, which includes financing from banks as disclosed in Note 13 and equity comprising issued capital, and reserves as disclosed in the consolidated statement of changes in equity - Exhibit C.

b) *Credit risk*

Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Group. The Group maintains a credit policy that states dealing with only creditworthy parties as a means of mitigating the risk of financial loss from defaults. The Group monitors, regularly, the credit ratings of its major debtors and the volume of transactions with those debtors during the year using publicly available financial information and its own trading records. Ongoing credit evaluation is performed on the financial condition of debtors. The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk. Credit risk related to contract receivables are mentioned Note 6 (b).

The credit risk on liquid funds is insignificant since these funds are deposited with financial institutions that maintain a strong capital base and appropriate credit standings inside the U.A.E.

c) *Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The Group maintains policies and procedures to manage the exchange rate risk exposure.

d) *Market price risk*

Market prices risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

Assets that expose the Group to market price risk is investment properties and investments at fair value through profit or loss (FVTPL) and investment properties.

e) *Interest rate risk*

The Group is exposed to interest rate risk resultant from its banking facilities and bank term deposit. Management try (to the extent possible) to manage interest rate risk through maintaining an appropriate mix between fixed and floating interest rates balances at the start of the financial year.

f) *Liquidity risk*

Responsibility of liquidity risk management rests with the Management of the Group, they adopt an appropriate liquidity risk management framework. The Group maintains adequate reserves and the Management monitors its cash flows and match them with maturity dates of financial assets and liabilities.

The following table shows the maturity dates of Group's financial assets and liabilities as at 31 December 2023.

	Less than 1 year	More than 1 year	Total
Financial assets			
Cash and cash equivalents	3,513,390	----	3,513,390
Bank term deposit	632,034	----	632,034
Trade and other receivables	14,264,727	----	14,264,727
Investments designated at fair value through profit and loss	72,374,201	----	72,374,201
Total	90,784,352	----	90,784,352

	Less than 1 year	More than 1 year	Total
Financial liabilities			
Bank over draft	26,136,005	----	26,136,005
Borrowings	179,745,223	----	179,745,223
Trade and other payables	90,303,241	----	90,303,241
Lease liabilities	388,062	27,224,796	27,612,858
End of service benefits obligation	----	1,951,559	1,951,559
Total	296,572,531	29,176,355	325,748,886

The following table shows the maturity dates of Group's financial assets and liabilities as at 31 December 2022.

Financial assets	Less than 1 year	More than 1 year	Total
Cash and cash equivalents	3,128,005	----	3,128,005
Bank term deposit	632,034	----	632,034
Trade and other receivables	11,663,803	----	11,663,803
Investments designated at fair value through profit and loss	86,509,190	----	86,509,190
Total	101,933,032	----	101,933,032

Financial liabilities	Less than 1 year	More than 1 year	Total
Bank over draft	26,136,005	----	26,136,005
Borrowings	179,745,223	----	179,745,223
Trade and other payables	76,987,158	----	76,987,158
Lease liabilities	310,860	27,821,457	28,132,317
End of service benefits obligation	----	1,832,981	1,832,981
Total	283,179,246	29,654,438	312,833,684

21. RELATED PARTIES

The Group's, in the normal course of business conducts transactions with enterprises which fall within the definition of related party as per International Financial Reporting Standards as they are under common ownership and management, the transactions with this related party are primarily financing in nature. As at the consolidated statement of financial position date the outstanding amounts with related parties were as follows:

a) *RELATED PARTIES - RECEIVABLES*

This item consists of the following :	**2023**	2022
M/s. Saif Bin Darwish L.L.C	**88,950**	----
M/s. Darwish Bin Ahmad & Sons	**175,505**	326,145
M/s. Al Falaki General Contracting L.L.C	**159,526**	159,526
M/s. Al Omeira Printing and Publishing Co	**19,686**	19,686
Total - Note 6 (a)	**443,667**	505,357

b) *RELATED PARTIES - PAYABLES*

This item consists of the following :	2023	2022
M/s. Al Omeira Printing and Publishing Co. W.L.L	**73,452**	10,788
M/s. Darwish Bin Ahmad & Sons Travel & Tours	**----**	350
M/s. Saif Bin Darwish	**----**	276,519
Total - Note 14 (a)	**73,452**	287,657

c) The significant transaction with related parties as follows :	2023	2022
Sales	**667,203**	914,667
Purchase	**44,376**	903,458
Finance cost	**10,000**	100,000
Management fee	**1,600,000**	1,315,000

22. CONTINGENT LIABILITIES

This item consists of the following:	2023	2022
Letter of guarantee	**1,195,000**	1,195,000
Security and guarantee cheques	**15,850,369**	9,891,015

23. LITIGATION

a) **Emirates National Bank of Dubai**

Emirates National Bank of Dubai (Emirates NBD) filed a suit against the Group claiming an amount of AED 46,413,146 plus 12% per annum interest from the date of filing the case till the date of the order plus other charges.

On August 4, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 41,759,471 be paid by the Group to the bank inclusive of interest at a rate of 3% per annum on the outstanding balance of AED 23,446,038. Interest continues to accrued until the amount is fully settled.

On November 8,2020, the Group has filed an appeal to the Court of Fist Instance's judgement and requested for to review further the case. On March 31, 2021, the appeal has been rejected and the decision made on August 4, 2020 remained unchanged.

b) **First Abu Dhabi Bank**

First Abu Dhabi Bank (FAB) filed a suit against the Group claiming an amount of AED 181,813,780 plus 12% per annum interest from the date of filing the case till the date of the order plus other charges and advocate fees.

On September 9, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 200,792,150 be paid by the Group to the bank inclusive of interest at a rate of 5% per annum on the amount of AED 181,813,780 from September 30, 2018 (being the date of filing the case) until October 31, 2020. Interest continues to accrued until the amount is fully settled. During the period, the Group sold out the securities and sales proceeds of AED 34,931,585 were directly received by the court.

c) **Ajman Bank**

Ajman Bank filed a suit against the Group claiming an amount of AED 6,057,926 plus advocate fees.

On September 15, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 5,777,403 be paid by the Group to the bank.

24. COMPARATIVE FIGURES

- Certain comparative figures have been reclassified to comply with the consolidated financial statements presentation for the current year.

- The effect of the reclassification on the consolidated financial statements are summarized below:

	2022		
Consolidated Statement of Financial position	As previously reported	Reclassified	As reclassification
Other income	5,522,494	(906,272)	4,616,222
Revenue	30,729,625	906,272	31,635,897
Total	36,252,119	----	36,252,119

25. GENERAL

The figures in the consolidated financial statements are rounded to the nearest U.A.E. Dirham.

26. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issue. On their board meeting dated 21 March 2024.