

# **General Holding Corporation PJSC**

## **BOARD OF DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Board of Directors' report****For the year ended 31 December 2024**

The Directors have pleasure in submitting their report, together with the audited consolidated financial statements of General Holding Corporation PJSC ("the Company") and its subsidiaries, collectively referred to as ("the Group"), for the year ended 31 December 2024.

**Nature of the Business**

The Group is one of the largest industrial conglomerates in the UAE, managing industrial assets for the Abu Dhabi Government and employing thousands of people across the Group. The Group is seen as a key driver for realising the vision of Abu Dhabi's leadership to diversify the Emirate's economy away from its traditional reliance on the hydrocarbon sector. The Group contributes to the creation of national assets and skill-intensive jobs by developing strong and profitable industrial capabilities from a leading position in the metals, oil and gas services, building materials and food and beverage sectors.

**2024 Results of Operations and Financial Position**

<i>AED millions</i>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	<b>13,260</b>	<b>13,466</b>
<b>EBITDA*</b>	<b>1,827</b>	<b>2,174</b>
<b>EBITDA Margin</b>	<b>13.78%</b>	<b>16.15%</b>
<b>Profit for the year (Net)*</b>	<b>988</b>	<b>1,058</b>
<b>Net profit margin</b>	<b>7.45%</b>	<b>7.86%</b>
<b>Total Assets</b>	<b>20,102</b>	<b>20,626</b>
<b>Net Borrowings</b>	<b>2,248</b>	<b>2,521</b>
<b>Equity</b>	<b>12,821</b>	<b>13,339</b>

\*During the year, the Group recognised gain on valuation of financial assets at fair value through profit or loss amounting to AED 6 million (2023: AED 188 million). Further, the group recorded net impairment reversal of financial and non-financial assets amounting to AED 266 million (2023: AED 15 million impairment charge).

Overall, the group revenue reduced by 1.5% in 2024 and EBITDA decreased by 16%.

Revenue from food industry has increased by AED 353 million with strong performance from the Snacking, Agri-Business, and Water & Food sections mitigating the adverse impact of continued currency devaluation in Egypt and increased competitiveness in the Jordan protein market.

Revenue from Steel industries and building material has decreased by AED 562 million. Despite the head-winds faced by the global steel sector, on a stand-alone basis the Steel division generated revenues of AED 7,577 million in 2024 compared to AED 8,028 million in 2023.

**Alternative Performance Measures**

The below includes certain non-IFRS measures which constitute Alternative Performance Measures ("APMs"). Although not defined in accordance with IFRS, the Group believes that such measures provide useful supplementary information to shareholders, investors, security analysts and other interested parties, as supplemental measures of the Group's operating performance and financial position.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Report of the Board of Directors****For the year ended 31 December 2024 (continued)**

Definitions, method of calculation and reconciliation to financial statement line item of critical performance measures are listed below:

<b>Measure</b>	<b>Definition, method of calculation and reconciliation to financial statement line item</b>
Net debt	It is calculated as debt minus cash and bank balances.
EBITDA	<p>EBITDA is derived by adding back income tax expense, finance costs (net), impairment and depreciation and amortisation to (loss)/profit for the year.</p> <p>There are certain limitations of using EBITDA as a financial measure, in particular:</p> <ul style="list-style-type: none"> <li>• it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments.</li> <li>• it does not reflect changes in, or cash requirements for, the Group's working capital needs; and</li> <li>• although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and the measure does not reflect any cash requirements for such replacement.</li> </ul>
Return on assets	Calculated as profit for the year divided by total assets as at the end of the year.
Return on average equity	Calculated as profit for the year divided by average equity with the average equity being calculated based on the balances at the start and end of each year.
Current ratio	Calculated as current assets divided by current liabilities.
Debt to equity	Calculated as total loans and borrowings divided by total equity.
Net debt to equity	Calculated as net debt divided by total equity.

**Assets**

The Group's total assets were AED 20.1 billion (2023: AED 20.6 billion).

**Gearing**

The Group's gearing position with Debt to Equity is 0.29x (2023: 0.27x) and Net Debt to Equity is 0.18x (2023: 0.19x).

**Liquidity**

The liquidity position continues to be strong with the current ratio of 1.68x at year-end 2024 (year-end 2023: 2.10x).

There is an increase in total cash by AED 399 million with total cash balance standing at AED 1,476 million (2023: AED 1,077 million).

**Return on Capital**

During the year, the Group achieved the return on equity of 7.6% as compared to return on equity of 8.2% in 2023.

In 2024, the group maintained a same return of 5% on assets.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**Report of the Board of Directors**  
**For the year ended 31 December 2024 (continued)**

Board of Directors

The Directors who held office during the year were:

Khalifa Aljaberi	Chairman
Domantas Bagusis	Member
Shamsa Alahababi	Member

**Outlook**

The Group has laid a solid foundation for future growth and will continue to achieve its overall objective of developing the industrial sector in the Emirate of Abu Dhabi. Our future strategy is to continue to add value to our portfolio companies while seeking to continue to invest in key industrial sectors.

For and on behalf of the Board of Directors of General Holding Corporation PJSC.



Khalifa Aljaberi  
Chairman

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF GENERAL HOLDING CORPORATION PJSC**

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of General Holding Corporation PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the 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 opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Key audit matters continued*

Key audit matters	How our audit addressed the key audit matter
<p><b>1. Impairment of goodwill</b></p> <p>As of 31 December 2024, the carrying value of goodwill amounted to AED 1.674 million, or 8% of total assets.</p> <p>In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment.</p> <p>Goodwill is monitored by management at the level of cash-generating units ("CGUs"). Management carried out an impairment exercise as at 31 December 2024 in respect of goodwill allocated to each CGU by determining a recoverable amount based on value-in-use (VIU) derived from a discounted cash flow model, which was based on the most recent formal business plan prepared by the Group's management. For certain CGUs, management determined the recoverable amount based on fair value less costs of disposal (FVLCD) using comparable EBITDA multiples.</p> <p>An impairment loss is recognized on the consolidated statement of profit or loss when the recoverable amount is less than the net carrying amount in accordance with IAS 36, as described in Note 3 to the consolidated financial statements.</p> <p>We considered the impairment of goodwill to be a key audit matter, given the method for determining the recoverable amount and the significance of the account in the Group's consolidated financial statements. In addition, the recoverable amounts are based on the use of significant assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates, EBITDA multiples and costs of disposal.</p>	<p>We obtained an understanding of the process implemented by the Group to determine the recoverable amounts of goodwill allocated to Cash-Generating Units (CGU). Our work consisted of:</p> <ul style="list-style-type: none"> <li>(i) evaluating the controls over the Group's testing of goodwill for impairment to determine if they had been appropriately designed and implemented;</li> <li>(ii) assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill is allocated and assessing that the methods used are in accordance with the requirements of IAS 36;</li> <li>(iii) reconciling the net carrying amount of the goodwill allocated to the CGU tested with the Group's accounting records;</li> <li>(iv) engaging our valuation specialists to review management's determination of the Value in use (VIU) and fair value less cost to dispose (FVLCD) including review of discounted cash flow models and to assess the discount rate, terminal growth rate, EBITDA multiples and costs of disposal and carry out a benchmark against independent data and peer groups;</li> <li>(v) substantiating the results of sensitivity analyses carried out by management by comparing them to those realized by us;</li> <li>(vi) verifying the arithmetical accuracy of the valuations used by the Group.</li> </ul> <p>We have also assessed the disclosures in the consolidated financial statements relating to this matter are adequately made in accordance with IFRS.</p>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Key audit matters continued*

Key audit matters	How our audit addressed the key audit matter
<p><b>2. Revenue recognition</b></p> <p>Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2024, total revenue of the Group amounted to AED 13,260 million. The Group's revenue recognition policy is disclosed in Note 3 of the consolidated financial statements.</p>	<p>We reviewed the revenue recognition policies applied by the Group to assess the compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained or involved component auditors to obtain an understanding of the design and operating effectiveness of the controls relating to the revenue recognition process, and to perform substantive audit procedures which included overall analytical procedures, at the Group and subsidiary level, and testing on transactions throughout the year to assess whether revenues were properly recognised</p>



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Key audit matters continued*

Key audit matters	How our audit addressed the key audit matter
<p><b>3. Impairment of property, plant and equipment and right of use assets</b></p>	
<p>As at 31 December 2024, the carrying amount of the Group's property, plant and equipment and right of use assets was AED 8,115 million, representing 40% of total assets. A reversal of impairment provision of AED 266,619 thousand was recorded in the consolidated statement of profit or loss during the year ended 31 December 2024.</p> <p>We considered this to be a key audit matter as the determination of the recoverable amount requires management to apply significant judgements and make significant estimates that are affected by expected future market or economic conditions including, inter alia, expected future cash flows, utilisation rates, the associated discount rate applied and long-term growth rates based on management's view of future business prospects.</p>	<p>The audit procedures performed to address this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>i) assessed the design and tested the implementation of the Group's controls relating to the determination of the recoverable amount of the steel, cement and blocks business;</li> <li>ii) reconciled the net carrying amount of the CGU to the Group's accounting records;</li> <li>iii) involved our valuation specialist to assess the discount rate and growth rates applied by benchmarking against independent data;</li> <li>iv) evaluated each of the management's key assumptions, including budget estimates underlying the cash flows used in the valuation models. For this purpose, we also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the pertinence and reasonableness of the process for making forecasts;</li> <li>v) evaluated management's sensitivity analysis in relation to the key inputs used in the model used to determine the recoverable amount, as well as performing our own sensitivity analysis of the factors and assumptions used;</li> <li>vi) reperformed the arithmetical calculations of the valuations used by the Group;</li> <li>vii) agreed the results of the impairment models to the amounts reported in the consolidated financial statements; and</li> <li>viii) assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Other matter*

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified audit opinion on those consolidated financial statements on 17 April 2024.

*Other information*

Other information consists of the information included in the Board of 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.

*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 Accounting Standards and incompliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determine 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Auditor's responsibilities for the audit of the consolidated financial statements continued*

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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 disclosure 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
GENERAL HOLDING CORPORATION PJSC continued**

**Report on Other Legal and Regulatory Requirements**

As required by the UAE Decree Federal Law No. (32) of 2021, we report for the year ended 31 December 2024 that:

- i) the Group has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- iv) investments in shares and stocks during the year ended 31 December 2024, are disclosed in Note 20 to the consolidated financial statements;
- v) Note 31 reflects material related party transactions and the terms under which they were conducted;
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024; and
- vii) Note 1 reflects the social contributions made during the year.

Pursuant to the requirements of Article 5 of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 regarding the examination of internal controls over financial reporting, we have been engaged to perform an assurance engagement to provide a reasonable assurance report on effectiveness of internal controls over financial reporting for the Group.

Further, as required by the Abu Dhabi Accountability Authority Chairman Resolution No. 88 of 2021 regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2024:

- (i) its Article of Association; and
- (ii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

For Ernst & Young



Ahmad Al Dali  
Registration No. 5548

21 April 2025  
Abu Dhabi, United Arab Emirates

## GENERAL HOLDING CORPORATION PJSC

## Consolidated financial statements for the year ended 31 December 2024

## Consolidated statement of financial position

As at 31 December 2024

	Notes	2024 AED "000"	2023 AED "000"
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	7,792,540	7,955,049
Intangible assets and goodwill	17	2,236,539	2,215,376
Investment properties	18	11,846	12,555
Right-of-use assets	19	322,563	289,759
Investments in equity-accounted investees	20	1,258,332	1,399,181
Accounts and other receivables	14	93	136
Deferred tax assets	12	-	6,553
<b>Total non-current assets</b>		<b>11,621,913</b>	<b>11,878,609</b>
<b>Current assets</b>			
Inventories	13	2,472,560	2,866,473
Accounts and other receivables	14	4,368,421	3,751,117
Financial assets at fair value through profit or loss (FVTPL)	21	-	1,053,430
Cash and bank balances	15	1,475,753	1,076,683
<b>Total current assets</b>		<b>8,316,734</b>	<b>8,747,703</b>
Assets held-for-disposal	33	163,276	-
<b>Total assets</b>		<b>20,101,923</b>	<b>20,626,312</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	22	2,000	2,000
Contributed capital	22	624,848	624,848
Reserves	22	648,114	642,313
Retained earnings		9,331,717	9,767,510
<b>Equity attributable to the owner of the Company</b>		<b>10,606,679</b>	<b>11,036,671</b>
Non-controlling interests		2,214,649	2,302,365
<b>Total equity</b>		<b>12,821,328</b>	<b>13,339,036</b>

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Consolidated statement of financial position (continued)**

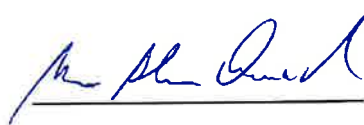
As at 31 December 2024

	Notes	2024 AED "000"	2023 AED "000"
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	23	1,507,602	2,331,353
Lease liabilities	24	397,115	408,184
Accounts and other payables	25	-	2,128
Deferred government grants		7,403	13,435
Retirement benefit obligation	26	274,083	314,698
Deferred tax liabilities	12	60,938	42,641
<b>Total non-current liabilities</b>		<b>2,247,141</b>	<b>3,112,439</b>
<b>Current liabilities</b>			
Loans and borrowings	23	1,773,023	813,438
Lease liabilities	24	45,383	44,480
Accounts and other payables	25	3,086,432	3,242,593
Deferred government grants		10,141	11,878
Provisions	27	77,173	62,448
<b>Total current liabilities</b>		<b>4,992,152</b>	<b>4,174,837</b>
Liabilities directly associated with the assets held-for-disposal	33	41,302	-
<b>Total liabilities</b>		<b>7,280,595</b>	<b>7,287,276</b>
<b>Total equity and liabilities</b>		<b>20,101,923</b>	<b>20,626,312</b>

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 21 April 2025 and signed on their behalf by:



**Khalifa Aljaberi**  
Chairman



**Marcos De Quadros**  
CHIEF FINANCIAL OFFICER

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



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Consolidated statement of profit or loss**

For the year ended 31 December 2024

	Notes	2024 AED "000"	2023 AED "000"
Revenues	5	13,260,305	13,466,306
Other operating income		6,362	188,071
Government grants		8,400	8,400
Share of results of equity-accounted investees	20	212,668	136,469
Staff costs	6	(1,738,013)	(1,597,041)
Professional and consultancy charges		(15,025)	(52,052)
Depreciation and amortisation	7	(796,288)	(791,526)
Reversal\ (Impairment) of non-financial assets	8	266,619	(14,984)
Charge in respect of expected credit loss	8	(63,807)	(55,620)
Other operating expenses	9	(9,919,842)	(9,946,792)
<b>Operating profit</b>		<b>1,221,379</b>	<b>1,341,231</b>
Other income - net	10	76,125	26,668
Finance income		35,689	42,147
Finance cost	11	(237,922)	(276,100)
<b>Profit before tax</b>		<b>1,095,271</b>	<b>1,133,946</b>
Tax expense	12	(107,658)	(76,057)
<b>Profit for the year</b>		<b>987,613</b>	<b>1,057,889</b>
<b>Profit attributable to:</b>			
Owner of the Company		791,435	847,915
Non-controlling interests		196,178	209,974
		<b>987,613</b>	<b>1,057,889</b>

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

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Consolidated statement of other comprehensive income**

For the year ended 31 December 2024

		2024	2023
	Notes	AED "000"	AED "000"
<b>Profit for the year</b>		<b>987,613</b>	<b>1,057,889</b>
<b>Other comprehensive income/(loss):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of retirement benefit obligation	26	(5,092)	4,178
		<b>(5,092)</b>	<b>4,178</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Loss on translation of foreign operations		(108,490)	(46,308)
Share of other comprehensive gain of equity-accounted investees - net of tax	20	(43,160)	(13,425)
		<b>(151,650)</b>	<b>(59,733)</b>
<b>Other comprehensive loss for the year</b>		<b>(156,742)</b>	<b>(55,555)</b>
<b>Total comprehensive income for the year</b>		<b>830,871</b>	<b>1,002,334</b>
<b>Total comprehensive income attributable to:</b>			
Owner of the Company		690,097	815,201
Non-controlling interests		140,774	187,133
		<b>830,871</b>	<b>1,002,334</b>

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



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**Consolidated statement of changes in equity**

For the year ended 31 December 2023

	Share capital	Contributed capital	Reserves	Retained earnings	Total equity attributable to the Owner of the Company	Non-controlling Interests	Total equity
	(Note 22) AED "000"	(Note 22) AED "000"	(Note 22) AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
At 1 January 2023	2,000	624,848	658,759	8,935,684	10,221,291	2,180,871	12,402,162
Total comprehensive Income for the year	-	-	-	847,915	847,915	209,974	1,057,889
Profit for the year	-	-	(32,714)	-	(32,714)	(22,841)	(55,555)
Other comprehensive loss for the year	-	-	(32,714)	847,915	815,201	187,133	1,002,334
Transactions with the Owner:							
Dividends declared	-	-	-	-	-	(65,426)	(65,426)
Transfer from retained earnings to reserves	-	-	16,407	(16,407)	-	-	-
Other movements	-	-	(139)	318	179	(213)	(34)
	-	-	16,268	(16,089)	179	(65,639)	(65,460)
At 31 December 2023	2,000	624,848	642,313	9,767,510	11,036,671	2,302,365	13,339,036

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**Consolidated statement of changes in equity (continued)**

For the year ended 31 December 2024

	Share capital	Contributed capital	Reserves	Retained attributable earnings	Total equity attributable to the Owner of the Company	Non-controlling Interests	Total equity
	(Note 22) AED "000"	(Note 22) AED "000"	(Note 22) AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
At 1 January 2024	2,000	624,848	642,313	9,767,510	11,036,671	2,302,365	13,339,036
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	791,435	791,435	196,178	987,613
Other comprehensive loss for the year	-	-	(101,338)	-	(101,338)	(55,404)	(156,742)
	-	-	(101,338)	791,435	690,097	140,774	830,871
<b>Transactions with the Owner:</b>							
Dividends declared (Note 21)	-	-	-	(1,059,792)	(1,059,792)	(64,714)	(1,124,506)
Transfer from retained earnings to reserves	-	-	105,288	(105,288)	-	-	-
Acquisition of NCI without a change in control (Note 3)	-	-	-	(77,372)	(77,372)	(165,957)	(243,329)
Other movements	-	-	1,851	15,224	17,075	2,181	19,256
	-	-	107,139	(1,227,228)	(1,120,089)	(228,490)	(1,348,579)
<b>At 31 December 2024</b>	<b>2,000</b>	<b>624,848</b>	<b>648,114</b>	<b>9,331,717</b>	<b>10,606,679</b>	<b>2,214,649</b>	<b>12,821,328</b>

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

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****Consolidated statement of cash flows**

For the year ended 31 December 2024

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>AED "000"</b>	<b>AED "000"</b>
<b>Cash flows from operating activities</b>			
Profit before tax		1,095,271	1,133,946
Adjustments for:			
Depreciation and amortisation	7	796,288	791,526
(Reversal)/impairment of non-financial assets	8	(266,619)	14,984
Charge in respect of expected credit loss	8	63,807	55,620
(Reversal)/provision for retirement benefit obligation	26	(3,090)	28,040
Charge/(Reversal) for slow moving and obsolete inventories provision	13	78,046	(24,989)
Gain on financial assets at FVTPL	21	(6,362)	(188,071)
Gain on disposal of property, plant and equipment and investment properties		(1,861)	(5,572)
Share of results of equity-accounted investees	20	(212,668)	(136,469)
Government grants income		(8,400)	(8,400)
Gain on foreign exchange	10	(7,025)	(3,501)
Gain on disposal of equity-accounted investees		(52,164)	-
Finance income		(35,689)	(42,147)
Finance cost	11	237,922	276,100
<b>Operating cash flows before changes in working capital</b>		<b>1,677,456</b>	<b>1,891,067</b>
Changes in working capital:			
Decrease in inventories		325,259	83,272
Increase in accounts and other receivables		(680,479)	(404,194)
(Decrease)/increase in accounts and other payables		(270,439)	724,495
<b>Cash generated from operations</b>		<b>1,051,797</b>	<b>2,294,640</b>
Grants received from the government		10,772	8,400
Payment in respect of other provisions		-	(89,789)
Benefits paid in respect of retirement benefit obligation	26	(41,086)	(25,891)
Income tax paid		(25,838)	(18,625)
<b>Net cash generated from operating activities</b>		<b>995,645</b>	<b>2,168,735</b>

## GENERAL HOLDING CORPORATION PJSC

## Consolidated financial statements for the year ended 31 December 2024

## Consolidated statement of cash flows (continued)

For the year ended 31 December 2024

	Notes	2024 AED "000"	2023 AED "000"
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	16	(435,337)	(401,234)
Proceeds on disposal of property, plant and equipment and investment properties		6,481	16,026
Purchase of intangible assets	17	(46,333)	(7,405)
Acquisition of equity-accounted investees and other financial assets	20.1	(5,806)	(19,178)
Decrease in other deposits with banks and restricted cash - net		130,186	424,131
Proceeds from disposal of equity-accounted investees and other financial assets		304,621	-
Dividends received from equity-accounted investees and other financial assets	20.1	65,318	18,936
Loans and advances provided to related parties		-	26,141
Interest income received		35,689	51,632
Acquisition of non-controlling interests		(220,722)	-
<b>Net cash (used)/generated from investing activities</b>		<b>(165,903)</b>	<b>109,049</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		3,922,893	3,366,753
Repayment of loans and borrowings		(4,077,302)	(5,365,718)
Repayment of lease liabilities	19.2/24	(97,328)	(92,331)
Dividends paid to non-controlling interests		(64,714)	(65,426)
<b>Net cash used in financing activities</b>		<b>(316,451)</b>	<b>(2,156,722)</b>
<b>Net increase in cash and cash equivalents</b>		<b>513,291</b>	<b>121,062</b>
<b>Reclassified as assets held for sale</b>	33	<b>(26,634)</b>	<b>-</b>
Effect of movements in exchange rates on cash and cash equivalents		(40,665)	(11,268)
Cash and cash equivalents at the beginning of the year		724,023	614,229
<b>Cash and cash equivalents at end of the year</b>	15	<b>1,170,015</b>	<b>724,023</b>

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

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. General Information**

General Holding Corporation PJSC ("the Company") is registered as a public joint stock company in the Emirate of Abu Dhabi. The Company was established by Law No. 5 of 2004, and is wholly owned by the Government of Abu Dhabi ("the Shareholder"). Pursuant to this law, all assets and liabilities belonging to the General Industrial Corporation and its subsidiaries were transferred to the Company.

Higher Corporation for Specialised Economic Zones previously owned 100% of the Company's share capital. However, pursuant to Law No. 3 of 2012, dated 26 September 2012, the ownership of General Holding Corporation (SENAAT) was changed from Higher Corporation for Specialised Economic Zones to be directly owned by the Government of Abu Dhabi which was the ultimate owner prior to the transfer.

During 2020, pursuant to Law No (02) of 2018 and executive Council Resolution No. (33) of 2020, the Abu Dhabi Development Holding Company "Public Joint Stock Company" became the Parent company, ultimate owner being Government of Abu Dhabi.

The Group made social contributions amounting to AED 2,042 thousand during the year ended 31 December 2024.

The principal activities of the Company are the investment in, and the development, management and operation of, industrial projects and related entities.

These consolidated financial statements include the financial performance and the net assets of the Company and its subsidiaries (collectively referred to as "the Group"), and the Group's interests in its equity-accounted investees (*refer notes 3 and 20*).

These consolidated financial statements were authorised for issue by the Board of Directors on 21 April 2025.

**2. Application of new and revised International Financial Reporting Standards (IFRS)**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16 : Lease Liability in a sale and Lease back
- Amendments to IAS 1 : Classification of Liabilities as Current or Non-Current Supplier Finance Arrangement
- Amendments to IAS 17 and IFRS 7

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**2.2 Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's consolidated financial statements.



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****2. Application of new and revised International Financial Reporting Standards (IFRS) (continued)****2.2 Standards issued but not yet effective (continued)****IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statement of the Group.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information****3.1. Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and applicable requirements of the UAE Decree Federal Law No. (32) of 2021.

**3.2. Basis of preparation**

The consolidated financial statements are prepared in accordance with the historical cost basis except for certain financial instruments which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below:

**3.3. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of General Holding Corporation PJSC and entities controlled by the Company ("its subsidiaries"). Control is achieved where the Company 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 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.

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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 Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 3. Material accounting policy information (continued)

## 3.3. Basis of consolidation (continued)

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal 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 (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

	Place of incorporation (or registration)	Proportion of ownership interest	
		2024	2023
<b>Al Khaznah Tannery</b>	<b>UAE</b>	<b>100%</b>	100%
<b>Emirates Iron &amp; Steel Company LLC</b>	<b>UAE</b>	<b>100%</b>	100%
<b>EMSTEEL Building Materials PJSC and its subsidiaries (formerly Arkan Building Materials Company PJSC (Arkan) *</b>	<b>UAE</b>	<b>87.48%</b>	87.48%
- Emirates Blocks Factory, (100% by Arkan)	<b>UAE</b>		
- Emirates Cement Factory, (100% by Arkan)	<b>UAE</b>		
- Al Ain Cement Factory, (100% by Arkan)	<b>UAE</b>		
- Anabeeb Pipes Manufacturing Factories, (100% by Arkan)	<b>UAE</b>		
- Emirates Steel industries PJSC (100% by Arkan)	<b>UAE</b>		
<b>Agthia Group PJSC and its subsidiaries **</b>		<b>62.86%</b>	62.86%
- Al Ain Foods & Beverages PJSC, (100% by Agthia)	<b>UAE</b>		
- Agthia Group Egypt LLC, (100% by Agthia)	<b>Egypt</b>		
- Grand Mills Company PJSC, (100% by Agthia)	<b>UAE</b>		
- Al Rammah National for General Trading and Contracting Company WLL, (50% by Agthia)	<b>Kuwait</b>		
- Al Bayan Purification and Potable Water LLC, (100% by Agthia)	<b>UAE</b>		
- Baklawa Made Better Investments LLC (100% by Agthia)****	<b>UAE</b>		
- Mediterranean Confectionary Company Limited (100% by Agthia)	<b>KSA</b>		



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.3. Basis of consolidation (continued)**

	Place of incorporation (or registration)	Proportion of ownership interest	
		2024	2023
<ul style="list-style-type: none"> <li>Delta Agthia for Manufacturing Company Limited (Delta) (100% by Agthia)</li> <li>Al Nabil Food Industries LLC (80% by Agthia)</li> <li>Al Faysal Bakery and Sweets Company WLL (100% by Agthia)</li> <li>Ismailia Agricultural and Industrial Investment (Furat) (100% by Agthia)*****</li> <li>Al Foah Company LLC (100% by Agthia)</li> <li>A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E. (Abu Auf) (70% by Agthia)***</li> </ul>	<p><b>KSA</b></p> <p><b>Jordan</b></p> <p><b>Kuwait</b></p> <p><b>Egypt</b></p> <p><b>UAE</b></p> <p><b>Egypt</b></p>		
<b>Senaat Sukuk Limited</b>	<b>Cayman Island</b>	<b>100%</b>	<b>100%</b>

\*On 4 October 2021, the Company offered 100% shares of Emirates Steel Industries PJSC ("ESI") to Arkan Building Materials PJSC ("Arkan"). The consideration for the contribution of the entire issued share capital of ESI to Arkan was satisfied through the issuance of mandatory convertible instruments for an aggregate principal amount of AED 4,069,800,000 (the "Convertible Instrument") by Arkan to the Company. This convertible instrument was converted into 5,100,000,000 ordinary shares of a nominal value of AED 1 each in the capital of Arkan (the "New Arkan Shares"). As a result, the Company increased its shareholding in Arkan from 51% to 87.48% during 2021.

\*\* On 1 April 2021, Agthia issued additional shares to acquire 80% of the shares of Al Nabil Food Industries LLC ("Al Nabil"), a limited liability company based in Jordan that specialises in the manufacture and trading of processed protein products. These additional shares were issued and transferred to Company. As a result, the Company increased its shareholding in Agthia from 59.17% to 62.86% during 2021.

\*\*\* On 29 February 2024, the Group acquired an additional 10% ownership interest in Abu Auf Holding Netherlands B.V., increasing its ownership interest from 60% to 70%. Cash consideration of AED 82,117 thousand was paid to the non-controlling shareholders. The difference between the consideration paid and the and the owner's share of the carrying value of the net assets was recognised in Retained earnings amounting to AED (40,003) thousand.

\*\*\*\* On 4 April 2024, the Group has increased its economic interest in BMB from 80% to 100% in return of AED 47,101 thousand to be paid on 2 tranches to the non-controlling interests. Cash consideration of AED 24,494 thousand representing tranche 1 was paid to the non-controlling shareholders. Second tranche payment amounting to AED 22,607 thousand to be paid upon satisfactory delivering certain procedural documentation. The difference between the total consideration (including contingent consideration) and the owner's share of the carrying value of the net assets was recognised in Retained earnings amounting to AED 3,671 thousand.

\*\*\*\*\* On 30 May 2024, the Group acquired an additional 24.98% ownership interest in Atyab, increasing its ownership interest from 75.02% to 100%. Cash consideration of AED 114,111 thousand was paid to the non-controlling shareholders. The difference between the consideration paid and the owner's share of the carrying value of the net assets was recognised in Retained earnings amounting to AED (41,040) thousand.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3.4. Business combinations**

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the consideration are recognised in profit or loss.

**3.5. Non-controlling interests (NCI)**

Non-controlling interests ("NCI") in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owner of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owner of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**3.6. Investments in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.6. Investments in equity-accounted investees (continued)**

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

**3.7. Revenue recognition**

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract

A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price

The transaction price is the amount of 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.

Step 4: Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.7. Revenue recognition (continued)**

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue from the following major sources:

- Sale of goods - building materials, steel, food, and leather

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Some contracts for the sale of goods provide customers with several considerations including a right of return and volume rebates. If revenue could not be reliably measured, the Group deferred revenue recognition until the uncertainty was resolved.

Under IFRS 15, rights of return and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and included in revenue only to the extent that it is highly probable that a significant reversal in the cumulative revenue will not occur when the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

*Right of return*

Under IFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products, if any. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group applies the requirements in IFRS 15 on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price. The Group presents a refund liability and an asset for the right to recover products from a customer separately in the consolidated statement of financial position.

*Volume rebates*

The Group provides retrospective volume rebates to selected customers and products as per terms specified in the contract. Rebates are offset against amounts payable by the customer on subsequent purchases.

Under IFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applies a method to each customer as per the agreed upon rebate scheme that best predicts the amount of variable consideration. The Group then applies the requirements on constraining estimates of variable consideration.

*Considerations paid or payable to customers*

The Group pays exclusivity fees, display fees, remodeling fees, opening fees, and listing and other fees to certain customers for the provision of various services. The Group assesses whether these services are distinct when compared to the goods sold to the customers. The distinct or non-distinct services are then recognised as selling and distribution expenses or netted against revenue, respectively.

*Warranty Obligations*

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

*Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

*Dividend income*

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.8. Leases**

The Group has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.

*The Group as a lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line 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 the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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 impairment losses.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.8. Leases (continued)**

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*The Group as a lessor*

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.9. Foreign currencies**

For the purpose of these consolidated financial statements, the UAE Dirham (AED) is the presentation currency of the Group.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in UAE Dirhams using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

**3.10. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they were incurred.

**3.11. Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of property, plant and equipment is their purchase cost, together with any incidental expenses of acquisition. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Years
Buildings	3 - 40
Plant and equipment	2 - 25
Furniture and fixtures	2 - 15
Motor vehicles	4 - 8

Land is not depreciated.

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.11. Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**3.12. Capital work in progress**

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss and adjusted for associated gains or losses from other comprehensive income as and when associated payments occur. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group's policies.

**3.13. Investment property**

The investment property is a property held to earn rental income and for capital appreciation, but not for sale in the ordinary course of business, for use in the production or supply of goods or services or for administrative purposes. The investment property was evaluated by a third-party professional valuer on initial recognition and subsequently carried at cost less accumulated depreciation. Depreciation on the investment property, excluding the value of the freehold land, is calculated using the straight-line method to bring it to the residual value, assumed at AED nil, over the estimated useful life of 20 years.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

**3.14. Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**3.15. Goodwill**

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the profit or loss.

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.16. Government grants**

Grants from the Government of Abu Dhabi are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Funds that compensate the Group for selling flour and animal feed at subsidised prices in the Emirate of Abu Dhabi are recognised in the consolidated income statement as a deduction from the cost of sales on a systematic basis in the same period in which the sales transaction is affected.

**3.17. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the weighted average method. Cost comprises invoice value plus applicable landing charges in the case of raw materials, packing materials and stores, spares and consumables. Work-in-progress and finished goods comprise cost of materials plus direct labour and attributable overheads. Work-in-progress is valued by reference to the stage of completion. Net realisable value is based on estimated selling price less estimated costs to completion and disposal.

**3.18. Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**3.19. Research and development costs**

In accordance with IAS 38 Intangible Assets, expenditure incurred on research and development, excluding known recoverable amounts on contracts, and contributions to share engineering programmes, is distinguished as relating either to a research phase or a development phase. All research phase expenditure is charged to the consolidated income statement. For development expenditure, this is capitalised as an internally generated intangible asset only if it meets strict criteria, relating in particular to technical feasibility and generation of future economic benefits. Expenditure that cannot be classified into these two categories is treated as being incurred in the research phase.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.20. Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

*Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

**3.21. Employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*Bonus and long-term incentive plans*

The Group recognises the liability for bonuses and long-term incentives in the consolidated statement of profit and loss on an accrued basis. The benefits for the management are subject to board's approval and are linked to business performance.

*Defined contribution plan*

Monthly pension contributions are made in respect of UAE national employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi, Department of Finance, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Pension is accounted for in accordance with the local and regulatory requirements for non-UAE GCC national employees.

*Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group currently operates an unfunded scheme for defined benefits in accordance with the applicable provisions of the UAE Federal Labour Law and is based on periods of cumulative service and levels of employees' final basic salaries. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is the yield at the valuation date on US AA-rated corporate bonds, which in the absence of a deep market in corporate bonds within the UAE is the relevant proxy market as determined by the Group.

The calculation of the defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in the profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss. The Group recognises all actuarial gains and losses arising from defined benefit plans in the consolidated statement of other comprehensive income and all expenses related to defined benefit plans within the consolidated statement of the profit or loss.

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**Consolidated financial statements for the year ended 31 December 2024**

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**3. Material accounting policy information (continued)**

**3.22. Taxation**

Tax expense represents the sum of the current tax liability and deferred taxes.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



**GENERAL HOLDING CORPORATION PJSC**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.23. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), 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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.23 Financial assets (continued)**Classification of financial assets (continued)(i) Amortised cost and effective interest method (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the other gains and losses' line item.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the consolidated income statement.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.23. Financial assets (continued)***Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTPL, trade receivables and other financial assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date

*Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.23. Financial assets (continued)**

*Impairment of financial assets (continued)*

*Significant increase in credit risk (continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.24. Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables, due to related parties, lease liabilities, other financial liabilities, bank overdrafts and bank borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Term loans and Islamic financing arrangements

Term loans and Islamic financing arrangements are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, term loans and Islamic borrowings are subsequently measured at amortised cost using the effective interest method. Interest on term loans and profit charges on Islamic financing arrangements are charged as an expense as they accrue, with unpaid amounts included in "trade and other payables".

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

**3.25. Cash and cash equivalents**

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.26. Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

**3.27. Hedge accounting**

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

*Fair value hedges*

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

*Cash flow hedges*

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.27. Hedge accounting (continued)**

Cash flow hedges (continued)

Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

**3.28. Contingencies**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

**3.29. Value added tax ("VAT")**

Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position

**3.30. Current versus non-current classification**

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. Material accounting policy information (continued)****3.31. Disposal group**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

**3.32. Fair value measurement**

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Material accounting policy information (continued)**

**3.32. Fair value measurement (continued)**

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

**4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if, the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations described below, that management have made in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the consolidated financial statements.

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows beyond the lease term are not included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

*Discounting of lease payments*

The lease payments are discounted using the Group's incremental borrowing rate ("IBR") except for few contracts with respect to the land and buildings, where implicit rate in lease is used. Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Further information about accounting estimates, judgements and significant assumptions made in measuring fair values are disclosed in within these consolidated financial statements.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**4. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Critical judgements in applying the Group's accounting policies (continued)**

*Provision for rehabilitation and restoration of cement quarry*

Management has considered the provisions of IAS 37 Provisions, Contingent Liabilities and Contingent Assets in respect of provision for rehabilitation and restoration of cement quarry. Management has concluded that the costs relating to the rehabilitation will be negligible and therefore has not recognised any provision.

*Determination of acquisition date in a business combination*

One of the critical steps in a business combination is to identify the acquisition date. As per IFRS 3 "Business Combinations", the acquisition date is defined as the date on which the acquirer obtains control of the acquiree. The acquisition date is critical because it determines when the acquirer recognizes and measures the consideration transferred, the assets acquired, and liabilities assumed. The acquiree's results are consolidated from this date. In a business combination affected by a sale and purchase agreement, the acquisition date is generally the specified closing or completion date. It is often readily apparent from the structure of the business combination and the terms of the sale and purchase agreement (if applicable) but this is not always the case.

IFRS 3 explains that the date on which the acquirer obtains control of the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets, and assumes the liabilities of the acquiree - the closing date. However, the acquirer should consider all pertinent facts and circumstances in identifying the acquisition date, including the possibility that control is achieved on a date that is either earlier or later than the closing date.

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Calculation of expected credit loss allowance*

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As at 31 December 2024, the Group's allowance for impairment of trade receivables (stated excluding trade receivables included in assets held for sale) amounted to AED 359.5 million (2023: AED 462.9 million).



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**4. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty (continued)**

*Impairment of property, plant, equipment, right-of-use assets and intangible assets*

Determining whether the Group's assets, including allocated goodwill, are impaired requires an estimation of the value in use of the cash generating units. The value in use calculations require Group management to estimate the future cash flows for which certain assumptions are required, including management's expectation of:

- long term growth rates in cash flows;
- future sales volumes and price forecasts; and
- the selection of discount rates to reflect the risks involved.

At 31 December 2023, Management assessed the recoverable amounts of property, plant and equipment and right-of-use assets and concluded, based on the continuing challenges facing the global steel industry that whilst no impairment losses were required, the impairment losses carried at 31 December 2022 be retained in full.

At 31 December 2024, management assessed the recoverable amounts of the facilities as moth-balled in 2020 using value in use methodologies. In 2024, the Group has substantially increased the use of two of these cash generating units, and management has released 33% from the impairment reserves carried against such assets. The total amount of such release being AED 207.32 million.

*Useful lives of property, plant and equipment and intangible assets*

Management assigns useful lives and residual values to items of property, plant and equipment and intangible assets based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates.

*Allowance for slow moving and obsolete inventories*

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates. The allowance as at 31 December 2024 is AED 200,952 thousand (2023: AED 134,585 thousand).

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**4. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty (continued)**

*Impairment of investments in equity accounted investees*

Management regularly reviews its investments in associates for indicators of impairment. This determination of whether investments in associates impaired entails Management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in profit or loss. Based on Management's best estimates AED Nil impairment (2023: AED Nil) has been recorded.

*Discount rate used for initial measurement of lease liability*

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

The Group determines its incremental borrowing rate with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing.

*Decommissioning cost*

The Group does not record any obligations with respect to the decommissioning of its property, plant and equipment and the associated rehabilitation of the surrounding areas unless there is a specific plan to discontinue the operation of a particular asset, since any such significant costs would be incurred no earlier than when the facility is closed. The Groups' plants are currently expected to operate for a significantly longer period due to the perpetual nature of the manufacturing and processing plants and the continuing maintenance and upgrade programmes resulting in the fair values of any such liabilities being negligible.

*Volume rebates*

Sales rebates represent a significant aspect of revenue recognition process and involve estimating the amount of rebates that may be claimed by customers. These estimates are inherently subjective and are subject to change based on various factors, including customer behavior, market conditions, and historical rebate redemption patterns. Sales rebates are recognized as a reduction of revenue when the related sales occur. The estimation of sales rebates is based on historical experience, current contractual terms, and market conditions. Any changes in estimates related to sales rebates are recognized in the period in which the change occurs. Such changes are disclosed in the financial statements in accordance with the applicable accounting standards. Estimates related to sales rebates are subject to periodic review by management, involving a collaborative process between cross functional departments. The approval of such estimates involves key stakeholders to ensure alignment with business objectives.

*Fair value measurement of contingent considerations*

Contingent considerations from business combinations, are valued at fair value at the acquisition date as part of the business combination. When the contingent liabilities meet the definition of a financial liability, they are subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on detailed assessment of performance targets. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. Critical accounting judgements and key sources of estimation uncertainty (continued)****Key sources of estimation uncertainty (continued)**End of service benefits

The determination of the Group's employee defined benefit liabilities depends on certain assumptions, which include selection of the discount rate. According to IAS 19, the rate used to discount liabilities should be determined by reference to market yield at the balance sheet date on high quality bonds. As there is no deep market in corporate bonds in UAE, management decided to rely on US AA rated corporate bonds market as proxy for determining as appropriate discount rate. The assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's consolidated financial statements within the next year. Further information on the carrying amounts of the Group's defined benefit and the sensitivity of those amounts to changes in discount rate are provided in note 26.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**5. Revenue**

	Revenue from contracts with customers	Other revenue	Total
	AED "000"	AED "000"	AED "000"
Revenue from sale of goods	13,260,305	-	13,260,305
<b>For the year ended 31 December 2024</b>	<b>13,260,305</b>	<b>-</b>	<b>13,260,305</b>

	Revenue from contracts with customers	Other revenue	Total
	AED "000"	AED "000"	AED "000"
Revenue from sale of goods	13,466,306	-	13,466,306
<b>For the year ended 31 December 2023</b>	<b>13,466,306</b>	<b>-</b>	<b>13,466,306</b>

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (note 30)

**6. Staff costs**

	Note	2024 AED "000"	2023 AED "000"
Wages and salaries		1,052,702	971,701
Accommodation and other employees' benefits		664,576	575,357
(Reversal)\provision for retirement benefit obligation	26	(3,090)	28,040
Social security contributions		23,825	21,943
<b>For the years ended 31 December</b>		<b>1,738,013</b>	<b>1,597,041</b>

**7. Depreciation and amortisation**

	Notes	2024 AED "000"	2023 AED "000"
Depreciation of property, plant and equipment	16	712,347	709,221
Depreciation of right-of-use assets	19	58,273	65,461
Depreciation of investment properties	18	709	709
Amortisation of intangible assets	17	24,959	16,135
<b>For the years ended 31 December</b>		<b>796,288</b>	<b>791,526</b>

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****8. Impairment and expected credit loss**

	Notes	2024 AED "000"	2023 AED "000"
<b>Impairment loss on non-financial assets</b>			
Net impairment reversal on property, plant and equipment	16	(207,321)	-
Net impairment reversal on right-of-use assets	19	(59,298)	-
Impairment loss on investments in equity-accounted investees	20	-	14,984
		<b>(266,619)</b>	<b>14,984</b>
<b>Expected credit loss on financial assets</b>			
Expected credit loss on accounts and other receivables	14	63,807	79,626
(Reversal) of Expected credit loss on other financial assets		-	(24,006)
		<b>63,807</b>	<b>55,620</b>

**9. Other operating expenses**

	Notes	2024 AED "000"	2023 AED "000"
Materials and consumables		7,363,115	7,559,630
Administrative expenses		360,584	283,886
Repairs and maintenance		69,177	87,774
Utilities and communication		9,840	12,679
Outsourcing		116,492	94,753
Fuel expenses, energy payments and other related expenses		529,404	549,311
Selling, marketing and distribution		112,065	94,896
Provision/(Reversal of provision) for slow moving and obsolete inventories	13	78,046	(17,581)
Other direct costs		1,291,214	1,261,731
Other expenses		(10,095)	19,713
<b>For the years ended 31 December</b>		<b>9,919,842</b>	<b>9,946,792</b>

**10. Other income - net**

	Notes	2024 AED "000"	2023 AED "000"
Other income		15,075	17,595
Foreign exchange gain		7,025	3,501
Gain on disposal of property, plant and equipment and investment properties		1,861	5,572
Gain on disposal of investments - net	20	52,164	-
<b>For the years ended 31 December</b>		<b>76,125</b>	<b>26,668</b>

**11. Finance cost**

	Notes	2024 AED "000"	2023 AED "000"
Interest expense on loans and borrowings		206,979	243,927
Interest expense on lease liabilities	24	29,549	30,992
Other finance costs		1,394	1,181
<b>For the years ended 31 December</b>		<b>237,922</b>	<b>276,100</b>



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****12. Tax Expense****12.1. UAE Corporate Tax Law**

On 9 December 2022, the UAE Ministry of Finance ("MoF") 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 has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12 - Income Taxes, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities under the Law for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

The tax charge for the year ended 31 December 2024 is AED 107,658 thousand (31 December 2023: AED 76,057 thousand), representing an Effective Tax Rate ("ETR") of 9.8% (31 December 2023: 6.7%). The ETR incorporates tax rates of the UAE as well as other international jurisdictions that the Group operates in.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realised or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes, if any, in relation to the Law for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, there are temporary differences which were identified where the deferred taxes have been accounted for.

**Top-up Tax**

On 2 October 2023, the UAE MoF issued Federal Decree Law No. 60 of 2023 amending certain provisions of the Corporate Tax Law, to implement a new Top-up Tax on Multinational Enterprises ("MNE") in the UAE.

Generally, MNEs will be subject to a Top-up Tax at an effective rate of 15%. All cases, provisions, conditions, rules, controls, and procedures for imposing the Top-up Tax and the exemptions therefrom are yet to be determined by a Cabinet Decision.

MoF launched a public consultation on 14 March 2024 in relation to the Global Anti-Base Erosion Model ("GloBe rules") aiming at assessing interactions with the UAE's corporate tax system, ways to minimise compliance costs, while exploring the policy options for potential implementation of the Income Inclusion Rule ("IIR"), Undertaxed Profits Rule ("UTPR") and a Domestic Minimum Top-up Tax ("DMTT").

The Group has a limited exposure to GloBe regulations in several foreign jurisdictions (i.e. Netherlands and Spain). As of today, and even though the regulation is considered to be substantively enacted in those jurisdictions, several aspects of the rules and exemptions applicable under those regimes are still to be determined.

The Group is monitoring any upcoming regulation in relation to the GloBe rules in the different jurisdictions where it is present and is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**12. Tax Expense (continued)**

**12.2. Tax expense as recognised in the consolidated statement of profit or loss is as follows:**

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
<b>a) Current tax expense</b>		
Current income tax	82,808	39,969
Adjustment in respect of prior years' tax charge	-	-
	<b>82,808</b>	<b>39,969</b>
<b>b) Deferred tax expense/(credit)</b>		
Origination and reversal of temporary differences	24,850	36,088
Effect of different tax rates	-	-
	<b>24,850</b>	<b>36,088</b>
<b>c) Tax expense for the years ended 31 December</b>	<b>107,658</b>	<b>76,057</b>

**12.3. Reconciliation of effective tax rate**

The tax expense relates to subsidiary companies' international operations which are subject to income tax at rates in their respective countries of operations. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The profit/(loss) before income tax has been reconciled to the accounting profit subject to tax and the reconciliation between income tax expense and the product of accounting profit subject to tax multiplied by effective income tax rate for the years ended 31 December is as follows:

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
Profit before tax	1,095,271	1,133,946
Less: Income not subject to tax	(4,982)	-
<b>Profit Subject to tax</b>	<b>1,090,289</b>	<b>1,133,946</b>
<b>Tax calculated at domestic tax rates applicable to profits in respective tax jurisdictions</b>	<b>106,799</b>	<b>76,057</b>
Less the tax effect on:		
Disallowable expenses	859	-
<b>For the years ended 31 December</b>	<b>107,658</b>	<b>76,057</b>

**12.4. Movement of deferred tax assets**

	<b>Property, plant and equipment temporary differences</b>	<b>Set off - deferred tax assets</b>	<b>Deferred tax assets</b>
	<b>AED "000"</b>	<b>AED "000"</b>	<b>AED "000"</b>
<b>At 1 January 2023</b>	-	-	-
Charged to statement of profit or loss	6,553	-	<b>6,553</b>
<b>At 31 December 2023</b>	<b>6,553</b>	-	<b>6,553</b>
Charged to statement of profit or loss	(6,553)	-	<b>(6,553)</b>
<b>At 31 December 2024</b>	-	-	-

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**12. Tax Expense (continued)**

**12.5. Movement of deferred tax liabilities**

	Intangible assets temporary differences	Property, plant and equipment temporary differences	Other temporary differences	Deferred tax liabilities
	AED "000"	AED' 000	AED "000"	AED "000"
<b>At 1 January 2023</b>	-	-	-	-
Charged to statement of profit or loss	10,872	-	<b>31,769</b>	42,641
<b>At 31 December 2023</b>	<b>10,872</b>	-	<b>31,769</b>	42,641
Charged /(credited) to statement of profit or loss	(362)	18,659	-	18,297
<b>At 31 December 2024</b>	<b>10,510</b>	<b>18,659</b>	<b>31,769</b>	<b>60,938</b>

The Group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

**13. Inventories**

	Note	2024 AED "000"	2023 AED "000"
Consumables and stores and spares		887,052	771,986
Raw materials		801,131	878,827
Work-in-progress and finished goods		976,193	1,106,807
Goods in-transit		9,136	243,438
		<b>2,673,512</b>	3,001,058
Less: Provision for slow moving and obsolete inventories	13.1	(200,952)	(134,585)
<b>At 31 December</b>		<b>2,472,560</b>	2,866,473

**13.1. Provision for slow moving and obsolete inventories**

	2024 AED "000"	2023 AED "000"
At 1 January	134,585	152,166
Charge for the year	78,046	-
Reversals	-	(17,581)
Written off during the year	(3,624)	-
Reclassified as held for sale	(8,055)	-
<b>At 31 December</b>	<b>200,952</b>	<b>134,585</b>

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**14. Accounts and other receivables**

**14.1. Details of carrying amount**

	Note	2024 AED "000"	2023 AED "000"
<b>Non-current</b>			
Loans receivables		71,266	124,252
Allowance for expected credit losses	14.2	(71,173)	(124,116)
		<b>93</b>	<b>136</b>
<b>Current</b>			
Trade receivables due from third parties		2,824,611	2,559,663
Receivables due from related parties	31	1,303,977	987,241
Advances to contractors and suppliers		273,931	358,917
Prepayments		71,833	71,068
VAT and other tax receivables		18,810	21,053
Other receivables		163,560	91,934
Allowance for expected credit losses	14.2	(288,301)	(338,759)
		<b>4,368,421</b>	<b>3,751,117</b>

The average credit period on revenue is 30 - 90 days (2023: 30 – 90 days). No interest is charged on trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its major trade customers and the fact that the remaining customer base is unrelated.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

**14.2. Allowance for expected credit losses**

	AED "000"
At 1 January 2023	507,287
Charge for the year (Note 8)	79,626
Written off during the year	(1,186)
Transferred to investment in joint venture	(116,402)
Foreign exchange adjustments	(6,450)
At 31 December 2023	462,875
Charge for the year (Note 8)	63,807
Written off during the year	(75,626)
Reclassified as held for sale	(38,052)
Transfers (to) the Shareholder	(52,941)
Foreign exchange adjustments	(589)
At 31 December 2024	<b>359,474</b>



## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15. Cash and bank balances

	2024 AED "000"	2023 AED "000"
<sup>1</sup> Restricted cash	416	410
Bank balances:		
- <sup>2</sup> Deposit accounts	290,885	321,077
- Call and current accounts	1,180,521	751,860
Cash in hand	3,931	3,336
<b>Cash and bank balances in the consolidated statement of financial position</b>	<b>1,475,753</b>	<b>1,076,683</b>
Less: Bank overdrafts (Note 23)	(114,437)	(31,173)
Less: Restricted cash	(416)	(410)
Less: Fixed term deposits (with original maturity of more than three months)	(190,885)	(321,077)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>1,170,015</b>	<b>724,023</b>

<sup>1</sup>Escrow accounts represent amounts set aside for payment of dividends declared between 2009 and 2014. The equivalent amount has been recorded as a liability in trade and other payables. These restricted cash balances have not been included in cash and cash equivalents for the purpose of the consolidated statement of cash flows.

<sup>2</sup>Fixed term deposits are placed with local financial institutions and denominated in UAE Dirhams and carry interest at prevailing market rates.

## 15.2. Changes in liability arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	2024		
	Loans and borrowings (Excluding bank overdrafts) AED "000"	Lease liabilities AED "000"	Total AED "000"
At 1 January 2024	3,113,618	452,664	3,566,282
<b>Movement during the year:</b>			
Additions	3,922,893	57,613	3,980,506
Accrual of interest	206,979	29,549	236,528
Payments	(4,077,302)	(97,328)	(4,174,630)
<b>At 31 December 2024</b>	<b>3,166,188</b>	<b>442,498</b>	<b>3,608,686</b>



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**15. Cash and bank balances (continued)**

**15.2. Changes in liability arising from financing activities (continued)**

	2023		
	Loans and borrowings (Excluding bank overdrafts)	Lease liabilities	Total
	AED "000"	AED "000"	AED "000"
At 1 January 2023	4,891,651	560,780	5,452,431
Movement during the year:			
Additions	3,366,753	72,485	3,439,238
Accrual of interest	243,927	30,992	274,919
Payments	(5,388,713)	(92,331)	(5,481,044)
Lease termination	-	(119,262)	(119,262)
At 31 December 2023	3,113,618	452,664	3,566,282

## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 16. Property, plant and equipment

## 16.1. Reconciliation of carrying amounts

## 16.1.1. Cost

	Land and buildings AED "000"	Plant and equipment AED "000"	Fixtures and fittings AED "000"	Motor vehicles AED "000"	Capital work in progress AED "000"	Total AED "000"
At 1 January 2023	3,495,692	15,105,823	323,440	249,644	152,554	19,327,153
Additions	13,979	196,394	13,545	4,657	172,658	401,233
Transfers from capital work-in-progress	21,504	59,469	3,584	2,563	(87,120)	-
Disposals	(13,367)	(26,281)	(157)	(2,387)	-	(42,192)
Foreign exchange adjustments	(10,954)	(15,602)	(4,174)	(1,814)	(2,639)	(35,183)
At 31 December 2023	3,506,854	15,319,803	336,238	252,663	235,453	19,651,011

	Land and buildings AED "000"	Plant and equipment AED "000"	Fixtures and fittings AED "000"	Motor vehicles AED "000"	Capital work in progress AED "000"	Total AED "000"
At 1 January 2024	3,506,854	15,319,803	336,238	252,663	235,453	19,651,011
Additions	14,801	225,357	18,977	3,221	172,981	435,337
Transfers from capital work-in-progress	80,970	152,460	12,924	425	(246,779)	-
Transfers to assets held-for-disposal	(70,381)	(185,264)	(7,492)	(3,645)	(490)	(267,272)
Disposals	(2,745)	(9,924)	(1,440)	(2,164)	(1,361)	(17,634)
Foreign exchange adjustments	(19,166)	(32,463)	(11,586)	(3,276)	(3,489)	(69,980)
At 31 December 2024	3,510,333	15,469,969	347,621	247,224	156,315	19,731,462

## 16.1.2. Accumulated depreciation and impairment

	Land and buildings AED "000"	Plant and equipment AED "000"	Fixtures and fittings AED "000"	Motor vehicles AED "000"	Capital work-in- progress AED "000"	Total AED "000"
At 1 January 2023	1,780,893	8,753,397	258,130	223,382	9,233	11,025,035
Charge for the year (Note 7)	80,820	598,286	19,216	10,899	-	709,221
Disposals	(6,653)	(23,002)	(154)	(1,929)	-	(31,738)
Foreign exchange adjustments	(878)	(3,455)	(1,535)	(665)	-	(6,533)
Other movements	-	-	(23)	-	-	(23)
At 31 December 2023	1,854,182	9,325,226	275,634	231,687	9,233	11,695,962
Charge for the year (Note 7)	62,974	622,097	19,707	7,569	-	712,347
Transfers between categories	15,596	(15,596)	-	-	-	-
Transfers to assets held-for-disposal	(65,467)	(151,934)	(7,310)	(3,645)	-	(228,356)
Disposals	(33)	(9,421)	(1,430)	(2,130)	-	(13,014)
<sup>1</sup> Impairment Reversal (Note 8)	-	(207,321)	-	-	-	(207,321)
Foreign exchange adjustments	(2,109)	(7,545)	(4,310)	(1,644)	-	(15,608)
Other movements	9,455	(14,883)	174	166	-	(5,088)
At 31 December 2024	1,874,598	9,540,623	282,465	232,003	9,233	11,938,922

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**16. Property, plant and equipment (continued)**

**16.1. Reconciliation of carrying amounts (continued)**

**16.1.3. Net carrying value**

	Land and buildings	Plant and equipment and fixtures and fittings	Motor vehicles	Capital work-in- progress	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>At 31 December 2024</b>	<b>1,635,735</b>	<b>5,929,346</b>	<b>65,156</b>	<b>15,221</b>	<b>147,082</b>
At 31 December 2023	1,652,672	5,994,577	60,604	20,976	226,220
					7,955,049

On 31 December 2024, capital work in progress amounting to AED 56.5 million (2023: AED 52.5 million) relates to construction of additional storage facilities at Al Ain Cement Factory, a new extruder line for the PVC Pipes business together with various upgrades to Emirates Steel's plants.

On 31 December 2024, no assets were pledged as security against certain bank loans (2023: AED 840 million).

Plant and equipment include an amount of AED 134.2 million (2023: AED 103.6 million) pertaining to spares parts.

**16.2. Impairment loss and subsequent reversal**

As a result of the COVID-19 pandemic, and other economic factors, demand for the Steel division's products in both its regional and international markets was adversely impacted in both 2020 and 2021. As a consequence, decisions were taken to moth-ball certain of the Group's plants and to reduce production volumes in others. Accordingly, management assessed the impairment of property, plant and equipment and right-of-use assets.

Management assessed the recoverable amounts of these facilities at 31 December 2020, using value in use methodologies, and the division recorded an AED 1,078.5 million impairment loss on property, plant and equipment together with an impairment loss of AED 55.4 million on associated right-of-use assets. This assessment was also undertaken at 31 December 2021 and management concluded that no further impairment losses were required and that, in the context of the continuing uncertainties faced by the business, that the impairment losses as established in 2020 be retained in full.

Similarly, an assessment was completed as at 31 December 2022 and management concluded that no further impairment losses were required and that, in the context of the continuing uncertainties faced by the business, that the impairment losses as established in 2020 on the moth-balled assets be retained in full and that a partial release of the impairment loss recorded on the division's other assets be released: a release of AED 146.5 million on property, plant and equipment together with a release of AED 3.5 million on the associated right-of-use assets.

At 31 December 2023, a similar assessment was completed and management concluded, based on the continuing challenges facing the global steel industry that whilst no impairment losses were required, the impairment losses carried at 31 December 2022 be retained in full.

At 31 December 2024, management assessed the recoverable amounts of the facilities as moth-balled in 2020 using value in use methodologies. In 2024, the Group has substantially increased the use of two of these cash generating units, and management has released 33% from the impairment reserves carried against such assets. The total amount of such release being AED 207.3 million.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**17. Intangible assets and goodwill**

**17.1. Reconciliation of carrying amount**

	Goodwill	Trademarks	IT Software and licenses	Other intangible assets	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>Cost</b>					
At 1 January 2023	1,673,947	532,782	46,219	62,814	2,315,762
Additions	-	-	7,405	-	7,405
Foreign exchange adjustments	-	(547)	-	(95)	(642)
At 31 December 2023	1,673,947	532,235	53,624	62,719	2,322,525
Additions	-	-	46,333	-	46,333
Foreign exchange adjustments	-	1	-	(224)	(223)
<b>At 31 December 2024</b>	<b>1,673,947</b>	<b>532,236</b>	<b>99,957</b>	<b>62,495</b>	<b>2,368,635</b>

	Goodwill	Trademarks	IT Software and licenses	Other intangible assets	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>Accumulated amortisation</b>					
At 1 January 2023	-	47,226	40,318	3,507	91,051
Charge for the year (Note 7)	-	10,968	2,961	2,206	16,135
Foreign exchange adjustments	-	(251)	-	214	(37)
At 31 December 2023	-	57,943	43,279	5,927	107,149
Charge for the year (Note 7)	-	10,968	11,879	2,112	24,959
Foreign exchange adjustments	-	-	-	(12)	(12)
<b>At 31 December 2024</b>	<b>-</b>	<b>68,911</b>	<b>55,158</b>	<b>8,027</b>	<b>132,096</b>
<b>Net carrying value</b>					
<b>At 31 December 2024</b>	<b>1,673,947</b>	<b>463,325</b>	<b>44,799</b>	<b>54,468</b>	<b>2,236,539</b>
At 31 December 2023	1,673,947	474,292	10,345	56,792	2,215,376

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**17. Intangible assets and goodwill (continued)**

**17.2. Goodwill**

The following table highlights the goodwill and impairment testing information for each cash-generating unit, as well as the assumptions to which the impairment testing were most sensitive:

Description	Cash generating unit (CGU)	Carrying amount of goodwill	Carrying amount of goodwill	Discount rate	Growth rate
		2024 AED "000"	2023 AED "000"		
UAE operations – Ice Crystal	Consumer business division	10,805	10,805	9.2%	0.1% - 7.2%
Turkish operation – Pelit Su	Consumer business division	2,486	2,486	12.3%	10.0% - 29.6%
Al Bayan Purification and Potable Water LLC	Consumer business division	92,864	92,864	9.1%	2.1% - 38.8%
Delta Bottled Water Factory Company	Consumer business division	87,597	87,597	9.4%	10.1% - 39.1%
Al Faysal Bakery and Sweets Company WLL	Consumer business division	97,160	97,160	8.8%	2.0% - 9.2%
Nabil Foods (Holding) Limited	Consumer business division	264,092	264,092	11.0%	5.2% - 11.5%
Ismailia Agricultural and Industrial Investment (Atyab)	Consumer business division	425,401	425,401	10.5%	2.1% - 17.0%
Ripplette Corp. and Mediterranean Confectionary Company Limited	Consumer business division	359,338	359,338	9.0%	10.1% - 14.5%
<sup>1</sup> Abu Auf	Consumer business division	334,204	334,204	10.5%	4.5% - 19.8%
<b>At 31 December</b>		<b>1,673,947</b>	<b>1,673,947</b>		

For all the above impairment tests, the recoverable amount of the relevant business units was determined based on value-in-use calculation using pre-tax cash flows projections over a five-year term. These projections are based on a financial budget approved by the Board of Directors of the respective companies. In assessing value-in-use, some budgets were adjusted to deliver an adequate balance between historic performance and likely future outcomes. Growth rates based on published industry research where available or on the historic average of real gross domestic products ("GDP") for the local economy.



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****18. Investment properties**

Investment properties comprises a number of commercial properties that are leased to third parties. Each of the leases contains a non-cancellable period with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and historically the average renewal period is four years. No contingent rents are charged.

Further information on investment properties is disclosed as follows:

**18.1. Reconciliation of carrying amount**

	Land AED "000"	Building, plant & Machinery AED "000"	Total AED "000"
<b>Cost</b>			
At 1 January 2023	4,000	14,175	18,175
At 31 December 2023	4,000	14,175	18,175
<b>At 31 December 2024</b>	<b>4,000</b>	<b>14,175</b>	<b>18,175</b>
<b>Accumulated depreciation</b>			
At 1 January 2023	-	4,911	4,911
Charge for the year (Note 7)	-	709	709
At 31 December 2023	-	5,620	5,620
Charge for the year (Note 7)	-	709	709
<b>At 31 December 2024</b>	<b>-</b>	<b>6,329</b>	<b>6,329</b>
<b>Net carrying value</b>			
<b>At 31 December 2024</b>	<b>4,000</b>	<b>7,846</b>	<b>11,846</b>
At 31 December 2023	4,000	8,555	12,555

## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 19. Right of use assets

	Building AED "000"	Equipment AED "000"	Motor Vehicles AED "000"	Total AED "000"
<b>Cost</b>				
At 1 January 2023	642,732	11,069	100,403	754,204
Additions	34,982	-	37,503	72,485
Foreign exchange adjustments	(3,594)	(1,426)	(500)	(5,520)
Termination and lease returns	(114,578)	-	-	(114,578)
Other movements	(675)	(1,165)	1,165	(675)
At 31 December 2023	558,867	8,478	138,571	705,916
Additions	27,888	-	29,725	57,613
Foreign exchange adjustments	(21,286)	(2,241)	(825)	(24,352)
Termination and lease returns	(687)	-	-	(687)
<b>At 31 December 2024</b>	<b>564,782</b>	<b>6,237</b>	<b>167,471</b>	<b>738,490</b>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2023	277,995	3,763	72,234	353,992
Charge for the year (Note 7)	43,903	1,050	20,508	65,461
Foreign exchange adjustments	885	(380)	(269)	236
Termination	(2,857)	-	-	(2,857)
Other movements	(1,424)	60	689	(675)
At 31 December 2023	318,502	4,493	93,162	416,157
Charge for the year (Note 7)	38,045	644	19,584	58,273
Foreign exchange adjustments	(9,706)	(1,075)	(736)	(11,517)
Impairment Reversal (Note 8)	(59,298)	-	-	(59,298)
Termination	(393)	-	-	(393)
Other movements	12,705	(1,163)	1,163	12,705
<b>At 31 December 2024</b>	<b>299,855</b>	<b>2,899</b>	<b>113,173</b>	<b>415,927</b>
<b>Net carrying amount</b>				
<b>At 31 December 2024</b>	<b>264,927</b>	<b>3,338</b>	<b>54,298</b>	<b>322,563</b>
At 31 December 2023	240,365	3,985	45,409	289,759

The Group leases several assets including buildings, plant, and IT equipment. Lease terms range between 1 to 26 years.

The Group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

At 31 December 2024, right-of-use assets with a carrying amount of AED nil (2023: AED 74 million) are held to secure bank loans.

## GENERAL HOLDING CORPORATION PJSC

## Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 19. Right of use assets (continued)

## 19.1. Amounts recognised in consolidated statement of profit or loss

The table below shows the amounts recognised in the consolidated statement of profit or loss in respect of leases for the year ended 31 December 2024.

	2024 AED "000"	2023 AED "000"
Interest on lease liabilities (Note 11)	29,549	30,992
Depreciation expense of right-of-use assets (Note 7)	58,273	65,461
	<b>87,822</b>	<b>96,453</b>

## 19.2. Amounts recognised in consolidated statement of cash flow

The table below shows the amounts recognised in the consolidated statement of cash flows in respect of leases for the year ended 31 December 2024.

	2024 AED "000"	2023 AED "000"
<b>Total cash outflow for leases:</b>		
Repayment of lease liabilities	<b>(97,328)</b>	(92,331)

## 20. Investments in equity-accounted investees

	2024 AED "000"	2023 AED "000"
Investment in associates	1,168,962	1,399,181
Investment in joint ventures	89,370	-
	<b>1,258,332</b>	<b>1,399,181</b>

## 20.1. Reconciliation of carrying amounts

	2024 Associates AED "000"	2024 Joint ventures AED "000"	Total AED "000"
At 1 January 2024	1,399,181	-	1,399,181
Additional investments during the year	5,806	-	5,806
Group's share of results for the year	123,298	89,370	212,668
Dividends received	(65,318)	-	(65,318)
Disposals	(252,457)	-	(252,457)
Group's share of other comprehensive income (note 22.3.1)	(43,160)	-	(43,160)
Foreign exchange adjustments	1,612	-	1,612
<b>At 31 December 2024</b>	<b>1,168,962</b>	<b>89,370</b>	<b>1,258,332</b>

	2023 Associates AED "000"	2023 Joint ventures AED "000"	Total AED "000"
At 1 January 2023	1,290,878	-	1,290,878
Additional investments during the year	19,178	-	19,178
Group's share of results for the year	136,469	-	136,469
Dividends received	(18,936)	-	(18,936)
Group's share of other comprehensive income (note 22.3.1)	(13,425)	-	(13,425)
Impairment charge for the year (Note 8)	(14,984)	-	(14,984)
Foreign exchange adjustments	1	-	1
<b>At 31 December 2023</b>	<b>1,399,181</b>	<b>-</b>	<b>1,399,181</b>

## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 20. Investments in equity-accounted investees

## 20.2. Investment in associates

## 20.2.1. List of material associates

Name	% shareholding		Domicile
	2024	2023	
<sup>2</sup> Vision Hotel Apartment LLC	40%	40%	UAE
<sup>2</sup> Deco Vision LLC	-	40%	UAE
<sup>2</sup> Vision Furniture and Decoration Factory LLC	-	40%	UAE
Deco Vision Properties LLC	40%	40%	UAE
Vision Links Hotel Apartment LLC	40%	40%	UAE
Abu Dhabi Industrial Zones Development Company (dormant)	50%	50%	UAE
<sup>1</sup> Dubai Cable Company (Private) Limited	50%	50%	UAE
<sup>3</sup> NTS Middle East FZCO ("NTS")	-	51%	UAE
Agthia Ventures Restricted Limited	25%	25%	UAE

**Details of material associates**

<sup>1</sup>The investment in Dubai Cables Company Limited and Abu Dhabi Industrial Development Zones Company (dormant) are classified as associates even though the Company holds 50% of the equity of the entities because as per the contractual arrangement with the other 50% shareholder, the Company only has the ability to significantly influence, but not jointly control these entities.

<sup>2</sup> Effective 1 January 2024, the Group sold its shares in Deco Vision Company WLL and Vision Furniture & Decoration Factory LLC for a total consideration of AED 99 million. Net gain on sale and write off of investment in associates of AED 4,982 is recognised in the consolidated statement of profit or loss. The Group has retained ownership of 40% in Vision Hotel Apartments LLC, Deco Vision Properties LLC and Vision Links Hotel Apartments LLC. The carrying value of these investments is AED nil (2023: AED nil).

<sup>3</sup>During the year ended 31 December 2024, the Company sold its 51% stake in NTS for a total consideration of AED 212,483 thousand. The resulting gain of AED 52,164 thousand on the transaction was recorded under 'Other income/(expenses) - net' in the condensed consolidated statement of profit or loss.

During 2023, the Company invested an amount of AED 3 million representing 25% stake in Agthia Ventures Restricted Limited, a Restricted Scope Company registered in Abu Dhabi Global Market (ADGM), the associate is an investment fund for business start-ups with the aim of expanding the Group's innovation capacity and opening new markets.

All of the associates and joint ventures are accounted for using the equity method in these condensed consolidated financial statements as set out in the Group's accounting policies in note 3.6.

## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 20. Investments in equity-accounted investees (continued)

## 20.2.2. Summarised financial information for material associates

The summarised financial information represents the material associates' financial statements (not adjusted for the percentage ownership of the Group) prepared in accordance with IFRSs, except for the Group's share of results and dividends received.

	2024 AED "000"	2023 AED "000"
<b>Summarised statement of financial position</b>		
Non-current assets	753,117	1,371,232
Current assets	3,549,655	3,097,705
Non-current liabilities	(141,481)	(443,914)
Current liabilities	(1,791,445)	(1,408,325)
<b>Net assets</b>	<b>2,369,846</b>	<b>2,616,698</b>
<b>Group's share of net assets on the basis of ownership interest</b>	<b>1,168,962</b>	<b>1,295,160</b>
<b>Reconciling item:</b>		
Goodwill on acquisition	28,821	182,842
Impairment on goodwill	(28,821)	(78,821)
<b>Carrying amount of investment in associates at 31 December 2024</b>	<b>1,168,962</b>	<b>1,399,181</b>
<b>Summarised statement of comprehensive income</b>		
Revenue	7,028,003	5,487,799
Profit for the year	243,689	291,912
Other comprehensive (loss)/income	(71,596)	(13,425)
<b>Total comprehensive income</b>	<b>172,093</b>	<b>278,487</b>

## 20.3.1. List of material joint ventures

Name	% shareholding		Domicile
	2024	2023	
<sup>1</sup> Al Gharbia Pipe Company LLC	51%	51%	UAE
<sup>2</sup> Timarat Limited	50%	50%	UAE

<sup>1</sup>The 51% shareholding in Al Gharbia is treated as a joint venture, rather than as a subsidiary company since the contractual shareholder agreements provide for the joint control of the entity by the shareholders. Al Gharbia has established a factory in the Kizad Industrial Zone, Abu Dhabi, for the manufacture of pipes for applications in the oil and gas sector. As at 31 December 2024, the joint venture net carrying value amounts to AED 89,370 thousand (2023: AED nil)

<sup>2</sup>Investment of 50% ownership interest in Timarat Limited, a private company limited by shares registered in Abu Dhabi Global Market (ADGM), the joint venture objectives are to provide consultancy, project management and studies related to agriculture sector. The joint venture is accounted for using the equity method in these consolidated financial statements. The investment is fully impaired.



## GENERAL HOLDING CORPORATION PJSC

Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 20. Investments in equity-accounted investees (continued)

## 20.3.2. Summarised financial information for material joint ventures

	2024 AED "000"	2023 AED "000"
<b>Summarised statement of financial position</b>		
Non-current assets	711,338	788,071
Current assets	1,104,197	405,772
Non-current liabilities	(396,161)	(469,069)
Current liabilities	(981,217)	(424,862)
<b>Net assets</b>	<b>438,157</b>	299,912
<b>Group's share of net assets</b>	<b>225,086</b>	135,716
Impairment	(135,716)	(135,716)
<b>Carrying amount of investment in joint ventures at 31 December 2024</b>	<b>89,370</b>	-

## Summarised statement of comprehensive (loss)/income

Revenue	1,391,823	402,972
Profit/(loss) for the year	175,234	(77,660)
Total comprehensive income/(loss) for the year	175,234	(77,660)

## 21. Financial assets at fair value through profit or loss (FVTPL)

	2024 AED "000"	2023 AED "000"
<b>a) <sup>1</sup>Financial assets measured at FVTPL</b>		
Equity securities	-	1,053,430
	-	1,053,430
<b>At 31 December</b>	<b>-</b>	<b>1,053,430</b>
Non-current	-	-
Current	-	1,053,430
<b>At 31 December</b>	<b>-</b>	<b>1,053,430</b>

<sup>1</sup>Financial assets measured at FVTPL

During the year, the Company transferred its investment at fair value in National Mineral Development Corporation ("NMDC") with fair value at the date of transfer of AED 1,059 million to Alpha Oryx Limited (a special purpose vehicle of ADQ) and considered this transfer as dividends to ADQ.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****22. Capital and reserves****22.1. Share capital**

	2024 AED "000"	2023 AED "000"
<b>Authorised:</b>		
20,000 shares of AED 100 each	2,000	2,000
<b>Issued and fully paid up:</b>		
20,000 shares of AED 100 each	2,000	2,000

**22.2. Contributed capital**

Details of contributed capital is as follows:

	2024 AED "000"	2023 AED "000"
<sup>1</sup> Transfer of net assets of Anabees	5,162	5,162
<sup>2</sup> Transfer of net assets of other factories transferred	6,574	6,574
<sup>3</sup> Capital restructuring	667,121	667,121
<sup>4</sup> Ownership transfer of NPCC	297,665	297,665
Reclassification – hedging reserve	(1,176)	(1,176)
<sup>5</sup> Ownership transfer of Al Khaznah Tannery	39,123	39,123
<sup>6</sup> Ownership transfer of Al Foah Company L.L.C.	194,167	194,167
<sup>7</sup> Ownership transfer of DUCAB Cables	142,000	142,000
Share in Arkan's additional paid up capital from issuance of shares during 2006	1,929	1,929
<sup>8</sup> Additional capital contribution	14,419	14,419
<sup>9</sup> Reclassification - Retained earnings	(14,418)	(14,418)
<sup>10</sup> Capital distribution from the Government of Abu Dhabi	2,600	2,600
<sup>11</sup> Transfer of investment property to AD Ports Company	(33,342)	(33,342)
<sup>12</sup> Investment in Agthia (Nabeel Food)	393,674	393,674
<sup>13</sup> Transfer of investment in other financial assets to AD Ports Company	(1,090,650)	(1,090,650)
<b>At 31 December</b>	<b>624,848</b>	<b>624,848</b>

<sup>1</sup>Based on a decision of the Supreme Petroleum Council of Abu Dhabi, ownership rights in Abu Dhabi National Pipes and Bags Factory were transferred to the General Industry Corporation. This transfer was agreed upon between Abu Dhabi National Oil Company and CO2 Corporation Limited, being the previous shareholders, and the General Industry Corporation with effect from 31 December 1988. The net asset value booked by General Industry Corporation was less than the net book value of the factory's assets on that date by an amount of AED 5,162 thousand. This was as per the agreement between both parties dated 13 December 1988. The Company transferred these balances to capital reserves.

<sup>2</sup>The net book value of the transferred assets represents the retained profits for the factories as at 1 July 1979.

<sup>3</sup>Based on Decree No. (5) of 2004, issued by HH Crown Prince of Abu Dhabi, the ownership of the General Industry Corporation was transferred to the Company, where the capital of the Company was AED 2,000 thousand. Based on that, all assets and liabilities were consolidated in the Group's consolidated financial statements and net equity was recorded as the shareholder's contribution.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****22. Capital and reserves (continued)****22.2. Contributed capital (continued)**

<sup>4</sup>Based on Decree No. (9) of 2004, issued by HH Sheikh Khalifa Bin Zayed Al Nahyan, 70% of NPCC's shareholders' capital was transferred from ADNOC to the Company on 20 October 2005. There was no consideration paid by the Company for the transfer of NPCC.

<sup>5</sup>According to the instruction from the Minister of Presidential Affairs No. 56/2288 dated 13 April 2005, the ownership of Al Khazna Tannery ("the Tannery") was transferred from the Ministry of Presidential Affairs to SENAAT effective 23 July 2005. The Tannery's equity of AED 39,123 thousand at the date of the transfer was recorded as shareholder's contributions.

<sup>6</sup>Al Foah was established on 20 July 2005 according to Resolution No. 15, session 19/2005 of the Abu Dhabi Executive Council and the ownership was transferred to the Company. The value of the net assets transferred, amounting to AED 352,328 thousand included land, plant and equipment and biological assets, was recorded as a shareholder contribution. On 26 November 2020, the Shareholder of the Group resolved to transfer the ownership of the Farm owed by Al Foah Company LLC in Al Ain, United Arab Emirates (the Farm) to a related party Silal Food and Technology LLC. The transfer resulted in a reduction in contributed capital of AED 158,161 thousand at the date of the transfer.

<sup>7</sup>Based on the Resolution of HH Sheikh Mohammed Bin Zayed No. 15 of 2005, 50% of Dubai Cables ownership was transferred to the Company. The net book value of assets and liabilities were recorded as a shareholder's contribution.

<sup>8</sup>During 2012, the Abu Dhabi Municipality, as controlled by Abu Dhabi Government, waived its debts amounting to AED 14,419 thousand due from Al Foah. As the transaction was between two entities controlled by the same shareholder, SENAAT resolved to consider this debt waiver as an additional contribution in Al Foah.

<sup>9</sup>As per a resolution of the Al Foah's Board of Directors, passed in 2012, Al Foah waived an amount of AED 14,418 thousand due to Abu Dhabi Municipality. This amount was recognized as an additional contribution from the Government of Abu Dhabi. Subsequently in 2015, it was determined that the amount should in fact have been treated as income and not as a capital contribution, accordingly, the amount was reversed to retained earnings.

<sup>10</sup>In 2015, Al Foah recognized an increase of AED 2,600 thousand in capital contributions for the value for land owned by Al Foah but not previously recorded.

<sup>11</sup>In 2020, the Company and Abu Dhabi Ports Company PJSC entered into an agreement for the transfer of a building located at ICAD Abu Dhabi for AED 33,342 thousand, which resulted in a decrease in the capital contribution.

<sup>12</sup>In 2021, additional contribution of AED 393,674 thousand has been provided by the Shareholder for the acquisition of Al Nabil Food Industries Limited.

<sup>13</sup>During 2022, the company and Abu Dhabi Ports Company PJSC entered into an agreement for the transfer of 82,500,000 shares of National Marine Dredging Company PJSC ("NMDC") for AED 1,090,650 thousand, which resulted in a decrease in the capital contribution without any consideration and this is deemed distribution to the shareholders.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**22. Capital and reserves (continued)**

**22.3. Reserves**

**22.3.1. Reconciliation of reserves**

	Foreign currency translation reserve	Restrictive reserves	Hedging reserve	Other reserve	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
At 1 January 2023	(96,945)	722,181	(2,587)	36,110	658,759
Other comprehensive income/(loss):					
Foreign exchange loss on retranslation of foreign operations	(22,641)	-	-	-	(22,641)
Share of OCI/(loss) of equity-accounted investees	(5,970)	-	(7,455)	-	(13,425)
Changes in fair value of cash flow hedge	-	-	-	-	-
Remeasurements of defined benefit liability	-	-	-	3,352	3,352
	(28,611)	-	(7,455)	3,352	(32,714)
Transaction with the owner					
Transfer to reserves from retained earnings	-	16,407	-	-	16,407
Other movements	-	-	(139)	-	(139)
	-	16,407	(139)	-	16,268
At 31 December 2023	(125,556)	738,588	(10,181)	39,462	642,313
	Foreign currency translation reserve	Restrictive reserves	Hedging reserve	Other reserve	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
At 1 January 2024	(125,556)	738,588	(10,181)	39,462	642,313
Other comprehensive income/(loss):					
Foreign exchange loss on retranslation of foreign operations	(53,874)	-	-	-	(53,874)
Share of OCI/(loss) of equity-accounted investees	(4,143)	-	(40,869)	1,852	(43,160)
Remeasurements of defined benefit liability	-	-	-	(4,304)	(4,304)
	(58,017)	-	(40,869)	(2,452)	(101,338)
Transaction with the owner					
Transfer to reserves from retained earnings	-	105,288	-	-	105,288
Other movements	-	-	-	1,851	1,851
	-	105,288	-	1,851	107,139
At 31 December 2024	(183,573)	843,876	(51,050)	38,861	648,114

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****22.4. Capital risk management**

The Group's policy is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure in light of changes in economic and market conditions. The total equity comprises share capital, reserves, contributed capital, retained earnings and non-controlling interests aggregating to AED 12,821,328 thousand as at 31 December 2024 (2023: AED 13,339,036 thousand).

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is calculated as loans and borrowings and lease liabilities, less cash and bank balances. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserves. The Group aims to keep the ratio below 2.

		2024 AED "000"	2023 AED "000"
	Notes		
Loans and borrowings	23	3,280,625	3,144,791
Lease liabilities	24	442,498	452,664
Less: Cash and bank balances	15	(1,475,753)	(1,076,683)
<b>Net debt</b>		<b>2,247,370</b>	<b>2,520,772</b>
Total equity		12,821,328	13,339,036
Less: Hedging reserve	22	51,047	10,180
<b>Adjusted equity</b>		<b>12,872,375</b>	<b>13,349,216</b>
<b>Net debt to adjusted equity ratio</b>		<b>0.17</b>	<b>0.19</b>

**23. Loans and borrowings**

		2024 AED "000"	2023 AED "000"
	Note		
Bank overdrafts	15	114,437	31,173
Bank borrowings		2,064,438	2,011,868
Sukuk		1,101,750	1,101,750
<b>At 31 December</b>		<b>3,280,625</b>	<b>3,144,791</b>
Non-current		1,507,602	2,331,353
Current		1,773,023	813,438
<b>At 31 December</b>		<b>3,280,625</b>	<b>3,144,791</b>

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 28.



## GENERAL HOLDING CORPORATION PJSC

## Consolidated financial statements for the year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 23. Loans and borrowings (continued)

## 23.1. Terms and repayment schedule

	Original currency	Nominal Interest rate	Year of maturity	Face value 2024	Carrying amount AED "000" 2024	Carrying amount AED "000" 2023
Bank overdraft	Various				114,437	31,173
Credit Facility	Various				58,055	275,095
Bank Borrowings	1 <sup>AED</sup>	SOFR+ Margin*	2026	-	-	894,790
	2 <sup>KWD</sup>	CBK+ Margin*	2026	-	-	7,528
	3 <sup>SAR</sup>	SAIBOR+ Margin*	2025	4,887	4,887	14,690
	4 <sup>USD</sup>	SOFR+ Margin*	2027	-	-	275,475
	5 <sup>AED</sup>	Mid Corridor + Margin*	2026	1,381	1,381	3,485
	6 <sup>SAR</sup>	SAIBOR+ Margin*	2030	87,865	87,865	47,856
	7 <sup>USD</sup>	SOFR+ Margin*	2029	1,101,900	1,101,900	-
	8 <sup>AED</sup>	EIBOR+(0.4% to 1.2%)	2029	300,000	300,000	-
	9 <sup>JOD</sup>	3%	2028	22,654	22,654	-
	10 <sup>EUR</sup>	EURIBOR + (0.5% to 2.85%)	2026	1,907	1,907	-
	11 <sup>AED</sup>	LIBOR\SOFR (+0.6-0.65%)	2025	485,789	485,789	319,373
	AED	EIBOR+ 1.5%	2024	-	-	35,000
	Other	Other	Other	-	-	3,642
	12 <sup>AED</sup>	EIBOR+ 2.6%	2024	-	-	134,934
Sukuk	13 <sup>USD</sup>	0.0476	2025	300,000	1,101,750	1,101,750
<b>Total loans and borrowings</b>				<b>3,280,625</b>	<b>3,144,791</b>	

\*Reference rates include SOFR, EIBOR, EURIBOR, SAIBOR, CBK, Mid corridor and Jordan PLR. Margin on the above loans and facilities varies from 0.40 % - 0.95 % (2023: 0.40 % - 1.20 %) for UAE and 0.50 % - 2.85 % (2023: 0.50 % - 2.85 %) for overseas.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****23. Loans and borrowings (continued)****23.1. Terms and repayment schedule (continued)**

<sup>1</sup>The Group availed in 2021 four long-term loans of AED 1,402,493 thousand for a tenure of five years repayable in 2026. All loans payment term is a bullet repayment of principal amounts at maturity. Loans are secured against corporate guarantee. The Group has pre-settled AED 507,703 thousand during 2023 and remaining amount of AED 894,790 thousand during 2024.

<sup>2</sup>One of the Group's subsidiaries availed a loan of KWD 1,800 thousand in 2020 for a tenure of six years repayable in annual instalments till 2026. The facility is secured by corporate guarantee. The Group has pre-settled AED 7,528 thousand (KWD 630 thousand) during 2024.

<sup>3</sup>One of the Group's subsidiaries availed a long-term loan of SAR 50,000 thousand in 2020 for a tenure of five years repayable in semi-annual instalments till 2025. The facility is secured by corporate guarantee. The current carrying value of the loan is AED 4,887 thousand (SAR 5,000 thousand).

<sup>4</sup>The Group has availed a long-term loan of AED 275,475 thousand in USD original currency for a tenure of five years repayable in 2027. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee. The Group has pre-settled AED 275,475 thousand during 2024.

<sup>5</sup>One of the Group's subsidiaries has a consolidated liability of bank term loan equivalent to AED 1,381 thousand as of 31 December 2024 and repayable in quarterly instalments till 2026.

<sup>6</sup>One of the Group's subsidiaries availed a long-term loan of AED 87,865 thousand (SAR 89,896 thousand) in 2023 for a tenure of seven years repayable in annual instalments from 2026 till 2030 (the loan has two years grace period of principal repayment). The facility is secured by corporate guarantee.

<sup>7</sup>The Group has availed a long-term loan of AED 1,101,900 thousand in USD original currency for a tenure of five years repayable in 2029. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee.

<sup>8</sup>The Group has availed a long-term loan of AED 300,000 thousand for a tenure of five years repayable in 2029. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee.

<sup>9</sup>One of the Group's subsidiaries availed a long-term loan of AED 25,885 thousand in JOD original currency in 2024 for a tenure of four years repayable in monthly instalments till 2028. The current carrying value of the loan is AED 22,654 thousand (JOD 4,376 thousand).

<sup>10</sup>One of the Group's subsidiaries availed a long-term loan of AED 1,907 thousand in EUR original currency in 2024 for a tenure of two years repayable in semi-annual instalments till 2026.

<sup>11</sup>Working capital balances relate to facilities extended by two local banks to finance the purchases of certain raw materials and spare parts. These facilities mature within one year and carry effective interest rates of 0.60-0.65% (2023: 0.60-0.65%) over LIBOR / SOFR.

<sup>12</sup>Term loan was a 10-year term loan of AED 1,200 million obtained in 2014 by the Group to finance the construction of the Group's Al Ain Cement Plant. The term loan was payable over 9 years semi-annually commencing from March 2016. The loan carried variable interest at EIBOR plus 2.6%. The term loan was secured by assets with a carrying amount of AED 840 million at 31 December 2023 (note 16). The loan was settled in full in March 2024.

<sup>13</sup>In December 2019, the Company issued non-convertible Sukuk with a total value of USD 300 million (AED 1,101,750 thousand) under the USD 3,000,000,000 Trust Certificate Issuance Program. The Sukuk has a profit rate of 4.76% per annum payable semi-annually and is due for settlement in December 2025

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**24. Lease liabilities**

		2024	2023
	Note	AED "000"	AED "000"
At 1 January		452,664	560,780
Additions		57,613	72,485
Accrual of interest	11	29,549	30,992
Payments		(97,328)	(92,331)
Lease Terminations		-	(119,262)
<b>At 31 December</b>		<b>442,498</b>	<b>452,664</b>
Non-current		397,115	408,184
Current		45,383	44,480
<b>At 31 December</b>		<b>442,498</b>	<b>452,664</b>

Maturity analysis of lease liabilities is as follows:

	2024	2023
	AED "000"	AED "000"
Less than one year	45,383	44,480
Between one and five years	124,724	132,548
More than five years	272,391	275,636
Less: Unearned interest	-	-
<b>At 31 December</b>	<b>442,498</b>	<b>452,664</b>

**25. Accounts and other payables**

		2024	2023
	Note	AED "000"	AED "000"
<b>Non-current</b>			
<sup>1</sup> Other payables		-	2,128
<b>At 31 December</b>		<b>-</b>	<b>2,128</b>
<b>Current</b>			
Accounts payable due to third parties		1,773,469	1,757,891
Accrued expenses		559,366	565,075
Payables due to related parties	31	447,274	564,468
VAT and other tax liabilities		121,596	20,991
Other payables		184,727	334,168
<b>At 31 December</b>		<b>3,086,432</b>	<b>3,242,593</b>

<sup>1</sup>Other payables include the derivative liability.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**26. Retirement benefit obligation**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>AED "000"</b>	<b>AED "000"</b>
At 1 January		314,698	307,930
(Reversal)\charge for the year, net	6	(3,090)	28,040
Benefits paid		(41,086)	(25,891)
Net actuarial gain\((loss) recognised in other comprehensive income		5,092	(4,178)
Reclassified as held for sale		(9,318)	-
Other movements		7,787	8,797
<b>At 31 December</b>		<b>274,083</b>	<b>314,698</b>

**Defined benefit obligations**

In accordance with the provisions of IAS 19, an exercise to assess the present value of its defined benefit obligations as at 31 December 2024 and 2023 is carried out (except for those subsidiaries wherein impact is not considered to be significant), in respect of employees' end of service benefit liabilities under relevant local regulations and contractual arrangements.

The following are the principal actuarial assumptions at the respective reporting date (expressed as weighted averages):

<b>Significant actuarial assumptions</b>	<b>2024</b>	<b>2023</b>
Discount rate	5.0%-5.5%	5.0%-5.5%
Rate of salary increase	2.5%-5.0%	2.5%-5.0%

<b>Sensitivity analysis</b>	<b>Increase</b>	<b>Decrease</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>2024</b>		
Provision - discount rate (0.5% movement)	156,459	165,318
Provision - future salary (0.5% movement)	160,710	160,172
<b>2023</b>		
Provision - discount rate (0.5% movement)	200,111	212,797
Provision - future salary (0.5% movement)	213,692	199,860

**Employees' pension scheme**

Monthly pension contributions are made in respect of UAE National employees, who are covered by the UAE Federal Law No. 2 of 2000. The contribution made by the Group is recognised in the consolidated statement of profit or loss. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Other than the monthly pension contributions, there is no further obligation on the Group. Contributions to the pension scheme for the year ended 31 December 2024 amounting to AED 23,825 thousand (2023: AED 21,943 thousand) were charged to the consolidated statement of profit or loss (Note 6).

**27. Provisions**

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
Legal provisions	284	284
Others	76,889	62,164
<b>At 31 December</b>	<b>77,173</b>	<b>62,448</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**27. Provisions (continued)**

Movement in provisions during the year is as follows:

	2024		
	Legal provisions	Others	Total
	AED' 000	AED' 000	AED' 000
At 1 January	284	62,164	62,448
Provisions during the year	-	22,600	22,600
Reclassified as held for sale	-	(7,875)	(7,875)
<b>At 31 December</b>	<b>284</b>	<b>76,889</b>	<b>77,173</b>

Provision during the year represent a contingent liability in relation to the Group increase of economic interest in Baklawa Made Better Investments LLC "BMB" from 80% to 100%, in which a second tranche payment amounting to AED 22.6 million to be paid upon satisfactory delivering certain procedural documentation. The Group determined the fair value of the contingent consideration at the year-end continues to be reflective of its fair value at acquisition date.

	2023		
	Legal provisions	Others	Total
	AED' 000	AED' 000	AED' 000
At 1 January	284	179,202	179,486
Provisions during the year	-	5,511	5,511
Reversals during the year	-	(29,517)	(29,517)
Paid during the year	-	(89,789)	(89,789)
Foreign exchange adjustments	-	(3,243)	(3,243)
<b>At 31 December</b>	<b>284</b>	<b>62,164</b>	<b>62,448</b>

	2024	2023
	AED "000"	AED "000"
Current	<b>77,173</b>	62,448
<b>At 31 December</b>		



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**28. Financial risk management**

The Group has exposure to the following risks arising from its financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk, foreign currency risk, equity price risk and commodity price risk).

**28.1. Risk management framework**

The Group's Board of Directors ("BOD") has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Audit and Risk Committee ("ARC"), to assist the BOD in fulfilling its oversight responsibilities with respect to the effectiveness of internal controls, risk management and governance. The ARC reports regularly to the BOD on its activities.

The Group's risk management policies are established to identify, analyse, mitigate and monitor the risks faced by the Group, and to set appropriate risk appetite limits and to monitor management adherence to appetite limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's ARC oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. ARC is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

**28.2. Credit risk management**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and bank balances, receivables from third party customers and related parties and investments in debt securities.

As at year end, the maximum exposure to credit risk was as follows:

		2024	2023
	Notes	AED "000"	AED "000"
<sup>1</sup> Accounts and other receivables	14	4,363,414	3,763,090
<sup>2</sup> Cash and bank balances	15	1,471,822	1,073,347
<b>At 31 December</b>		<b>5,835,236</b>	<b>4,836,437</b>

<sup>1</sup>excluding advances to contractors and suppliers, prepayments and VAT receivables.

<sup>2</sup>excluding cash in hand.

**28.2.1. Accounts and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Each subsidiary within the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****28. Financial risk management (continued)****28.2. Credit risk management (continued)****28.2.1. Accounts and other receivables (continued)**

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Group is closely monitoring the economic environment in the UAE and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility.

The Group establishes an allowance for expected credit losses in respect of accounts and other receivables, including contract assets.

**Trade and other receivables**

The average credit period on revenue is 30 - 90 days (2023: 30 – 90 days). No interest is charged on trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its major trade customers and the fact that the remaining customer base is unrelated.

	2024		
	Expected credit loss rate (in %)	Estimated total gross carrying amount at default AED "000"	Expected credit loss AED "000"
Not past due	0.52%	3,413,438	17,812
Less than 90 days past due	3.65%	368,887	13,481
91 – 120 days past due	9.27%	2,394	222
121 – 150 days past due	10.59%	2,239	237
151 – 180 days past due	29.48%	30,354	8,947
More than 180 days past due	52.16%	474,658	247,601
Specific provisioning	99.62%	71,444	71,174
<b>At 31 December 2024</b>		<b>4,363,414</b>	<b>359,474</b>

	2023		
	Expected credit loss rate (in %)	Estimated total gross carrying amount at default AED "000"	Expected credit loss AED "000"
Not past due	0.77%	2,594,855	19,987
Less than 90 days past due	2.20%	391,396	8,621
91 – 120 days past due	5.70%	11,970	682
121 – 150 days past due	11.05%	7,614	841
151 – 180 days past due	13.41%	34,594	4,639
More than 180 days past due	44.30%	528,602	234,194
Specific provisioning	99.92%	194,059	193,911
<b>At 31 December 2023</b>		<b>3,763,090</b>	<b>462,875</b>

*Carrying Amounts excludes advances to contractors and suppliers, prepayments and VAT receivables.*

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****28. Financial risk management (continued)****28.2. Credit risk management (continued)****28.2.3. Cash and bank balances (excluding cash on hand)**

As at 31 December 2024 and 2023, though the Group has significant bank balances, management believes that the risk arising out of cash and bank balances are minimal as these are placed with reputable local banks. The Group monitors its position on a regular basis. There is no provision for expected credit losses made for the years ended 31 December 2024 and 2023.

**28.3. Liquidity risk management**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash, liquid assets on demand and committed and uncommitted undrawn bank facilities to meet its expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group maintains substantial amount of its cash resources at banks and in short term time deposits. The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2024 and 2023.

The contractual undiscounted cash flow analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the reporting date are as follows:

	2024					Carrying amount AED "000"
	Undiscounted cash flows					
	Less than one year AED "000"	1-5 years AED "000"	More than 5 years AED "000"	Total AED "000"		
Loans and borrowings (Note 23)	1,900,942	1,557,063	115,580	3,573,585	3,280,625	
Lease liabilities (Note 24)	85,746	202,846	393,239	681,831	442,498	
Accounts and other payables (Note 25)	2,405,470	-	-	2,405,470	2,405,470	
	<b>4,392,158</b>	<b>1,759,909</b>	<b>508,819</b>	<b>6,660,886</b>	<b>6,128,593</b>	

	2023					Carrying amount AED "000"
	Undiscounted cash flows					
	Less than one year AED "000"	1-5 years AED "000"	More than 5 years AED "000"	Total AED "000"		
Loans and borrowings (Note 23)	880,201	2,505,757	28,858	3,414,816	3,144,791	
Lease liabilities (Note 24)	51,199	120,149	286,962	458,310	452,664	
Accounts and other payables (Note 25)	2,656,527	2,128	-	2,658,655	2,658,655	
	<b>3,587,927</b>	<b>2,628,034</b>	<b>315,820</b>	<b>6,531,781</b>	<b>6,256,110</b>	

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**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**28. Financial risk management (continued)**

**28.4. Market risk management**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**28.4.1. Foreign currency risk management**

Currency risk is the risk that the value of the Group financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in currency that's not the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in Turkish Lira ("TRY"), Kuwaiti Dinar ("KWD"), Egyptian Pounds ("EGP"), Euro ("EUR"), United State Dollars ("USD"), Omani Riyals ("OMR"), Jordanian Dinars ("JOD") and Saudi Riyals ("SAR").

Management anticipates that the Group's exposure to currency risk is limited as the Group's currency, Jordanian Dinars ("JOD") and Saudi Riyals ("SAR") are pegged to USD. The fluctuation in exchange rates against TRY, KWD, EGP, Euro, and OMR are monitored on a continuous basis.

A strengthening or weakening of these currencies by 0.5% against all other currencies would not have a material effect to the measurement of the Group's financial instruments denominated in foreign currency and would not have a material effect on the Group's consolidated equity and its consolidated profit and loss.

The following tables demonstrate the sensitivity to a reasonably possible change in significant foreign currency exchange rates exposure mainly denominated in EGP, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	<b>Change in EGP rate</b>	<b>Effect on profit before tax AED'000</b>
<b>2024</b>	- / + 5%	- / + 7,520
<b>2023</b>	- / + 5%	- / + 5,919

**28.4.2. Interest rate risk**

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by the use of interest rate swap contracts.

*Interest rate sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset or liability outstanding at the end of the reporting period was outstanding for the whole year. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would decrease/ increase by AED 16,656 thousand (2023: AED 12,126 thousand). The resulting loss is due to significant loan draw-downs and fresh borrowings during the year partially offset by commissioning of assets under construction that had significant borrowing costs capitalization.

*Interest rate swap contracts*

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rate on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.



**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****28. Financial risk management (continued)****28.4. Market risk management (continued)****28.4.3. Equity price risk**

Equity price risk arises from equity securities classified as financial assets measured at FVTPL. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Management Committee or BOD based on the delegation of authority.

The primary goal of the Group's investment strategy is to maximise investment returns. In accordance with this strategy, certain investments are classified at FVTPL since their performance is actively monitored and they are managed on a fair value basis.

The following table demonstrates the sensitivity of the Group's equity and profit or loss to a 5% decrease in the price of its equity holdings, assuming all other variables, in particular foreign currency rates, remain constant.

<b>Market index</b>	<b>Changes in Variables</b>	<b>2024 AED "000"</b>	<b>2023 AED "000"</b>
Abu Dhabi Securities Exchange	5%	-	52,672

**29. Fair value of financial instruments****29.1 Accounting classifications**

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 December 2024 and 2023

	<b>2024</b>			
	<b>FVTPL AED "000"</b>	<b>Financial assets amortised cost AED "000"</b>	<b>Other financial liabilities AED "000"</b>	<b>Total AED "000"</b>
Equity securities	-	-	-	-
a) Financial assets measured at fair value	-	-	-	-
Accounts and other receivables	-	4,003,940	-	4,003,940
Cash and bank balances	-	1,475,753	-	1,475,753
b) Financial assets not measured at fair value	-	5,479,693	-	5,479,693
Bank overdrafts	-	-	114,437	114,437
Secured bank loans	-	-	-	-
Unsecured bank loans	-	-	2,064,438	2,064,438
Lease liabilities	-	-	442,498	442,498
Sukuk	-	-	1,101,750	1,101,750
Accounts and other payables	-	-	2,405,470	2,405,470
c) Financial liabilities not measured at fair value	-	-	6,128,593	6,128,593



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**29. Fair value of financial instruments (continued)**

**29.1 Accounting classifications (continued)**

<b>2023</b>				
	<b>FVTPL</b>	<b>Financial assets amortised cost</b>	<b>Other financial liabilities</b>	<b>Total</b>
	<b>AED "000"</b>	<b>AED "000"</b>	<b>AED "000"</b>	<b>AED "000"</b>
Equity securities	1,053,430	-	-	1,053,430
a) Financial assets measured at fair value	1,053,430	-	-	1,053,430
Accounts and other receivables	-	3,300,214	-	3,300,214
Cash and bank balances	-	1,076,683	-	1,076,683
b) Financial assets not measured at fair value	-	4,376,897	-	4,376,897
Bank overdrafts	-	-	31,173	31,173
Secured bank loans	-	-	134,934	134,934
Unsecured bank loans	-	-	1,876,934	1,876,934
Lease liabilities	-	-	452,664	452,664
Sukuk	-	-	1,101,750	1,101,750
Accounts and other payables	-	-	2,656,527	2,656,527
c) Financial liabilities not measured at fair value	-	-	6,253,982	6,253,982

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

<b>2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>AED "000"</b>	<b>AED "000"</b>	<b>AED "000"</b>	
Equity securities	-	-	-	
Financial assets measured at fair value	-	-	-	
<b>2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>AED "000"</b>	<b>AED "000"</b>	<b>AED "000"</b>	
GN 34.2.1 - Equity securities	1,053,430	-	-	
GN 34.2.1 - Financial assets measured at fair value	1,053,430	-	-	

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**30. Segment Reporting**

**Products and services from which reportable segments derive their revenue**

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the business segments. The principal categories of customers are direct sales to individuals, corporate entities and government entities.

The Group's reportable segments under IFRS 8 are therefore as follows:

**Building materials**

This segment incorporates, operates, trade and invest in industrial projects and commercial companies involved in the building materials sector.

**Steel industries**

This segment is involved in establishing, investing, and manufacturing and trading in businesses that are involved in the steel sector. The segment operates an integrated steel plant.

**Food, beverage and tannery**

This segment is engaged in developing, processing, selling and marketing dates and the production of leather and the management of abattoirs. It also establishes, invests, trade and operates companies and businesses that are involved in food and beverage sector.

**Others**

This segment consists mainly of the Company's head office.

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**30. Segment Reporting (continued)**

	Building materials	Steel industries	Food, beverage and tannery	Total	Eliminated	Unallocated	Consolidated
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>31-Dec-24</b>							
<b>Assets</b>	<b>2,093,119</b>	<b>9,618,271</b>	<b>6,642,630</b>	<b>18,354,020</b>	<b>(6,121,617)</b>	<b>7,869,520</b>	<b>20,101,923</b>

<b>Liabilities</b>	<b>(470,191)</b>	<b>(2,067,028)</b>	<b>(3,643,995)</b>	<b>(6,181,214)</b>	<b>6,984</b>	<b>(1,106,365)</b>	<b>(7,280,595)</b>
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<b>31-Dec-23</b>							
<b>Assets</b>	<b>2,090,069</b>	<b>9,109,847</b>	<b>6,693,328</b>	<b>17,893,244</b>	<b>(7,267,766)</b>	<b>10,000,834</b>	<b>20,626,312</b>

<b>Liabilities</b>	<b>(825,979)</b>	<b>(2,043,850)</b>	<b>(3,492,373)</b>	<b>(6,362,202)</b>	<b>180,168</b>	<b>(1,105,242)</b>	<b>(7,287,276)</b>
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Consolidated statement of profit or loss for the year ended 31 December 2024

	Building materials	Steel Industries	Food, beverage and tannery	Total	Eliminated	Unallocated	Consolidated
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>Revenue</b>							
External sales	760,678	7,576,637	4,922,990	13,260,305	-	-	13,260,305
Inter-segment sales	-	-	81	81	(81)	-	-
<b>Total revenue</b>	<b>760,678</b>	<b>7,576,637</b>	<b>4,923,071</b>	<b>13,260,386</b>	<b>(81)</b>	<b>-</b>	<b>13,260,305</b>
Profit from operating activities	188,128	374,553	443,120	1,005,801	(103,602)	319,180	1,221,379
Finance income	4,682	9,321	17,026	31,029	-	4,660	35,689
Finance costs	(13,127)	(82,960)	(89,391)	(185,478)	-	(52,444)	(237,922)
<b>Profit before tax</b>	<b>144,319</b>	<b>346,630</b>	<b>360,286</b>	<b>851,235</b>	<b>(104,867)</b>	<b>348,903</b>	<b>1,095,271</b>
Income tax	(15,317)	(23,942)	(61,846)	(101,105)	-	(6,553)	(107,658)
<b>Profit after tax</b>	<b>129,002</b>	<b>322,688</b>	<b>298,440</b>	<b>750,130</b>	<b>(104,867)</b>	<b>342,350</b>	<b>987,613</b>

Consolidated statement of profit or loss for the year ended 31 December 2023

	Building materials	Steel Industries	Food, beverage and tannery	Total	Eliminated	Unallocated	Consolidated
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
<b>Revenue</b>							
External sales	870,864	8,028,529	4,566,913	13,466,306	-	-	13,466,306
Inter-segment sales	-	-	658	658	(658)	-	-
<b>Total revenue</b>	<b>870,864</b>	<b>8,028,529</b>	<b>4,567,571</b>	<b>13,466,964</b>	<b>(658)</b>	<b>-</b>	<b>13,466,306</b>
Profit from operating activities	584,548	372,963	449,777	1,407,288	-	(66,057)	1,341,231
Finance income	2,632	5,173	25,649	33,454	-	8,693	42,147
Finance costs	(35,536)	(69,832)	(118,280)	(223,648)	-	(52,452)	(276,100)
<b>Profit before tax</b>	<b>144,724</b>	<b>440,719</b>	<b>367,527</b>	<b>952,970</b>	<b>(82,100)</b>	<b>263,076</b>	<b>1,133,946</b>
Income tax	-	-	(82,610)	(82,610)	-	6,553	(76,057)
<b>Profit after tax</b>	<b>144,724</b>	<b>440,719</b>	<b>284,917</b>	<b>870,360</b>	<b>(82,100)</b>	<b>269,629</b>	<b>1,057,889</b>

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****31. Related parties****31.1. Related party transactions**

In the ordinary course of business, the Group provides services to and receives services from related parties on terms agreed by management. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

**For the year ended 31 December 2024**

	Associates AED "000"	Joint ventures AED "000"	Entities under common control and other related parties AED "000"	Ultimate parent AED "000"	Total AED "000"
Revenues	70,140	8,223	414,582	43	492,988
Purchases of goods and services	107,711	3,328	1,403,470	-	1,514,509
Government grants income	-	-	-	8,400	8,400
Dividends received from equity-accounted investees (Note 20)	65,318	-	-	-	65,318
Share of results from equity-accounted investees (Note 20)	123,298	89,370	-	-	212,668
Additional investments in equity-accounted investees (Note 20)	5,806	-	-	-	5,806
Proceeds from government grants	-	-	-	10,772	10,772

**For the year ended 31 December 2023**

	Associates AED "000"	Joint ventures AED "000"	Entities under common control and other related parties AED "000"	Ultimate parent AED "000"	Total AED "000"
Revenues	95,472	10,899	272,388	-	378,759
Purchases of goods and services	852	11,242	620,333	-	632,427
Government grants income	-	-	-	8,400	8,400
Dividends received from equity-accounted investees (Note 20)	18,936	-	-	-	18,936
Share of results from equity-accounted investees (Note 20)	136,469	-	-	-	136,469
Additional investments in equity-accounted investees (Note 20)	19,178	-	-	-	19,178
Proceeds from government grants	-	-	-	8,400	8,400

**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**31. Related parties (continued)**

**31.2. Related party balances**

**As at 31 December 2024**

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
Receivables due from related parties (Note 14)	21,005	8,882	1,265,208	8,882	1,303,977
Bank balances	-	-	507,482	-	507,482
Investments in equity-accounted investees (Note 20)	1,168,962	89,370	-	-	1,258,332
Payables due to related parties (Note 25)	(126,689)	(13)	(320,572)	-	(447,274)
Loans and borrowings	-	-	(485,789)	-	(485,789)
Lease Liability	-	-	(195,879)	-	(195,879)
Deferred government grants	-	-	-	(17,544)	(17,544)

**As at 31 December 2023**

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED "000"	AED "000"	AED "000"	AED "000"	AED "000"
Receivables due from related parties (Note 14)	16,869	329	937,649	32,394	987,241
Bank balances	-	-	26,717	-	26,717
Investments in equity-accounted investees (Note 20)	1,399,181	-	-	-	1,399,181
Payables due to related parties (Note 25)	(32)	(78,411)	(486,025)	-	(564,468)
Loans and borrowings	-	-	(440,571)	-	(440,571)
Deferred government grants	-	-	-	(25,313)	(25,313)



**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**32. Commitments and contingencies**

**32.1. Capital commitments**

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
Capital commitments in relation to property, plant and equipment	152,017	159,103
	<b>152,017</b>	<b>159,103</b>

**32.2. Commitments and contingencies related to equity-accounted investees**

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
<b>Contingencies</b>		
Contingencies attributable to associates	-	53,400
	-	<b>53,400</b>

**32.3. Contingencies**

The Group has the following contingent liabilities at the reporting date:

	<b>2024</b>	<b>2023</b>
	<b>AED "000"</b>	<b>AED "000"</b>
<sup>1</sup> Bank guarantees and letters of credit	647,286	426,502
	<b>647,286</b>	<b>426,502</b>

At 31 December 2024, the Group had contingent liabilities in respect of bank guarantees arising in the ordinary course of operation amounting to AED 647,286 thousand (2023: AED 426,502 thousand).

<sup>1</sup>The above bank guarantees include AED 172,248 thousand (2023: AED 205,442 thousand) were issued for the loans of joint venture named Al Gharbia Pipe Company LLC wherein the Company is the guarantor

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****33. Assets and liabilities associated directly with assets held for disposal**

EMSTEEL one of the Group's subsidiaries, plans to dispose of the Anabeeb division comprising a PVC Pipe factory, the GRP Pipe factory and a Bag plant. The related assets and liabilities of the disposal group are classified as held for sale as of 31 December 2024. Impairment losses of AED 4,818 thousand for the write-down of the net assets to their realisable values and the associated costs of disposal has been included in the consolidated statement of profit or loss. The impairment losses have been applied to reduce the carrying amount of net asset value of the disposal group.

The non-recurring fair value measurement for the disposal group of AED 100 million (before selling costs of AED 2 million) has been categorised as a Level 3 fair value. The valuation was based on a binding offer for the acquisition of the disposal group received on 28 November 2024.

The major classes of assets and liabilities of the assets held-for-disposal are as follows:

	2024 AED "000"	2023 AED "000"
Property, plant and equipment*	27,564	-
<b>Non-Current Assets</b>	<b>27,564</b>	
Cash and cash equivalent	26,634	-
Trade receivables (stated net of provisions of AED 38,052)	65,423	-
Inventories (stated net of provisions of AED 8,055k)	45,517	-
Intercompany loans**	391	-
Other receivables	2,958	-
<b>Current assets</b>	<b>140,923</b>	
<b>Total assets</b>	<b>168,487</b>	<b>-</b>
Trade payables	26,765	-
Other Payables	5,220	-
<b>Current liabilities</b>	<b>31,985</b>	<b>-</b>
Employees' end of service benefit obligation	9,318	-
Intercompany Loan	24,365	-
<b>Non-current liabilities</b>	<b>33,683</b>	<b>-</b>
<b>Total liabilities</b>	<b>65,668</b>	
<b>Net asset value</b>	<b>102,819</b>	
Impairment adjustment	(4,819)	-
<b>Net realizable value</b>	<b>98,000</b>	
Property, plant and equipment transferred (note 16)	38,916	-
Less: re-classification of liability held for impairment	(11,352)	-
<b>Net value held for disposal*</b>	<b>27,564</b>	

\*\* Related party balance eliminated on consolidation; the disposal group held for sale appearing in the consolidated statement of financial position is further reduced by the impairment for the loss on disposal at AED 163,276 thousand.

\*\*\* Related party balance eliminated on consolidation. Liabilities of the disposal group held for sale appearing in the consolidated statement of financial position is AED 41,302 thousand.

**GENERAL HOLDING CORPORATION PJSC****Consolidated financial statements for the year ended 31 December 2024****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****34. Material partly-owned subsidiaries**

The table shows details of subsidiaries of the Group that have material non-controlling interests ('NCI')

**As of 31 December 2024**

Name	Domicile	Ownership interest	Profit allocated to NCI	Accumulated NCI
			AED '000"	AED '000"

Agthia Group PJSC	UAE	62.86%	138,739	1,122,844
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EMSTEEL BUILDING MATERIALS PJSC (formerly Arkan Building Materials Company (Arkan) PJSC)	UAE	87.48%	57,439	1,091,805
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**As of 31 December 2023**

Name	Domicile	Ownership interest	Profit allocated to NCI	Accumulated NCI
			AED '000"	AED '000"

Agthia Group PJSC	UAE	62.86%	135,506	1,424,438
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EMSTEEL BUILDING MATERIALS PJSC (formerly Arkan Building Materials Company (Arkan) PJSC)	UAE	87.48%	74,468	877,927
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**GENERAL HOLDING CORPORATION PJSC**  
**Consolidated financial statements for the year ended 31 December 2024**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**34. Material partly-owned subsidiaries (continued)**

	<b>2024</b>		<b>2023</b>	
	<b>Agthia Group PJSC</b>	<b>EMSTEEL BUILDING MATERIALS PJSC (formerly Arkan Building Materials Company (Arkan) PJSC)</b>	<b>Agthia Group PJSC</b>	<b>EMSTEEL BUILDING MATERIALS PJSC (formerly Arkan Building Materials Company (Arkan) PJSC)</b>
	<b>AED '000"</b>	<b>AED '000"</b>	<b>AED '000"</b>	<b>AED '000"</b>
Non-current assets	3,961,954	6,686,606	3,996,965	6,906,633
Current assets	2,641,725	4,571,915	2,675,422	4,114,890
Non-current liabilities	(1,750,596)	(494,718)	(1,474,176)	(533,830)
Current liabilities	(1,859,855)	(2,043,317)	(2,004,664)	(2,155,259)
<b>Net assets</b>	<b>2,993,228</b>	<b>8,720,486</b>	<b>3,193,547</b>	<b>8,332,434</b>
<b>Net assets attributable to NCI</b>	<b>1,122,844</b>	<b>1,091,805</b>	<b>1,424,438</b>	<b>877,927</b>
Revenue	4,923,044	8,337,315	4,560,552	8,899,393
Profit for the year	321,834	392,392	299,576	601,916
Other comprehensive income/(loss)	(109,241)	(4,341)	(44,499)	2,147
<b>Total comprehensive income/(loss) for the year</b>	<b>212,593</b>	<b>388,051</b>	<b>255,077</b>	<b>604,063</b>
<b>Profit allocated to NCI</b>	<b>138,739</b>	<b>57,439</b>	<b>135,506</b>	<b>74,468</b>
<b>Other comprehensive income/(loss) allocated to NCI</b>	<b>(11,701)</b>	<b>(543)</b>	<b>(23,110)</b>	<b>269</b>
<b>Dividends declared to NCI</b>	<b>(64,714)</b>	<b>-</b>	<b>(65,426)</b>	<b>-</b>
Cash flows from operating activities	656,018	672,564	928,532	1,328,036
Cash flows (used in)/from investing activities	(41,533)	(170,419)	242,824	(158,033)
Cash flows (used in) financing activities	(484,160)	(104,659)	(1,103,501)	(1,101,240)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>130,325</b>	<b>397,486</b>	<b>67,855</b>	<b>68,763</b>

**35. Subsequent event**

Subsequent to the reporting period and on 20 February 2025, the Company's Board of Directors has approved the purchase of additional 10% ownership stake owned by multiple non-controlling interests ("Seller" – minority shareholder) in Abu Auf Netherlands, for a consideration of AED 129,171 thousand (equivalent to USD 35,168 thousand). The completion of the transfer of shares from Seller to the Company will increase the ownership stake of the Company in Abu Auf Netherlands from 70% to 80%. Relevant agreements and execution of respective legal matters in respect of the purchase are still ongoing.