

APEX
INVESTMENT PSC
إبيكس للاستثمار ش.م.ع

Integrated Report 2022



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Board of Directors Report

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Executive Summary and Overview

Abu Dhabi headquartered Apex Investments PSC (ADX: APEX), one of the UAE's premier investment companies, exhibited stellar growth in 2022. The Company, along with its subsidiaries collectively referred to as the Group, went through a transformative year. Apex Investments previously known as Ras Al Khaimah Cement & Investment Company (ADX: RAKCIC) RAKCIC purchased the entire shareholding of International Holding Company (IHC) and Chimera Investments in APEX Holding LLC for a consideration of AED 3.05 billion in exchange of mandatory convertible bonds. Further, RAKCIC was renamed as Apex Investments PSC.






The business activities of Apex Investments PSC ("Apex" or "Apex Investment" or "Company"), along with its subsidiaries and affiliates ("Apex Group" or "Group") are diversified including cement manufacturing and trading, industrial and commercial catering, facility management, sale and rental of tents and shades, tailored production of tents for events and functions, industrial and commercial laundry services, interior designing and logistics services to ports, oil & gas sectors etc.

Given the transformative acquisition of Apex Holding the full year revenue came in at AED 820.3 million versus AED 166.7 million in 2021. Net profit was AED 187.2 million versus AED 2.9 million in 2021. This achievement is a result of our laser focus on innovation, operational efficiency, and customer satisfaction. We have managed to expand our customer base and increase our market share in highly competitive industries. Our investment in technology and infrastructure has enabled us to improve our processes and offer high-quality services to our clients.

We have also implemented cost optimization strategies that have helped us reduce our expenses and increase our profitability. We have been able to maintain our high standards of service while keeping our costs under control, which has contributed significantly to our bottom line.

Our financial position remains strong with a cash balance of AED 142.6 million, and we are well-positioned to take advantage of emerging opportunities in all of our respective industries. We will continue to invest in our people, infrastructure, and technology to drive long-term growth and success.

Following is the overview of Key Apex group of companies:

Company Name	Business Description	Logo
1 Apex National Catering	Apex Catering is an industry leader in the field of commercial catering. We are the trusted partner to some of the most venerable government and corporate entities in the UAE spanning myriad of sectors such as Oil & Gas, Healthcare etc.	
2 RR Facility Management	RRFM is amongst the largest physical asset management companies in the UAE. Specializing in both hard and soft FM including providing building maintenance, camps and labor accommodation.	
3 Central Tents	Central Tents is a pioneer in tents, shades, and mobile halls. Our unique tents are used for many of the marquee events held in the UAE. We have also been at the forefront in the fight against the pandemic in our region becoming an expert in the construction of field hospitals.	
4 RAKCC	RAKCC is a leader in the cement industry in the UAE. Being a leader in various grades of cement such as Portland, Masonry, Oil Well etc.	
5 Apex Logistics	Apex Logistics aims to bring cutting edge solutions to the logistics sector. Our first foray is in the field of commercial drone technology. Namely SkGo Transport of Goods. Skygo is the only company in UAE having Commercial License for drone cargo delivery, and its a strategic partnership between Ethmar holdings and Apex Investment company.	

Financial Performance for 2022

The acquisition of Apex Holding resulted in a substantial increase in revenue of AED 653.6 million year on year by introducing several new revenue streams.. The significant contributors to this growth were Catering services, which added AED 390 million, and the sale of tents & contracting which added AED 201.2 million to the total revenue. Facility management services contributed to the rise in revenue, with AED 127.8 million respectively. However, the growth was partially offset by a reduction in revenue from the sale of cement, which decreased by AED 65.5 million to AED101.2 million in FY'22.

Abridged Income Statement

Particulars	Financials		Variance
	FY22	FY21	
	AEDm		
Revenue	820.3	166.7	653.6
Cost of sales	(595.3)	(172.4)	(422.9)
GROSS PROFIT (LOSS)	225	(5.7)	230.7
General and administrative expenses	(67.6)	(18.8)	(48.8)
Other income	3.0	3.1	(0.1)
Dividend income	0.8	0.8	(0.0)
Share of loss from equity accounted investees	(6.5)	(2.9)	(3.6)
Net gain from financial assets carried at fair value through profit or loss	33.9	28.8	5.1
Finance costs	(1.4)	(2.4)	1.0
PROFIT FOR THE YEAR	187.2	2.9	184.3

The recently acquired new businesses demonstrated significant net earnings, with Catering generating AED 135.7 million, Facility Management contributing AED 58.7 million, and the Sale of Tents and Contracting generating AED 25.6 million. Additionally, there was a net gain of AED 26.3 million from the fair value of investments, after accounting for costs. However, these gains were partly offset by a loss of AED 41.8 million from the sale of the cement business, as well as shared expenses.

Financial Performance for 2022

Abridged Statement of Financial Position

<i>AED M</i> Particulars	FY 2022	FY 2021	Absolute Growth	Growth %
Non-current assets	600.3	574.3	26	5%
Current assets	1660.4	149.9	1,510	1008%
Total assets	2260.7	724.2	1,536	212%
Total equity	2048.5	634.5	1,414	223%
Non-Current liabilities	7.1	1.1	6	543%
Current liabilities	205.1	88.6	116	131%
Total liabilities	212.2	89.7	122	136%
Total Borrowings	16.6	18.6	(2)	-11%
Cash and Bank Balances	142.6	0.0	143	
Current ratio	8.10	1.69		
Quick ratio	7.81	1.07		
Debt to Equity ratio	0.01	0.03		
ROCE %	9.17%	0.85%		
ROE %	9.14%	0.47%		
Borrowings/EBITDA Ratio	0.08	0.91		

The pivotal transaction of buying Apex holdings has had a big impact on the finances. Total assets increased to AED2,260.7 million, with most of the increase coming from current assets, which grew by AED1,510 million. This was mainly due to trade and other receivables growing by AED 586.5 million, and financial assets carried at FVTPL increasing by AED 545.8 million.

Total liabilities increased by AED 122 million. This was mainly due to non-current liabilities increasing by AED 6.1 million, and trade and other payables rising by AED 89.0 million. The increase in trade and other payables was mainly because of the Apex holding acquisition. Total equity increased by AED 1,414.0 million, mainly due to the increased in share capital by AED 3,050.1 million. However, this increase was partially offset by the merger reserve created by the Apex acquisition, which was AED 1,800.9 million. The overall strength of the balance sheet and free cashflows generated in 2022 will support further expansion of the businesses organically and inorganically.

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**Audited
Financial Report
FY22**

Apex Investment PSC
*(formerly “Ras Al Khaimah Cement
Investment Public J.S.C”)*

**BOARD OF DIRECTORS’ REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2022

Apex Investment PSC
*(formerly “Ras Al Khaimah Cement
Investment Public J.S.C”)*

BOARD OF DIRECTORS’ REPORT

31 DECEMBER 2022

Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C")

BOARD OF DIRECTORS' REPORT

For the year ended 31 December 2022

The Board of Directors have the pleasure to present their report, together with the audited consolidated financial statements of Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C") (the "Company") and its subsidiaries (together referred to as the "Group"), for the year ended 31 December 2022.

Principal activities

The principal activities of the Group include clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work.

Results for the year

During the year ended 31 December 2022, the Group reported a profit of AED 187,194,349 (2021: AED 2,980,959) and revenue of AED 820,299,415 (2021: AED 166,740,840).

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2023 will be put to the shareholders at Annual General Meeting.

For and on behalf of the Board of Directors



Group Chairman of the Board



Group Managing Director

Date 27/01/2023
Abu Dhabi



Apex Investment PSC
*(formerly “Ras Al Khaimah Cement
Investment Public J.S.C”)*

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF APEX INVESTMENT PSC (FORMERLY "RAS AL KHAIMAH CEMENT INVESTMENT PUBLIC J.S.C")

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C") (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") 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.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 30 January 2022.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF APEX INVESTMENT PSC (FORMERLY "RAS AL KHAIMAH CEMENT INVESTMENT PUBLIC J.S.C") continued

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

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.

Revenue recognition

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 decentralized 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 2022, total revenue of the Group amounted to AED 820,299,415 (note 4).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained an understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, and performed substantive audit procedures which included overall analytical procedures at the Group and subsidiary level, and performed testing of transactions covering the population throughout the year, to assess whether revenues were properly recognised.

Business combination of entities under common control

During the year, the Group acquired control over an entity under common control as disclosed in note 3. The acquisition was excluded from the scope of IFRS 3, as this represented a business combination of entities under common control, given that the Company and the acquired entity are controlled by the same ultimate shareholder before and after the acquisition. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisition has been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and has resulted in a merger reserve of AED 1,800,910,103 during 2022.

We held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details. We also obtained and reviewed the share purchase agreement and assessed if the acquisition fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisition, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of financial position. Additionally, we assessed if the pooling of interest method was applied in accordance with the Group's accounting policy.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF APEX INVESTMENT PSC (FORMERLY "RAS AL KHAIMAH CEMENT INVESTMENT PUBLIC J.S.C") continued

Report on the Audit of the Consolidated Financial Statements continued

Other information

Other information consists of the information included in the Board of Directors' report and annual report other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. 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 identified above 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 the Board of Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF APEX INVESTMENT PSC (FORMERLY "RAS AL KHAIMAH CEMENT INVESTMENT PUBLIC J.S.C") continued

Report on the Audit of the Consolidated Financial Statements continued

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to **draw** attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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, action 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 or regulation precludes 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 SHAREHOLDERS OF APEX INVESTMENT PSC (FORMERLY "RAS AL KHAIMAH CEMENT INVESTMENT PUBLIC J.S.C") continued

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2022:

- 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 Company's Articles of Association and the UAE Federal Law No. (32) of 2021;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) investments in shares and stocks are included in note 9 to the consolidated financial statements;
- vi) note 17 reflects material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2022; and
- viii) there were no social contributions made during the year.



Signed by
Raed Ahmad
Partner
Ernst & Young
Registration No. 811

27 January 2023
Abu Dhabi

Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C")

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	<i>Notes</i>	2022 AED	2021 AED
Revenue	4	820,299,415	166,740,840
Cost of sales	5	(595,317,690)	(172,364,666)
GROSS PROFIT (LOSS)		224,981,725	(5,623,826)
General and administrative expenses	6	(67,601,780)	(18,810,895)
Other income		3,012,635	2,497,470
Dividend income		783,537	791,164
Share of loss from equity accounted investees	8	(6,499,003)	(2,858,126)
Net gain from financial assets carried at fair value through profit or loss	9	33,923,073	29,385,964
Finance costs		(1,405,838)	(2,400,792)
PROFIT FOR THE YEAR		<u>187,194,349</u>	<u>2,980,959</u>
Basic earnings per share	21	<u>0.061</u>	<u>0.006</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Note</i>	2022 AED	2021 AED
PROFIT FOR THE YEAR		<u>187,194,349</u>	<u>2,980,959</u>
Other comprehensive (loss) income :			
<i>Items that will not be reclassified subsequently to profit or loss :</i>			
(Decrease) increase in fair value of investments at fair value through other comprehensive income (“FVTOCI”)	9	(22,359,238)	147,559,251
Gain on sale of investments at FVTOCI	9	<u>-</u>	<u>3,536,182</u>
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		<u>(22,359,238)</u>	<u>151,095,433</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>164,835,111</u>	<u>154,076,392</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C")

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Notes	2022 AED	2021 AED
ASSETS			
Non-current assets			
Property, plant and equipment	7	355,248,326	327,511,244
Intangible assets		6,954,649	182,887
Right of use of assets	18	16,666,737	-
Investments in equity accounted investees	8	32,710,095	35,534,098
Financial assets carried at FVTOCI	9	<u>188,717,187</u>	<u>211,076,425</u>
		<u>600,296,994</u>	<u>574,304,654</u>
Current assets			
Inventories	10	57,793,126	55,109,160
Trade and other receivables	11	639,873,502	53,440,163
Financial assets carried at fair value through profit or loss (FVTPL)	9	587,147,884	41,300,363
Amounts due from related parties	17	232,952,570	-
Cash and bank balances	12	<u>142,603,549</u>	<u>38,482</u>
		<u>1,660,370,631</u>	<u>149,888,168</u>
TOTAL ASSETS		<u>2,260,667,625</u>	<u>724,192,822</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,553,195,467	503,118,000
Merger reserve	3	(1,800,910,103)	-
Cumulative changes on revaluation of financial assets		111,346,819	133,706,057
Statutory reserve	14.1	88,435,453	69,716,018
Voluntary reserve	14.2	51,756,274	33,036,839
Retained earnings (accumulated losses)		<u>44,632,011</u>	<u>(105,123,468)</u>
Total equity		<u>2,048,455,921</u>	<u>634,453,446</u>
Non-current liabilities			
Provision for employees' end of service benefits	15	5,620,240	1,111,659
Lease liabilities	18	<u>1,525,510</u>	<u>-</u>
		<u>7,145,750</u>	<u>1,111,659</u>
Current liabilities			
Trade and other payables	16	159,084,026	70,055,731
Lease liabilities	18	15,468	-
Amounts due to related parties	17	29,346,447	-
Short term borrowings	19	<u>16,620,013</u>	<u>18,571,986</u>
		<u>205,065,954</u>	<u>88,627,717</u>
Total liabilities		<u>212,211,704</u>	<u>89,739,376</u>
TOTAL EQUITY AND LIABILITIES		<u>2,260,667,625</u>	<u>724,192,822</u>



Group Chairman of the Board



Group Managing Director

The attached notes 1 to 24 form part of these consolidated financial statements.



Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment Public J.S.C")

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital AED	Merger reserve AED	Statutory reserve AED	Voluntary reserve AED	Cumulative changes on revaluation of financial assets AED	(Accumulated losses) retained earnings AED	Total equity AED
Balance at 1 January 2021	503,118,000	-	69,417,923	32,738,744	(5,106,817)	(119,790,796)	480,377,054
Profit for the year	-	-	-	-	-	2,980,959	2,980,959
Total other comprehensive income for the year	-	-	-	-	151,095,433	-	151,095,433
Transfer to reserves	-	-	298,095	298,095	-	(596,190)	-
Transfer of fair value reserve on disposals of investments carried at FVTOCI	-	-	-	-	(12,282,559)	12,282,559	-
At 31 December 2021	<u>503,118,000</u>	-	<u>69,716,018</u>	<u>33,036,839</u>	<u>133,706,057</u>	<u>(105,123,468)</u>	<u>634,453,446</u>
Balance at 1 January 2022	503,118,000	-	69,716,018	33,036,839	133,706,057	(105,123,468)	634,453,446
Issuance of share capital (note 13)	3,050,077,467	-	-	-	-	3,050,077,467	3,050,077,467
Acquisition of subsidiary (note 3)	-	(1,800,910,103)	-	-	-	-	(1,800,910,103)
Profit for the year	-	-	-	-	-	187,194,349	187,194,349
Total other comprehensive loss for the year	-	-	-	-	(22,359,238)	-	(22,359,238)
Transfer to reserves	-	-	18,719,435	18,719,435	-	(37,438,870)	-
At 31 December 2022	<u>3,553,195,467</u>	<u>(1,800,910,103)</u>	<u>88,435,453</u>	<u>51,756,274</u>	<u>111,346,819</u>	<u>44,632,011</u>	<u>2,048,455,921</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

		31 December 2022 AED	31 December 2021 AED
OPERATING ACTIVITIES			
Profit for the year		187,194,349	2,980,959
Adjustments for:			
Depreciation of property, plant and equipment	7	23,030,667	14,990,158
Gain on sale of property, plant and equipment		(48,474)	(26,843)
Gain on termination of right of use assets	18	(34,319)	-
Amortization of intangible assets		110,853	287,738
Depreciation of right of use assets	18	67,862	-
Fair value gain on revaluation of investments at FVTPL	9	(32,841,833)	(28,799,092)
Provision for employees' end of service benefits	15	2,434,121	367,870
Provision for impairment loss on other receivables	6	-	1,594,668
Gain on sale of investments at FVTPL	9	(1,081,240)	(586,872)
Dividend income		(783,537)	(204,291)
Share of loss from equity accounted investees	8	6,499,003	2,858,126
Provision for (reversal of) expected credit loss on trade and other receivables and amounts due from related parties	11&17	12,263,634	(1,792,368)
Provision for slow-moving inventories	10	-	1,103,382
Write-down of inventory to net realizable value		-	2,088,280
Finance costs		<u>1,405,838</u>	<u>2,400,792</u>
		198,216,924	(2,737,493)
Working capital adjustments			
Inventories		2,286,731	5,011,843
Trade and other receivables		142,056,052	8,019,467
Trade and other payables		(135,141,451)	(40,829,031)
Amount due from related parties		(28,852,315)	-
Amount due to related parties		1,716,278	-
Employees' end of service benefits paid	15	<u>(352,046)</u>	<u>(1,670,681)</u>
Net cash from (used in) operating activities		<u>179,930,173</u>	<u>(32,205,895)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(38,440,023)	(4,608,729)
Upfront payment towards lease		(15,000,000)	-
Investment in equity accounted investees	8	(3,675,000)	-
Payment of lease liabilities	18	(135,000)	-
Proceeds from sale of property, plant and equipment		447,483	26,843
Proceeds from sale of investments at FVTOCI	9	-	49,356,400
Proceeds from sale of investments at FVTPL	9	9,445,800	6,072,204
Purchase of investments at FVTOCI	9	-	(21,562,855)
Purchase of investments at FVTPL	9	(12,871,249)	(5,162,885)
Net cash acquired from an acquisition of a subsidiary	3	25,428,780	-
Dividend received		<u>783,537</u>	<u>204,291</u>
Net cash (used in) from investing activities		<u>(34,015,672)</u>	<u>24,325,269</u>
FINANCING ACTIVITIES			
Net movement in short term borrowings	19	(6,951,925)	(6,951,926)
Finance costs paid		(1,397,461)	(2,400,792)
Dividends paid		-	(99,412)
Net cash used in financing activities		<u>(8,349,386)</u>	<u>(9,452,130)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		137,565,115	(17,332,756)
Cash and cash equivalents at the beginning of the period		<u>(10,422,924)</u>	<u>6,909,832</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12	<u>127,142,191</u>	<u>(10,422,924)</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

1 ACTIVITIES

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”) (hereinafter referred to as the “Company”) is a public shareholding company incorporated in Ras Al Khaimah under the name of Ras Al Khaimah Cement Company P.S.C by an Emiri Decree No. 4 issued by His Highness, The Ruler of Emirate of Ras Al Khaimah, United Arab Emirates in 1995. The Company started its commercial production in April 2000 and during 2021, it amended its business name to Ras Al Khaimah Cement Investment Public J.S.C. Further, in the month of March 2022, the Company’s business name was amended to Apex Investment PSC. The Company is listed on the Abu Dhabi Securities Exchange (ADX).

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The principal activities of the Group include clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work.

During 2021, the Company’s shareholders accepted an offer from IHC Capital Holding LLC (“IHC”) and Chimera Investment LLC (“Chimera”), the shareholders of Apex Holding LLC (“Apex”), to acquire 100% of the shareholding of Apex, in exchange for the issuance of mandatory convertible bonds with a nominal value of AED 1 each in an aggregate principal amount of AED 3,050,077,467 of the Company to IHC and Chimera. The convertible bonds were converted into ordinary shares on 17 February 2022. Regulatory approvals for the transaction were received on 1 March 2022 and consequently, the Company’s share capital increased to AED 3,553,195,467 from that date. As a result of the transaction, IHC and Chimera became the majority holders of the Group.

On 1 April 2022, Tamween Companies Management LLC, a wholly owned subsidiary of Ghitha Holding PJSC, acquired 51.5% of shareholding of the Company from IHC.

The consolidated financial statements of the Group for the year ended 31 December 2022 were authorised for issuance by the Board of Directors on 27 January 2023.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

Statement of compliance

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

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value.

These consolidated financial statements are presented in UAE Dirham (AED), which is the functional currency of the primary economic environment in which the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.2 BASIS OF CONSOLIDATION

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

Control is achieved when the Group:

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

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

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

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

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.2 BASIS OF CONSOLIDATION continued

Details of subsidiaries as at 31 December 2022 and 31 December 2021 were as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
Apex Holding LLC	United Arab Emirates	Investment Company	100%	-
Ras Al Khaimah Cement Co. LLC	United Arab Emirates	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading	100%	100%
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food catering	100%	-
The Central Tents Company – Sole Proprietorship LLC	United Arab Emirates	Sale and rental of tents	100%	-
R Facility Management – Sole Proprietorship LLC	United Arab Emirates	Facilities management services	100%	-
Boudoir Interiors - Sole Proprietorship LLC	United Arab Emirates	Interior design implementation works	100%	-
Apex National Investment LLC	United Arab Emirates	Investment, institution and management of enterprises	100%	-
Support Services Catering Company – Sole Proprietorship LLC	United Arab Emirates	Building cleaning services	100%	-
Apex Companies Management LLC (*) (**)	United Arab Emirates	Management services of companies and private institutions	40%	-
Apex Construction and Development – Sole Proprietorship LLC (*)	United Arab Emirates	Real estate development and construction	100%	-
Apex Padel Sport LLC – Sole Proprietorship PJSC (*) (***)	United Arab Emirates	Tennis club	100%	-
Apex Alwataniah Logistics – Sole Proprietorship LLC (*)	United Arab Emirates	Land, marine, air shipment and clearance	100%	-
Apex UL Investment LLC (*)	United Arab Emirates	Commercial enterprises investment	51%	-
Riva Marine General Marine Services – Sole Proprietorship LLC (*) (***)	United Arab Emirates	Marine machine and equipment repair and maintenance	100%	-
Apex AGRO Investments – Sole Proprietorship LLC (*)	United Arab Emirates	Agricultural Crop Trading and investments	100%	-

(*) These entities are dormant and non-operating entities.

(**) Subsidiary consolidated based on de-facto control.

(***) Subsidiaries subsequently liquidated in 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

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.

2.4 FUTURE CHANGES IN ACCOUNTING POLICIES - STANDARDS ISSUED BUT NOT YET EFFECTIVE

New and amended standards and interpretations

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.

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

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining whether unsigned (verbal) agreements meet the definition of contract under IFRS 15

Certain projects for the Government of Abu Dhabi, its departments or related parties, are executed on the basis of verbally agreed terms (including estimates of total project cost and timelines) in line with the Group’s historical business practice. Management has determined such unsigned verbal agreements meet the definition of a ‘contract with customer’ under IFRS 15. Management considers such unsigned verbal agreements to meet the definition of a ‘contract with customer’ under IFRS 15 since the Group and the customer agree upon the essential elements of a contract and any other lawful conditions, though matters of detail are left to be agreed upon at a later date, and the contract is deemed to be made and binding even in the absence of agreement on these matter of detail. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997 a contract can be oral or written and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the consolidated statement of financial position date, 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:

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of the property, plant and equipment are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property, plant and equipment in accordance with IAS 16 'Property Plant and Equipment' and has determined that these expectations do not significantly differ from previous estimates.

Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment based on an assessment of whether impairment indicators exist at the consolidated statement of financial position date. Management has not provided any amounts in the current year for potentially impaired items of property, plant and equipment as management has not identified any impairment indicators. Accordingly, no provision for impairment is necessary on property, plant and equipment.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Allowance for expected credit losses on trade receivables and amounts due from related parties

The Group assesses the impairment of its financial assets based on the Expected Credit Loss (“ECL”) model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At the reporting date, gross trade accounts receivable including unbilled receivables and amounts due from related parties amounted to AED 641,460,299 (2021: AED 58,146,559) and AED 237,818,172 (2021: AED nil) and the allowance for expected credit losses against them amounted to AED 31,914,486 (2021: AED 13,048,846) and AED 4,865,602 (2021: AED nil), respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of inventories

Inventories are stated at the lower of cost or net realizable value. When inventories become slow-moving or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant but which are slow moving or obsolete, are assessed collectively and provision is made according to inventories type and degree of ageing or obsolescence, based on historical selling prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Estimation uncertainty continued

Calculation of the quantity of inventory

The calculation of closing stock quantities of certain raw materials, clinker and finished cement requires the use of estimates. At the end of each reporting period, management appoints a surveyor to determine the volume of the inventory which is used by management, using a formula by reference to the inventory’s estimated density, to arrive to the closing quantity.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group's ownership interest in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries 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 the Owner of the Company.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued

Changes in Group's ownership interest in existing subsidiaries continued

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity. The components of the equity of the acquired entities are added to the same components within Group entity. Any transaction costs paid for the acquisition are recognised directly in equity.

Intangible assets

Purchased intangible assets are shown at historical cost. Intangible assets have a finite useful life of seven years and are carried at cost less accumulated amortization. Amortization is calculated using the straight line method to allocate the cost of the intangible assets over their estimated useful lives.

Investments in associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post – acquisition profit or loss of the investee in the consolidated statement of profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the associate.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the associates, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

Unrealised gains or transactions between the Group and associates are eliminated to the extent of the Group's interest in these associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity – accounted investments is tested for impairment.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investments in a joint venture

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group’s investments in its joint venture are accounted for using the equity method.

The results and assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group’s share of profit or loss of joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within ‘Share of loss from equity accounted investees’ in the consolidated statement of profit or loss.

When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group’s activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Revenue from contracts with customers for sale of goods or services

The Group recognises revenue from contracts with customers based on a five steps model as set out in IFRS 15:

- Step 1:* Identify 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 performance obligations in the contract: A performance obligation is 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 allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5:* Recognise revenue when (or as) the Group satisfies a performance obligation.

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated statement of profit or loss at the fair value of the consideration received or receivable.

Contract revenue

Contract revenue comprises revenue from execution of contracts relating to tents construction project services. The Group recognises revenue from construction project execution services contracts over time as the assets constructed are highly customized for the customers’ needs with no alternative use and the Group has right to payment for performance completed to date.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for tents construction works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Revenue from sale of goods

The Group recognises revenue from sale of food and non-food items at a point in time. For sales of goods to the customers mainly include one performance obligation, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer’s specific location (delivery). Following delivery, the customer has full discretion over the manner of use of goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Revenue from sale of cement is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group is entitled.

Facility management

The Group provides specialized facility management, maintenance and operational support services to its customers. Such services are recognised as a performance obligation satisfied over a period in time on a monthly basis under IFRS 15.

Rendering of services

The Group provides services related to interior design implementation works. Such services are generally recognised as a performance obligation satisfied over a period of time based on the percentage of work completed at the end of the reporting period.

Financial instruments

i) Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition as financial assets at fair value through profit or loss, fair value through OCI or amortized cost. All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group’s financial assets comprise financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, trade and other receivables, amounts due from related parties and cash and bank balances.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) Financial assets continued

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost (trade and other receivables, amounts due from related parties and cash and bank balances);
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- d) Financial assets at fair value through profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost, if both the following conditions are met:

- 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets which are classified at amortised cost include trade and other receivables, amounts due from related parties and cash and bank balances.

Financial assets at fair value through OCI (debt instruments)

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as ‘dividend income’ in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i) Financial assets continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition of financial assets

The Group derecognises a financial asset only when:

- the contractual rights to the cash flows from the asset expire; or
- 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.

ii) Financial liabilities

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts; and
- commitments to provide a loan at a below-market interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

ii) Financial liabilities continued

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a financial liability is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks with the original maturity of three months or less, net of bank overdrafts.

Inventories

Inventories are valued at the lower of cost and net realisable value (“NRV”) after making due allowance for any obsolete or slow moving items. Cost is determined on the weighted average cost basis and comprises raw materials, wages and industrial costs that contribute in transforming raw materials into finished products, invoiced cost, duties, freight charges and other related expenses that have been incurred in bringing the inventory to their present location and condition. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale. The costs of sale include directly attributable marketing and distribution costs.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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 repair and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Property, plant and equipment continued

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for this purpose are as follows:

	<i>Years</i>
Factory building and leasehold improvements	10 - 40
Plant and machinery	28 - 60
Kitchen equipment	2-5
Tents and caravans	4
Furniture fixtures and office equipment	2-15
Motor vehicles	2-10

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 periods. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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 the receivable can be measured reliably.

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.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Fair value of financial instruments

The Group measures financial instruments, such as, investments carried at fair value through profit or loss, at fair value at the 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 in the principal or, in its absence, the advantageous market to which Group has access at that 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;
- 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 to 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.

For financial instruments quoted in an active market fair value is determined by reference to quoted market prices. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include comparison with similar instruments for which market observable prices exist, adjusted net asset method and other relevant valuation models.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Fair value of financial instruments continued

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.

For assets and liabilities that are recognized 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.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘property, plant and equipment’ policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Group as a lessee continued

ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase 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 the line ‘general and administrative expenses’ in the consolidated statement of 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.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures 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 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 the initial 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 re-measured by discounting the revised lease payments using a revised discount rate.

iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its tents and caravans.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Group as a lessor continued

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. 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 consideration under the contract to each component.

Value added tax (VAT)

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

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, 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.

Provision for employees’ end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees’ final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the consolidated statement of profit or loss during the employees’ period of service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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.

Other borrowing costs are expensed in the period in which they are incurred.

Earnings per share

Basic earnings per share is calculated by dividing:

- The profit of the Group, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

Current versus non-current classification

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

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) 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:

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

All other liabilities are classified as non-current.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Corporate taxes

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate. A rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance). In addition, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. Therefore, pending such important decisions by the Cabinet as at 31 December 2022, the Group has considered that the Law is not substantively enacted from IAS 12 – Income Taxes perspective as at 31 December 2022. The Group shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes.

The Group is currently in the process of assessing the possible impact on the consolidated financial statements, both from current and deferred tax perspective, once these critical cabinet decisions are issued.

3 BUSINESS COMBINATION

Business Combination under common control – Acquisition of Apex Holding LLC

As stated in note 1, in the previous year, the Company received and approved an offer from the shareholders of Apex to transfer 100% of the shareholding of Apex to the Company (the “Transaction”). On 1 March 2022 (the “Acquisition Date”) all regulatory approvals related to the Transaction were received, and the entire issued share capital of Apex was transferred to the Company in consideration for the issuance of mandatory convertible bonds by the Company to Apex’s shareholders. The convertible instruments were converted into 3,050,077,467 ordinary shares at a par value of AED 1 each representing 85.8% of the issued share capital of the post-merger combined entity.

Apex is based in the United Arab Emirates and is involved in providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work. During the second quarter of 2022, the Company completed its assessment and concluded that the transaction represents a business combination of entities under common control which is outside the scope of IFRS 3 given that the Company and the acquired entity are ultimately controlled by the same party before and after the acquisition. Accordingly, consistent with the Group accounting policy, the Company accounted for the transaction using the pooling of interest method.

From the date of acquisition, Apex holding contributed revenue and profit to the Group amounting to AED 719,093,989 and AED 243,594,891, respectively. If the acquisition had taken place at the beginning of the year, Apex would have contributed revenue and profit to the Group amounting to AED 974,771,712 and AED 341,965,084 respectively.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

3 BUSINESS COMBINATION continued

Business Combination under common control – Acquisition of Apex Holding LLC

The following table summarises the assets acquired and liabilities assumed:

	<i>Total AED</i>
Assets	
Property, plant and equipment	12,726,735
Intangible assets	6,882,615
Right of use of assets	162,323
Inventories	4,970,697
Financial assets carried at fair value through profit or loss	508,498,999
Amounts due from related parties	205,925,594
Trade and other receivables	738,927,686
Cash and bank balances	<u>25,428,780</u>
	<u>1,503,523,429</u>
Liabilities	
Provision for employees’ end of service benefits	2,426,506
Amounts due to related parties	27,630,169
Lease liabilities	129,644
Trade and other payables	<u>224,169,746</u>
	<u>254,356,065</u>
Total identifiable net assets acquired	1,249,167,364
Purchase consideration transferred (note 13)	<u>3,050,077,467</u>
Merger reserve	<u>(1,800,910,103)</u>
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired on business combination	25,428,780
Cash paid	<u>-</u>
Net cash flow on acquisition (included in cash flows from investing activities)	<u>25,428,780</u>

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

4 REVENUES

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Catering services	389,708,938	-
Sale of tents	166,768,844	-
Facility management services	128,219,439	-
Sale of cement	101,205,426	166,740,840
Contracting services	<u>34,396,768</u>	<u>-</u>
	<u>820,299,415</u>	<u>166,740,840</u>

Set out below is the disaggregation of the Group’s revenue from contracts with customers:

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	520,934,339	166,740,840
Goods and services transferred over time	<u>299,365,076</u>	<u>-</u>
	<u>820,299,415</u>	<u>166,740,840</u>
<i>Geographical location :</i>		
Within United Arab Emirates	790,783,951	73,280,690
Outside United Arab Emirates	<u>29,515,464</u>	<u>93,460,150</u>
	<u>820,299,415</u>	<u>166,740,840</u>

5 COST OF SALES

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Food and beverage costs	185,790,985	-
Sale of tents	133,820,185	-
Staff costs	99,112,691	8,278,284
Sale of cement	84,463,763	129,882,299
Contracting cost	28,727,412	-
Depreciation of property, plant and equipment (note 7)	22,489,746	14,539,564
Facility management expenses	12,377,077	-
Repairs and maintenance	13,156,259	11,614,527
Utilities and rent expense	11,427,332	4,858,330
Others	<u>3,952,240</u>	<u>3,191,662</u>
	<u>595,317,690</u>	<u>172,364,666</u>

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6 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Staff costs	36,376,085	7,582,422
Provision for expected credit loss on trade receivable and amount due from related parties, net (note 11& 17)	12,263,634	723,964
Professional and consulting fee	7,410,884	3,954,650
Board of director’s remuneration (note 17.3)	3,190,550	-
Utilities and rent expenses	2,497,406	-
Marketing and distribution expenses	1,890,556	1,727,158
Repair and maintenance	1,425,613	-
Depreciation on property, plant and equipment (note 7)	540,921	450,594
Provision for impairment loss on other receivables	-	1,594,668
Others	<u>2,006,131</u>	<u>2,777,439</u>
	<u>67,601,780</u>	<u>18,810,895</u>

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7 PROPERTY, PLANT AND EQUIPMENT

	Factory building and leasehold improvements AED	Plant and machinery AED	Kitchen equipment AED	Tents and caravans AED	Furniture fixtures and office equipment AED	Motor vehicles AED	Capital work in progress AED	Total AED
Cost								
At 1 January 2022	29,412,412	825,734,576	-	-	6,079,906	5,571,507	927,590	867,725,991
Acquired in business combination (note 3)	4,772,969	7,608,582	5,164,037	9,315,758	8,026,000	3,951,301	-	38,838,647
Additions	435,000	562,459	5,752,083	22,916,966	1,609,722	5,988,432	1,175,361	38,440,023
Transfers	556,083	243,778	-	-	-	-	(799,861)	-
Disposals	-	(100,009)	-	(344,368)	(40,499)	-	(75,384)	(560,260)
At 31 December 2022	35,176,464	834,049,386	10,916,120	31,888,356	15,675,129	15,511,240	1,227,706	944,444,401
Accumulated depreciation								
At 1 January 2022	17,677,038	512,608,634	-	-	5,948,131	3,980,944	-	540,214,747
Acquired in business combination (note 3)	4,672,841	7,000,353	1,447,267	5,302,142	6,207,196	1,482,113	-	26,111,912
Charge for the year	527,280	14,015,474	2,305,503	3,813,677	833,538	1,535,195	-	23,030,667
Relating to disposals	-	(100,007)	-	(40,405)	(20,839)	-	-	(161,251)
At 31 December 2022	22,877,159	533,524,454	3,752,770	9,075,414	12,968,026	6,998,252	-	589,196,075
Net carrying amount								
At 31 December 2022	12,299,305	300,524,932	7,163,350	22,812,942	2,707,103	8,512,988	1,227,706	355,248,326

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7 PROPERTY, PLANT AND EQUIPMENT continued

	<i>Factory building and leasehold improvements AED</i>	<i>Plant and machinery AED</i>	<i>Furniture fixtures and office equipments AED</i>	<i>Motor vehicles AED</i>	<i>Capital work in progress AED</i>	<i>Total AED</i>
Cost						
At 1 January 2021	25,971,618	822,664,843	6,028,597	5,536,133	3,955,937	864,157,128
Additions	1,265,714	2,723,349	51,309	193,874	374,483	4,608,729
Transfer to inventories	-	(881,366)	-	-	-	(881,366)
Disposals	-	-	-	(158,500)	-	(158,500)
Transfers	2,175,080	1,227,750	-	-	(3,402,830)	-
At 31 December 2021	<u>29,412,412</u>	<u>825,734,576</u>	<u>6,079,906</u>	<u>5,571,507</u>	<u>927,590</u>	<u>867,725,991</u>
Accumulated depreciation						
At 1 January 2021	17,274,548	498,839,320	5,581,017	3,688,204	-	525,383,089
Charge for the year	402,490	13,769,314	367,114	451,240	-	14,990,158
Relating to disposals	-	-	-	(158,500)	-	(158,500)
At 31 December 2021	<u>17,677,038</u>	<u>512,608,634</u>	<u>5,948,131</u>	<u>3,980,944</u>	<u>-</u>	<u>540,214,747</u>
Net book value						
At 31 December 2021	<u>11,735,374</u>	<u>313,125,942</u>	<u>131,775</u>	<u>1,590,563</u>	<u>927,590</u>	<u>327,511,244</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 PROPERTY AND EQUIPMENT continued

Depreciation charge for the year has been allocated as follows:

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Cost of sales (note 5)	22,489,746	14,539,564
Selling, general and administrative expenses (note 6)	540,921	450,594
	<u>23,030,667</u>	<u>14,990,158</u>

8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The Company has the following investments in equity-accounted investees:

<i>Investees</i>	<i>Classification</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Equity %</i>	
				<i>2022</i>	<i>2021</i>
Reem Ready Mix L.L.C	Associate	Engaged in business of manufacture and sale of concrete ready mic and providing concrete pumping services	UAE	20%	20%
Sky Go Transport of Goods LLC	Joint venture	Engaged in Air transportation for goods using unmanned aerial vehicles (Drones)	UAE	50%	-
				<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Reem Ready Mix L.L.C				30,450,965	35,534,098
Sky Go Transport of Goods LLC				2,259,130	-
				<u>32,710,095</u>	<u>35,534,098</u>

The movement in investment in equity accounted investees is as follows:

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Opening balance	35,534,098	38,392,224
Additional investment during the year	3,675,000	-
Other adjustments	-	(1,753,561)
Share of loss for the year	(6,499,003)	(1,104,565)
	<u>32,710,095</u>	<u>35,534,098</u>

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8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES continued

The summarised financial information of the associate as at 31 December 2022 and 2021 is as follows:

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Current assets		
Cash and cash equivalents	1,826,478	1,824,684
Other current assets	<u>116,130,870</u>	<u>119,923,471</u>
Total current assets	<u>117,957,348</u>	<u>121,748,155</u>
Non-current assets	<u>43,009,020</u>	<u>51,461,050</u>
Current liabilities:		
Financial liabilities (excluding trade payables)	(44,898,535)	(35,640,641)
Other current liabilities	<u>(66,632,818)</u>	<u>(61,515,113)</u>
Total current liabilities	<u>(111,531,353)</u>	<u>(97,155,754)</u>
Non-current liabilities	<u>(3,053,148)</u>	<u>(4,255,917)</u>
Net assets	<u>46,381,867</u>	<u>71,797,534</u>
Group’s share in net assets	9,276,374	14,359,507
Goodwill	<u>21,174,591</u>	<u>21,174,591</u>
Carrying amount	<u>30,450,965</u>	<u>35,534,098</u>
Total revenue	<u>144,477,073</u>	<u>126,320,005</u>
Net loss for the year	<u>(25,415,667)</u>	<u>(5,522,826)</u>
Share of associate’s loss for the year	<u>(5,083,133)</u>	<u>(1,104,565)</u>
Share of contingent liabilities	<u>6,888,369</u>	<u>8,467,086</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES continued

The summarised financial information of the joint venture as at 31 December 2022 is as follows:

	<i>2022</i> <i>AED</i>
Current assets	
Cash and cash equivalents	1,631,269
Other current assets	<u>3,129,215</u>
Total current assets	<u>4,760,484</u>
Non-current assets	<u>107,976</u>
Current liabilities:	
Financial liabilities (excluding trade payables)	-
Other current liabilities	<u>350,200</u>
Total current liabilities	<u>350,200</u>
Non-current liabilities	<u>-</u>
Net assets	<u>4,518,260</u>
Group's share in net assets	<u>2,259,130</u>
Carrying amount	<u>2,259,130</u>
Total revenue	<u>-</u>
Net loss for the year	<u>(2,831,740)</u>
Share of venture's loss for the year	<u>(1,415,870)</u>

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9 FINANCIAL ASSETS

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Financial assets carried at FVTPL	587,147,884	41,300,363
Financial assets carried at FVTOCI	<u>188,717,187</u>	<u>211,076,425</u>
	<u>775,865,071</u>	<u>252,376,788</u>
<i>Financial assets carried at FVTPL</i>		
<i>Quoted investments</i>		
Opening balance	41,300,363	12,823,718
Additions – acquired under business combination (note 3)	508,498,999	-
Additions	12,871,249	5,162,885
Change in fair value	32,841,833	28,799,092
Gain on sale of investments carried at FVTPL	1,081,240	586,872
Disposals	<u>(9,445,800)</u>	<u>(6,072,204)</u>
Closing balance	<u>587,147,884</u>	<u>41,300,363</u>
<i>Financial assets carried at FVTOCI</i>		
<i>Quoted and unquoted investments</i>		
Opening balance	211,076,425	87,774,537
Additions	-	21,562,855
Change in fair value	(22,359,238)	147,559,251
Disposals	-	(49,356,400)
Gain on sale of investments carried at FVTOCI	<u>-</u>	<u>3,536,182</u>
Closing balance	<u>188,717,187</u>	<u>211,076,425</u>
Total quoted securities	183,648,821	206,008,059
Unquoted securities	<u>5,068,366</u>	<u>5,068,366</u>
	<u>188,717,187</u>	<u>211,076,425</u>

The geographical distribution of investments is as follows:

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
UAE	<u>775,865,071</u>	<u>252,376,788</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 22.

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10 INVENTORIES

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Raw materials	13,900,580	3,103,525
Finished goods	7,342,095	3,719,810
Work in progress	6,626,992	12,883,111
Consumable items	3,803,834	6,110,885
Spare parts – maintenance	<u>31,094,959</u>	<u>33,909,989</u>
Total	62,768,460	59,727,320
Less: allowance for slow-moving and obsolete inventories	<u>(4,975,334)</u>	<u>(4,618,160)</u>
Total	<u>57,793,126</u>	<u>55,109,160</u>

Movement in the allowance for slow-moving and obsolete inventories is as follows:

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Opening balance	4,618,160	6,933,524
Acquired in business combination	357,174	-
Addition to provision	-	1,103,382
Written off during the year	<u>-</u>	<u>(3,418,746)</u>
	<u>4,975,334</u>	<u>4,618,160</u>

11 TRADE AND OTHER RECEIVABLES

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Trade receivables – from government entities	529,604,430	-
Trade receivables – from non-government entities	90,236,707	58,146,559
Unbilled receivables – from government entities	8,688,161	-
Unbilled receivables – from non-government entities	<u>12,931,001</u>	<u>-</u>
	641,460,299	58,146,559
Less: provision for expected credit losses	<u>(31,914,486)</u>	<u>(13,048,846)</u>
Trade receivables – net	609,545,813	45,097,713
Deposits	13,467,703	-
Prepayments	10,549,736	2,571,362
Advances to suppliers	3,733,407	3,658,579
Other receivables (net)*	<u>2,576,843</u>	<u>2,112,509</u>
	<u>639,873,502</u>	<u>53,440,163</u>

*Other receivables (net) includes amount receivable from a supplier amounting to AED 4,475,179 (31 December 2021; AED 4,475,179) against which specific provision has been made by the Group.

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11 TRADE AND OTHER RECEIVABLES continued

Trade receivable balance at the end of the year is due from multiple customers including receivable from 5 customers amounting to AED 564,867,660 (31 December 2021: AED 45,669,875) representing 88% (31 December 2021: 79%) of the trade receivables. Management considers these customers to be reputable and creditworthy and is confident that this concentration of credit risk will not result in any significant loss to the Group.

The movement in the provision for expected credit losses for trade and unbilled receivables was as follows:

	2022 AED	2021 AED
Opening balance	13,048,846	14,841,214
Acquired in business combination	10,840,022	-
Charge for the year	10,438,295	723,964
Write off	(2,412,677)	-
Reversal of excess provision during the year	-	(2,516,332)
Closing balance	<u>31,914,486</u>	<u>13,048,846</u>

	Total AED	Past due				
		0-90 days AED	90-180 days AED	180-270 days AED	270-360 days AED	More than 360 days AED
<i>At 31 December 2022</i>						
Expected credit loss rate		0.33%	0.33%	0.33%	0.33%	0.33%
Estimated total gross carrying amount at default – government trade and unbilled receivables	538,292,591	94,008,526	117,723,310	107,053,052	209,622,737	9,884,966
Expected credit loss	1,766,038	308,564	386,191	351,188	687,667	32,428
Expected credit loss rate		7.88%	34.72%	40.52%	17.77%	100.00%
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	103,167,708	71,229,895	8,376,227	526,355	1,973,071	21,062,160
Expected credit loss	30,148,448	5,613,886	2,908,584	213,289	350,529	21,062,160
Expected credit loss rate		3.58%	2.61%	0.52%	0.49%	68.16%
Estimated total gross carrying amount at default – trade and unbilled receivables	641,460,299	165,238,421	126,099,537	107,579,407	211,595,808	30,947,126
Expected credit loss	31,914,486	5,922,450	3,294,775	564,477	1,038,196	21,094,588

	Total AED	Past due				
		0-90 days AED	91-180 days AED	181-270 days AED	271-360 days AED	More than 180 days AED
<i>At 31 December 2021</i>						
Expected credit loss rate		1.29%	0.74%	3.08%	12.54%	100%
Estimated total gross carrying amount at default – trade receivables	58,146,559	18,766,605	9,044,596	6,791,559	12,591,498	10,952,301
Expected credit loss	13,048,846	242,490	66,507	208,931	1,578,617	10,952,301

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12 CASH AND BANK BALANCES

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Cash on hand	928,042	38,482
Bank balances	<u>141,675,507</u>	<u>-</u>
	<u>142,603,549</u>	<u>38,482</u>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
Cash on hand	928,042	38,482
Bank balances	141,675,507	-
Less: bank overdrafts (note 19)	<u>(15,461,358)</u>	<u>(10,461,406)</u>
	<u>127,142,191</u>	<u>(10,422,924)</u>

13 SHARE CAPITAL

	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
<i>Authorised, issued and fully paid</i>		
3,553,195,467 (31 December 2021: 503,118,000)		
ordinary shares of AED 1 each	<u>3,553,195,467</u>	<u>503,118,000</u>

The Company has issued 3,050,077,467 towards purchase consideration for the acquisition of a subsidiary and accordingly the issued share capital of the Company increased to 3,553,195,467 shares (note 3).

14 RESERVES

14.1 Statutory reserve

In accordance with the Group companies’ Articles of Association and the Decree Law No. (32) of 2021, a minimum of 10% of the profit for the year is to be allocated annually to a non-distributable statutory reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the Company’s paid-up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the Company’s paid-up capital.

14.2 Voluntary reserve

Another 10% of the profit for the year is to be transferred for the creation of a voluntary reserve account. This appropriation will be suspended by a resolution from the general assembly meeting based on a proposal put forward by the Board of Directors, or if such reserve amounts to 20% of Company’s paid-up capital. This reserve can be utilised by the Company for the matters as determined by the general assembly meeting on proposals submitted by the Board of Directors.

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15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Balance at 1 January	1,111,659	2,414,470
Acquisition of subsidiary (note 3)	2,426,506	-
Charge during the year	2,434,121	367,870
Paid during the year	<u>(352,046)</u>	<u>(1,670,681)</u>
	<u>5,620,240</u>	<u>1,111,659</u>

16 TRADE AND OTHER PAYABLES

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Trade payables	115,209,624	55,922,544
Accruals	30,734,593	6,077,608
Dividends payable	3,951,326	3,967,874
Margin trading account payable	-	3,707,653
Other payables	<u>9,188,483</u>	<u>380,052</u>
	<u>159,084,026</u>	<u>70,055,731</u>

17 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e., shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

17.1 Balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
<i>Amounts due from shareholders:</i>		
Chimera Investments LLC	<u>60,000</u>	<u>-</u>
	<u>60,000</u>	<u>-</u>

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17 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances continued

	2022 AED	2021 AED
<i>Amounts due from related parties:</i>		
Tamouh Healthcare LLC	91,725,550	-
ATGC Transport & General Contracting LLC-AR*	74,858,643	-
National Petroleum Construction Company (NPCC)	52,144,666	-
Moon Flower Real Estate Development LLC	9,753,633	-
Construction Workers Residential City LLC	6,400,512	-
Abu Dhabi Health Services Company PJSC	1,422,124	-
National Marine Dredging Company P.J.S.C	733,443	-
Shory Insurance Brokers - Sole Proprietorship LLC	342,232	-
Viola Communications LLC	186,311	-
Somerian Health LLC (MediQ Healthcare & Clinic LLC)	67,312	-
Telal Resort LLC	49,468	-
International Holding Company P.J.S.C	44,730	-
Al Qudra Holding- International LLC	26,775	-
Al Seer Marine Supplies and Equipment Company PJSC	<u>2,773</u>	<u>-</u>
Total amounts due from related parties	237,818,172	-
Less: provision for expected credit loss	<u>(4,865,602)</u>	<u>-</u>
	<u>232,952,570</u>	<u>-</u>

* This represents short term loans given by the Group for meeting the short term working capital requirements of ATGC Transports & General LLC -AR. This is an interest free loan and is repayable in single instalment on 17 January 2023.

The movement in provision for expected credit losses was as follows:

	2022 AED	2021 AED
Opening balance	-	-
Acquisition of subsidiary	3,040,263	-
Net charge for the year	<u>1,825,339</u>	<u>-</u>
Closing balance	<u>4,865,602</u>	<u>-</u>

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

17 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances continued

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
<i>Amounts due to related parties:-</i>		
Zee Stores International LLC	16,446,095	-
Mirak Royal Nature Fruits & Vegetables LLC	5,294,654	-
N.R.T.C Dubai International vegetables & Fruits trading LLC	2,983,654	-
Pal Technology Services	1,758,587	-
Alliance Food Company LLC	1,047,607	-
Newtec Investment General Trading SP LLC	690,000	-
National Health Insurance Company (Daman) PJSC	351,542	-
Al Jaraf Travel & Tourism	327,813	-
Royal Horizon General Trading	185,168	-
Abu Dhabi vegetable oil Company LLC	181,509	-
Ghitha Holding PJSC	69,075	-
Protect 7 Healthcare - Sole Proprietorship LLC	<u>10,743</u>	<u>-</u>
	<u>29,346,447</u>	<u>-</u>

17.2 Transactions

During the period, the Group entered into the following transactions with related parties:

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Sales	251,938,617	-
Cost of sales	60,417,056	-

17.3 Key management remuneration

	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
Salaries and employee benefits	4,924,716	2,012,890
Employees end of service benefits	134,271	-
Board of Director’s remuneration (note 6)	<u>3,190,550</u>	<u>-</u>
Total	<u>8,249,537</u>	<u>2,012,890</u>

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

18 LEASES

Set out below, are the carrying amounts of the Group’s right-of-use asset and lease liabilities and the movements during the period:

	<i>Right-of-use assets AED</i>	<i>Lease liabilities AED</i>
As at 1 January 2022	-	-
Acquired through business combination (note 3)	162,323	129,644
Additions	16,672,712	1,672,712
Depreciation expense	(67,862)	-
Cancellation of lease during the year	(100,436)	(134,755)
Interest expense	-	8,377
Payments during the year	<u>-</u>	<u>(135,000)</u>
As at 31 December 2022	<u>16,666,737</u>	<u>1,540,978</u>

Lease liabilities is analysed in the consolidated statement of financial position as follows:

	<i>2022 AED</i>
Current	15,468
Non-current	<u>1,525,510</u>
	<u>1,540,978</u>

The following are the amounts recognised in the consolidated statement of profit or loss as follows:

	<i>2022 AED</i>
Depreciation expense of right-of-use assets	67,862
Interest expense on lease liabilities	<u>8,377</u>
Total	<u>76,239</u>

19 SHORT TERM BORROWINGS

	<i>2022 AED</i>	<i>2021 AED</i>
Short term loans	1,158,655	8,110,580
Bank overdrafts (note 12)	<u>15,461,358</u>	<u>10,461,406</u>
	<u>16,620,013</u>	<u>18,571,986</u>

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

19 SHORT TERM BORROWINGS continued

Movement of the short-term loans during the year was as follows:

	2022	2021
	AED	AED
Opening balance	8,110,580	15,062,506
Paid during the year	<u>(6,951,925)</u>	<u>(6,951,926)</u>
Closing balance	<u>1,158,655</u>	<u>8,110,580</u>

Short term loans:

The Group obtained a term loan facility of AED 30,000,000 in 2017 to finance the construction of Waste Heat Recovery Plant at Ras Al Khaimah Factory. The loan is repayable in 48 equal monthly instalments. The loan carries an interest rate of 3 months EIBOR + 2.75% per annum, subject to a minimum of 4.25% per annum. The term loan is secured by:

- Pledge over Waste Heat Recovery Plant; and
- Assignment of comprehensive insurance policy on Waste Heat Recovery Plant.

Under the terms of the borrowing facilities, the Group is required to comply with the following financial covenants:

- Pledge over plant and machinery procured for Waste Heat Recovery plant project for AED 30 million in favour of the bank;
- Assignment of comprehensive insurance policy over plant and machinery for Waste Heat Recovery plant project for AED 30 million in favour of the bank and registration of such assignment with the security registry at the cost of the Group;
- The average Debt Service Coverage Ratio will not fall below 1.25:1 at any given point during the tenor of the loan;
- All assets of the Group are fully insured at all times during the tenor of the facility;
- The adjusted leverage ratio will be maintained at 1:1 or below at all times during the tenor of the loan.

Bank overdraft represents unsecured bank credit facilities from a financial institution in the United Arab Emirates up to a limit of AED 20 million. The facility bears interest at 3 months EIBOR + 2.75% per annum, subject to minimum of 4.5% per annum.

20 CONTINGENT LIABILITIES AND COMMITMENTS

	2022	2021
	AED	AED
Letter of credit	1,075,274	1,391,017
Bank guarantees	<u>25,837,124</u>	<u>362,400</u>
	<u>26,912,398</u>	<u>1,753,417</u>

The above bank guarantees were issued in the normal course of business.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

21 EARNINGS PER SHARE

Basic earnings per share has been computed by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2022	2021
	AED	AED
Profit for the year (in AED)	187,194,349	2,980,959
Weighted average number of shares (share)	<u>3,060,169,246</u>	<u>503,118,000</u>
Basic earnings per share	<u>0.061</u>	<u>0.006</u>

Diluted earnings per share as of 31 December 2022 and 31 December 2021 are equivalent to basic earnings per share.

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of trade and other receivables, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, amounts due from related parties, and cash and bank balances. Financial liabilities consist of trade and other payables, short term borrowings, lease liabilities and amounts due to related parties.

The fair values of the Group’s financial instruments are not materially different from their carrying amounts at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

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

The following table gives information about how the fair value of the Group’s assets are determined.

Financial assets	Fair value	Fair value	Fair value	Valuation techniques
	2022	2021	hierarchy	
	AED	AED		
Quoted equity investments – investment in financial assets	770,796,705	247,308,422	Level 1	Quoted bid prices in an active market
Un-Quoted equity instruments – investment in financial assets	5,068,366	5,068,366	Level 3	Discounted cashflow method using multiple unobservable inputs.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

23 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

The following section discusses the entity's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the entity uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

During the year ended 31 December 2022, the Group was not exposed to any significant financial risk, other than credit risk, interest rate risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks and these policies are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has adopted a policy of only dealing with creditworthy counter parties, however, significant revenue is generated by dealing with high profile well known customers, for whom the credit risk is assessed to be low.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group 's performance to developments affecting a particular industry or geographic location. All balances with banks are with commercial banks in the United Arab Emirates.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value. Balances with banks are not secured by any collateral.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group 's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and funding from related parties, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

23 FINANCIAL RISK MANAGEMENT continued

Liquidity risk continued

The table below summarises the maturities of the Group’s undiscounted financial liabilities at 31 December 2022 and 31 December 2021, based on contractual payment dates and current market interest rates.

	<i>Less than 3 months AED</i>	<i>From 3 months to one year AED</i>	<i>over 1 year AED</i>	<i>Total AED</i>
<i>As at 31 December 2022</i>				
Bank borrowings	15,461,358	1,162,532	-	16,623,890
Due to related parties	29,346,447	-	-	29,346,447
Trade and other payables	115,209,624	13,139,809	-	128,349,433
Lease Liabilities	-	135,000	3,915,000	4,050,000
	<u>160,017,429</u>	<u>14,437,341</u>	<u>3,915,000</u>	<u>178,369,770</u>
<i>As at 31 December 2021</i>				
Bank borrowings	11,620,060	7,208,282	-	18,828,342
Trade and other payables	<u>38,266,320</u>	<u>25,711,803</u>	-	<u>63,978,123</u>
	<u>49,886,380</u>	<u>32,920,085</u>	-	<u>82,806,465</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debt. The Group is exposed to interest rate risk resultant from its short term borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the reporting date. The analysis is prepared assuming that these amounts outstanding at the reporting date were outstanding throughout the period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group’s profit for the year ended 31 December 2022 would increase/decrease by AED 166,200 (31 December 2021: 185,720). There is no direct impact on the Group’s equity.

Currency risk

Foreign currency risk comprises of transaction and statement of financial position risk. Transaction risk relates to the Group’s cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirhams. Statement of financial position risk relates to the risk of the Group’s monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirhams, as a result of currency movements. The Group is not exposed to currency risk as the majority of its transactions are denominated in UAE Dirhams or United States Dollars which is pegged to the UAE Dirham.

Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return on stakeholders through the optimisation of the debts and equity balance.

The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Group’s capital structure during the period comprises share capital, merger reserve, retained earnings, reserve for cumulative changes in revaluation of financial assets, statutory reserve and voluntary reserve and is measured at AED 2,048,455,921 (2021: AED 634,453,446).

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

24 SEGMENT INFORMATION

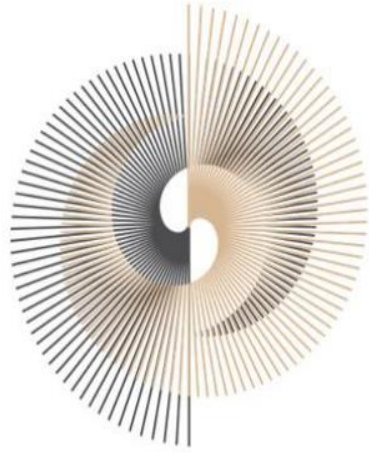
For operating purposes, the Group organised into business segments as follows:

- Catering** : Offers catering services to public and private organizations in UAE
- Facility Management Services** : Offers a range of facilities management services with customized solutions to various businesses across a variety of sectors
- Manufacturing** : Engaged in the manufacturing and distribution of clinker and cements across UAE and internationally.
- Contracting** : Provides tents, shades and mobile halls to customers, building field hospitals and offers a wide range of services including planning, design consultancy and delivery of high end interiors
- Investments** : Is the investment arm of the group and incubates new businesses and technologies as well as manages the proprietary capital of the group
- Others** : (unallocated) includes head office expenses and income not allocated to any segment

	31 December 2022							Group AED
	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	
Revenue	390,144,437	151,484,039	101,205,426	201,165,612	-	-	(23,700,099)	820,299,415
Cost of sales	(241,438,619)	(86,934,151)	(123,391,750)	(167,241,269)	(12,000)	-	23,700,099	(595,317,690)
Gross profit (loss)	148,705,818	64,549,888	(22,186,324)	33,924,343	(12,000)	-	-	224,981,725
General and administrative expenses	(12,749,957)	(7,320,984)	(19,965,131)	(8,300,652)	(1,885,925)	(17,379,131)	-	(67,601,780)
Share of loss from an associate	-	-	-	-	(6,499,003)	-	-	(6,499,003)
Net profit from								
financial assets at FVTPL	-	-	-	-	33,923,073	-	-	33,923,073
Dividend income	-	-	-	-	783,537	-	-	783,537
Other income	-	1,544,418	1,444,636	23,581	-	-	-	3,012,635
Finance costs	(225,436)	(82,807)	(1,077,575)	(18,135)	(768)	(1,117)	-	(1,405,838)
Profit for the period	135,730,425	58,690,515	(41,784,394)	25,629,137	26,308,914	(17,380,248)	-	187,194,349
	31 December 2022							
Segment assets	966,977,775	204,184,980	389,721,050	365,442,006	4,340,135,335	7,601,483	(4,013,395,004)	2,260,667,625
Segment liabilities	152,557,044	54,230,626	74,332,311	214,065,978	176,623,819	120,462,804	(580,060,878)	212,211,704
	30 December 2021							
				Manufacturing AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue				166,740,840	-	-	-	166,740,840
Cost of sales				(172,364,666)	-	-	-	(172,364,666)
Gross loss				(5,623,826)	-	-	-	(5,623,826)
General and administrative expenses				(18,810,895)	-	-	-	(18,810,895)
Share of loss from an associate				-	(2,858,126)	-	-	(2,858,126)
Net profit from								
financial assets at FVTPL				-	28,799,092	-	-	28,799,092
Dividend income				-	791,164	-	-	791,164
Other income				3,084,342	-	-	-	3,084,342
Finance costs				(2,400,792)	-	-	-	(2,400,792)
Profit for the period				(23,751,171)	26,732,130	-	-	2,980,959
	31 December 2021							
Segment assets				436,281,936	287,910,886	-	-	724,192,822
Segment liabilities				86,031,723	3,707,653	-	-	89,739,376

03

Corporate Governance Report



APEX

INVESTMENT PSC

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Corporate Governance Report

2022

27/February/2023

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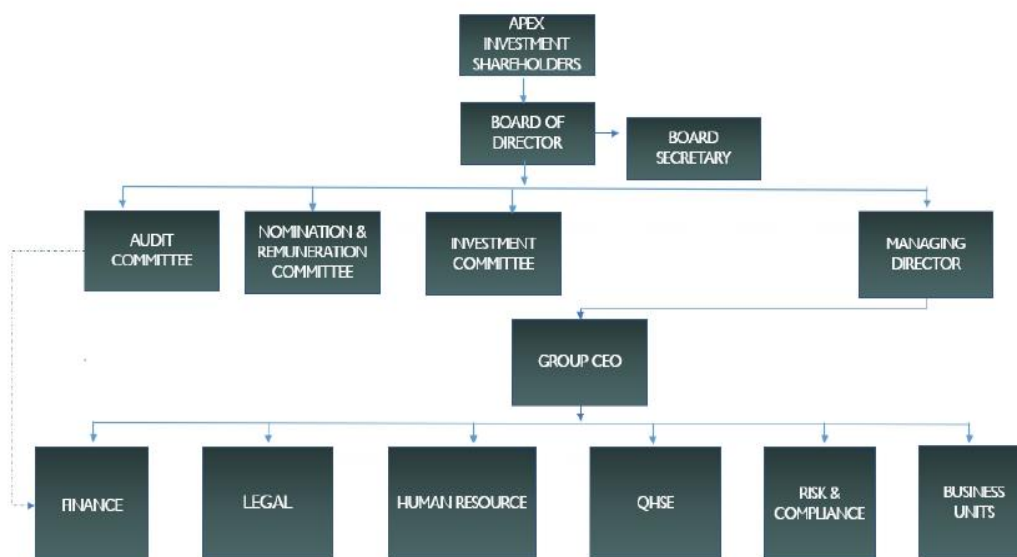
1. Introduction

Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”) (hereinafter referred to as the “Company”) is a public shareholding company incorporated in Ras Al Khaimah under the name of Ras Al Khaimah Cement Company P.S.C by an Emiri Decree No. 4 issued by His Highness, The Ruler of Emirate of Ras Al Khaimah, United Arab Emirates in 1995. The Company started its commercial production in April 2000 and during 2021, it amended its business name to Ras Al Khaimah Cement Investment Public J.S.C. Further, in the month of March 2022, the Company’s business name was amended to Apex Investment PSC. The Company is listed on the Abu Dhabi Securities Exchange (ADX).

The business activities of Apex Investment PSC (“Apex” or “Apex Investment” or “Company”), along with its subsidiaries and affiliates (“Apex Group” or “Group”) are diversified including cement manufacturing and trading, industrial and commercial catering, facility management, sale and rental of tents and shades, tailored production of tents for events and functions, industrial and commercial laundry services, interior designing and logistics services to ports, oil & gas sectors etc.

This report gives an overview of Apex’s corporate governance systems and procedures as of December 31st, 2022 and has been filed with the Abu Dhabi Securities Exchange (ADX). This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020) and the format of this report is as prescribed by SCA.

2. Apex Investment Corporate Governance Structure



The shareholders are the ultimate decision-makers in respect of the direction of the Company. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company’s direction.

The Company is managed by the Board of Directors. The Board of Directors' roles and responsibilities are set out in Board Charter, which include:

- Appointment of Chairman and Vice chairman of the Board.
- Approving formation and dissolution of Board Committees.
- Approve the business decisions ensuring the viability of the Company and its business, and that it is managed in the best interest of the Shareholders, considering the interests of other stakeholders.
- Establish the policies and regulations related to administrative and financial affairs, and the employees' affairs and their financial entitlements.
- Overseeing and approving on an ongoing basis, the Company's long-term business strategy and strategic planning process.
- Managing the Company's approach to corporate governance and ensuring the Company complies with applicable laws, regulations, and internal policies.
- Managing and maintaining oversight of executive management of the Company.
- Monitoring and ensuring the Company's progress towards its goals, Company plans and management performance, and ensuring Shareholder expectations are met.
- Ensuring regular reporting to Shareholders on the performance of the business.
- Reviewing Board composition and performance.
- Overseeing Subsidiary Governance
- Recruitment, Termination, Reward, Compensation and Benefit Matters for Apex Managing Director, CEO and Senior Management of Apex.
- Determining and reviewing authorities delegated to the Managing Director and CEO.

The Board has established committees, namely the Audit Committee, Nomination and Remuneration Committee and Investment Committee to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

2.1 Delegation of Authority to the Board Members and Executive Management

Apex Board, through a Power of Attorney has delegated to the Chairman and Managing Director certain powers as per below:

Sr. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1.	Chairman, Apex Board	<ul style="list-style-type: none"> • Represent and manage the Company, its subsidiaries and affiliates in all transactions and documents before the Government, Semi-Government and Private entities. • Represent the company at the Board of Directors and General Assemblies of the subsidiary and vote on their decision, to carry out all legal disposals as is authorised to the Board Members and General Assemblies. 	From 29/06/2022 till 3 years

2.	Managing Director, Apex Investment PSC	<ul style="list-style-type: none"> • Represent and sign all contracts and agreements on behalf of the Company, its subsidiaries, and affiliates inside and outside of the United Arab Emirates. • Appoint and terminate managers for the Company, its subsidiaries, and affiliates; and • Manage the Company, its subsidiaries, and affiliates' operations. 	From 25/04/2022 till 3 years
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The Managing Director may further delegate authority to designated employees and Business Unit's management but remains accountable for all authorities delegated. Certain powers delegated by Managing Director are as below:

Sr. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1.	General Manager, Ras Al Khaimah Cement Co L.L.C (RAKCC)	<ul style="list-style-type: none"> • Sign all contracts, agreements for the day-to-day management and operation of the RAKCC. • Represent the company before third party including official, semi-official departments. • Opening, closing, operating (withdraw or transfer of money) Bank Accounts and enter all the banking transactions. • Appoint, employ, and dismiss staff and employees of RAKCC, fixation of their remuneration, supervision of their performance and settle their entitlements. • Instituting litigation matters before the local courts and approving and requesting for approval of arbitration appoint and dismiss legal lawyers and advocates for that purpose. • Maintain offices, warehouse, and all such things necessary for the business; acquire, own, possess, or dispose moveable and immoveable properties. • Signing the documents, including but not limited to, resolution as may be required to register a branch or establish a company or establishment or commercial entity in which the company is shareholder or allowing the company to subscribe in, acquire, possess companies, or acquire shares in any other companies. • Giving security, pledge, mortgage or guarantee for any debt, to borrow, provide credit, apply for loans, and sign all banking related document in this regard. • Open Investment Accounts inside and outside UAE and carry out management affairs. • To retain and employ consultants and lawyers and others possessing appropriate skills. 	From 07/02/2022 till 3 years
2.	Director– Government Relations Department, Apex Investment PSC	Represent and sign on behalf of the company, deliver and receive official transactions in front of all official and semi-official authorities in the country.	Valid till 25/04/25

2.3 Subsidiary Governance

The Apex Board, its committees and the executive management oversee subsidiary governance on an enterprise level. This centralized approach provides consistency and transparency, enabling the Group to be responsive to evolving business needs, best practices and regulatory requirements and expectations.

3. The Board of Directors Transactions in Securities

3.1 Transactions report of the members of the Board of Directors, their spouses, and their children, in Company securities during the year 2022

Sr. No	Name	Position / Kinship	Owned shares as on 01/01/2022	Total Purchase during 2022	Total Sale during 2022	Owned shares as on 31/12/2022
1.	Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	-	-	-	-
2.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairperson	-	-	-	-
3.	Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director	-	-	-	-
4.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member	-	-	-	-
5.	Mr. Issa Najib Mir Abdulla Khoory	Board Member	-	-	-	-
6.	Noura Mohamad Al Khoori	Chairman spouse	50,259,000	-	-	50,259,000
7.	Siham Al Taibi Najjar	Managing Director Spouse	50,310,500	-	5,220,500	45,090,000

3.2 Transactions report of the members of the Board of Directors resigned during the year 2022, their spouses and their children in the Company's securities.

Sr. No	Name	Position / Kinship	Owned shares as on 01/01/2022	Total Purchase during 2022	Total Sale during 2022	Owned shares as on 31/12/2022
1.	Mr. Ahmed Amer Omar Saleh Omar	Chairman	-	-	-	-
2.	Mr. Khalifa Yousif Abdulla Husain Khouri	Vice Chairman	-	-	-	-
3.	Prof. Abdulrahman Sultan AlSharhan	Board Member	-	-	-	-
4.	Dr. Sam Ani	Board Member	2,748,499	-	1,748,499	1,000,000

5.	Mr. Saeed Saif Hamarain AIMheiri	Board Member	-	-	-	-
6.	Azzam Ani	Board Member – Son	-	32195	-	32195

4. Board of Directors

The Board is structured to ensure that it has an effective composition, size, commitment and an appropriate collective mix of skills, experience, and expertise to discharge its responsibilities and duties. The present Board of Directors was elected at the Annual General Meeting held on 10/03/2022 for a term of three years. The Board currently has five members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors and an Independent Executive Director.

Board of Directors	Role	Category	Member Since
Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	Independent, Non-Executive	10 th March 2022
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairman	Independent, Non-Executive	10 th March 2022
Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director	Independent, Executive	10 th March 2022
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member	Independent, Non-Executive	10 th March 2022
Mr. Issa Najib Mir Abdulla Khoory	Board Member	Independent, Non-Executive	10 th March 2022

The table below shows the names, roles, and capacities of the members in the Company's Board and its Committees who were elected at the Annual General Meeting held on 10/03/2022.

Board of Directors	Role	Category
Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	Independent, non-executive
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairperson Chairperson- Audit Committee Member-Investment Committee Member- Nomination & Remuneration Committee (from 01.06.22)	Independent, non-executive
Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director Member-Nomination & Remuneration Committee (from 17.03.22 to 01.06.22) Member-Investment Committee (from 01.06.22)	Independent, executive
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member Chairman- Nomination & Remuneration Committee Member- Audit Committee Member- Investment Committee	Independent, non-executive
Mr. Issa Najib Mir Abdulla Khoory	Board Member	Independent, non-executive

Board of Directors	Role	Category
	Chairman – Investment Committee Member- Audit Committee Member- Nomination & Remuneration Committee	

The table below shows the names, roles, and capacities of the members in the Company's Board and its Committees whose resigned during the year 2022.

Board of Directors	Role	Category	Duration as Member Board of Directors
Mr. Ahmed Amer Omar Saleh Omar	Chairman	Independent, non-executive	From 2018 till 10 th March 2022
Mr. Khalifa Yousif Abdulla Husain Khouri	Vice Chairman	Independent, non-executive	From 2009 till 10 th March 2022
Prof. Abdulrahman Sultan AlSharhan	Board Member	Independent, non-executive	From 1995 till 10 th March 2022
Dr. Sam Ani	Board Member	Independent, non-executive	From 2018 till 10 th March 2022
Mr. Saeed Saif Hamarain AIMheiri	Board Member	Independent, non-executive	From 2018 till 10 th March 2022

4.1 Profile of Board Members

Below details shows the names, roles, experience, and capacities of the current Board of Directors.

Mr. Khalifa Yousif Abdulla Husain Khouri

Chairman, Independent/ Non-Executive

Khalifa is a seasoned proud Emirati entrepreneur, an active business initiator in many sectors and accredited investor for more than 20 years with board representation in public and private joint stock companies.

Khalifa is also a nominated representative for a range of private family wealth management committees and has extensive experience in leading and managing organizations in various fields, including general investments, media, trading, services, manufacturing, real estate, building materials, oil and gas, and many others.

He has played an active leadership role in large transactions in mergers & acquisitions, bond issuance and taking companies public.

Education - Master of Business Administration from Grand Canyon University, Phoenix, Arizona.

Current Board representative positions

- Board Member in Abu Dhabi Aviation
- Board Member in Palm Sports
- Managing Director in Al Qudra Holding
- Board Member in Sawaeed Holding

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Ms. Elham Abdulghafoor Mohammed Rafi Alqasim

Vice Chairperson, Independent/ Non-Executive

Chairperson- Audit Committee

Member- Investment Committee

Member- Nomination & Remuneration Committee

Elham Alqasim is a senior executive and investment professional based in the UAE. In her executive capacity Elham has served as CEO of Digital14, leading over 1,000 staff in delivering cybersecurity and digital solutions. Elham also served as CEO of Abu Dhabi Investment Office (ADIO) and Executive Director of the Ghadan 21 programme at the Abu Dhabi Executive Office where she led the strategic planning for the government's three-year, AED 50 billion investment programme aimed at accelerating Abu Dhabi's economy.

Prior to this, Elham was a Director of Mubadala Investment Company, focusing on Mubadala's Technology and Industry portfolio. Her responsibilities included building investment/entry strategy, business development, value creation, post-acquisition asset management, and monetization. During this time, Elham also served on the executive leadership team of Emirates Global Aluminium and delivered a two-year post-merger integration program.

Elham's international career also includes JPMorgan Investment Bank, where she was part of the Global Diversified Industrials Team based in London, handling M&A transactions in chemicals, metals and mining, and infrastructure. As a Non-executive Director, Elham has served on a number of international and national public and private boards including Global Foundries, IHC, and Khalifa Fund. In April 2010, Elham became the first Arab woman to ski to the North Pole.

Education- Elham holds an MSc from the School of Social Policy at the London School of Economics, and a Bachelor of Business from the American University in Dubai.

Current Board representative positions

- Board Member in Amanat Holding
- Board Member in Bayanat
- Board Member in CMRC

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Mr. Ahmed Amer Omar Saleh Omar

Board Member & Managing Director

Member- Investment Committee

Mr Ahmed Amer Omar Saleh Omar is the founder of Al Amry Group, one of the most well-known and prolific group of companies in Abu Dhabi, UAE. Mr. Ahmed Amer Omar Saleh has established a company that could not only meet those needs, but one that would excel beyond the highest levels of professionalism and integrity in the industry. He established Al Amry Group Since then, the company has continued to grow and evolve into one of the largest general contracting companies in Abu Dhabi UAE.

Education- Mr. Ahmed Amer Omar Saleh graduated from College of Business from US, before starting his own company he worked on numerous construction projects where he gained experience, utilizing the skills and experiences he acquired both in school and in his professional career, the mark of Mr. Ahmed Amer Omar Saleh can be seen across Abu Dhabi Projects.

Current Board representative positions

- Board Member at National Marine Dredging Company

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Mr. Mansoor Ibrahim Ahmed Saeed Almansoori

Board Member, Independent/Non-Executive

Chairman- Nomination & Remuneration Committee

Member- Audit Committee

Member- Investment Committee

H.E. Mansoor Almansoori is a prominent leader in the UAE with a diverse range of professional experience in telecommunications, energy, and government. H.E. Mansoor Almansoori has been appointed as member of Abu Dhabi Executive Council and Chairman of the Department of Health, Abu Dhabi.

H.E. Mansoor Almansoori is currently the Group Chief Operating Officer of G42. Previously, H.E. Almansoori held several board positions in leading institutions including Abu Dhabi Tourism and

Culture Authority and Emirates Palace Company and served as Director General of the UAE National Media Council.

A voracious reader, and public speaker on digital transformation and the management of change, Mr. Mansoor was recently selected as counsellor alongside Canadian Prime Minister Justin Trudeau and Duchess of Sussex at the 2019 Young World Summit in London where he delivered a keynote on “The New Age of Conversation.”

Education- Mr. Mansoor holds a master’s degree in Strategic Security Studies and National Resources Management from the National Défense College (UAE). A University of Toledo (Ohio, USA) graduate in Computer Science, he holds several specialized certificates including a Leadership Certificate from London Business School (UK), Innovation Strategy Leadership from Massachusetts Institute of Technology (USA) and International Institute for Management Development (Switzerland).

Current Board representative positions:

- Board Member at Etisalat
- Board Member at Multiply Group
- Member at Abu Dhabi Executive Council
- Chairman of Department of Health

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Mr. Issa Najib Mir Abdulla Khoory

Board Member, Independent/Non-Executive

Chairman – Investment Committee

Member- Audit Committee

Member- Nomination & Remuneration Committee

Issa Khoory is the Managing Director of Mirak Group of Companies. This is a leading multi-faceted company established in 1985 with over 35 years’ experience in the market. Mainly specialize in Agriculture, Food Production, Distribution, and Imports & Exports.

With long-standing experience in Manufacturing, Supply Chain, Sales & Logistics, Issa Khoory has successfully implemented his leadership and has positioned Mirak Group to become one of the foremost leaders in the industry.

Issa Khoory is also the Managing Director of Al Sultana Investments. This is an investment company established in 2007 which consists of a large portfolio of the family’s real estate. mainly focused in the United Arab Emirates and the United Kingdom.

In 2015, under the auspices of the Dubai Chamber of Commerce, Issa Khoory was also appointed as a Board Member of the Fruits and Vegetables Traders’ Group, which overlooks all the major

activities in the Dubai market related to its industry. The Fruits & Vegetables market in Al Aweer is the region's largest.

In March 2022, Issa Khoory was also appointed as a Board Member to the ADX listed entity, Apex Investments PJSC. He is also the Chairman of the Investment Committee overlooking the overall strategy of the company's investments.

Education- He has obtained both a BBA and a master's degree from the American University in Dubai

4.2 The Board Secretary

The Board Secretary is the point of communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters.

Allen & Overy LLP, legal consultant, was appointed as Board Secretary at Board Meeting held on 27/04/2022.

The Board Secretary has the following key responsibilities:

- Advise the Chairman and Directors on legal matters.
- Ensure the Board agenda is developed in a timely manner for review and approval by the Chairman.
- Ensure Board meetings are duly conducted, and minutes are recorded as required, and that resolutions of the Board are actioned on a timely basis.
- Attend meetings of the Board and Shareholders and ensure correct procedures are followed.
- Draft and maintain minutes of Board meetings; and
- Ensure statutory reporting and filing requirements are met in accordance with relevant laws and regulations.

4.3 Diversity - Women's representation in the Board of Directors in 2022

In keeping with the Company's commitment to gender diversity, Apex is proud to have one female representation on the Board and Apex actively seeks to recruit more female employees across all areas of the Company's operations.

4.4 Board Induction and Development

The Chairman is responsible for the induction of new directors and the continuing development of directors. All directors receive a tailored induction upon joining the Board, covering their duties and responsibilities as directors. Directors also receive a full briefing on all key areas of the Group's business, and they may request further training as they consider necessary.

4.5 Board Effectiveness Evaluation

The Board seeks to ensure that it is operating effectively and plans to undertake a review of its performance, individual Directors and Board committees in Q1, 2023 and thereafter at least annually.

4.6 Key Focus Areas for the Board during 2022

During 2022, the Board of Directors focused and made decisions on various areas as below.

- a. Took control and oversight of the business, restructured the Board of Directors, and constituted all the Committees.
- b. Approved the appointment of C Suite, key employees, and Board secretary.
- c. Reviewed and approved the budget for 2022 and laid out the agenda for growth and diversification of business setting the parameters for periodical reviews of each business.
- d. **Performance Review**
 - i. Quarterly review of performance for Apex group and analysed trends in business and profitability.
 - ii. Approved new ADNOC business in June 22 (C1, C2, C3 and F2 Packages).
- e. **Governance matters**
 - i. Approved new Banking Mandate and made effective from 21st June'22.
 - ii. Approved Director & Officers Liability Policy.
 - iii. Reviewed the draft Delegation of Authority.
 - iv. Reviewed and approved the remuneration of Managing Director.
 - v. Provided direction to enhance the governance framework and approved working with experts to set out best practices within the organisation and comply with ESCA regulations. Reviewed updates from the Management on Group performance.
- f. Reviewed the business growth and diversification to substitute the slowdown in Covid related business:
 - i. Diversify the catering business into Oil & Gas, Health Care and Defence.
 - ii. Increase participation of Central Tents business into MICE segment and build Field Hospitals outside of UAE, as government led support for addressing Covid.
 - iii. Expand Facility Management businesses at Airports, Hospitals, CPC (Crown prince Court) etc.
- g. Reviewed performance of RAKCC
- h. Acquisitions of various strategic investments.
 - i. Reviewed the proposal to investment in Avocado farm in Morocco.
 - ii. Joint venture to set up Restaurant Chain representing Turkish brand Istinye and Cay Sati. With first outlet of Istinye due to open in Dubai Mall in third Quarter of 2023.
 - iii. Reviewed progress on setup of SKYGo (drone logistics within UAE)

4.7 Board Remuneration

- i. The Board of Directors' remuneration is set forth in the Articles of Association of the Company, subject to the provisions of Federal Decree Law no (32) of 2021 on commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.
- ii. The Company may also pay additional expenses or fees or monthly salary to an extent determined by the Board of Directors for any of its members, if the member is working in any committee, or exerts exceptional efforts or performs additional work to serve the

company beyond his or her normal duties as a member of the Board of Directors of the Company. In all cases, Directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserves.

iii. Total Remunerations Paid to the Members of Board of Directors in 2022

- No remuneration has been paid to the Board of Directors for the year 2021.
- AED 3,190,550 has been proposed as remuneration to the Board of Directors for the year 2022, subject to approval by the shareholders at the General Assembly.

iv. Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2022.

No allowances were received for attending the sessions of the Board of Directors and the Committees emanating from the Board for the year 2022.

v. Details of additional allowances, salaries or fees received by a Board Member, during the year 2022, other than the allowances for attending the Committees.

No allowances, salaries, or additional fees were disbursed during the year 2022

4.8 Board Meetings and Attendance of Board Members

The number and dates of Board Meetings held during the year 2022 as well as the attendance frequency by all the members; in person and by proxy (the names of the BOD members showing below:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1.	January 11 th 2022	5 (Virtually held)	5	-	-
2.	January 30 th 2022	5 (Virtually held)	5	-	-
3.	March 17 th 2022	5 (Virtually held)	5	-	-
4.	April 27 th 2022	5 (Virtually held)	5	-	-
5.	June 14 th 2022	5 (Virtually held)	5	-	-
6.	July 26 th 2022	5 (Virtually held)	5	-	-
7.	October 24 th 2022	5 (Virtually held)	5	-	-

Below are details of Board Meetings attendance during the year 2022 as follows:

Board of Directors	No. of Absences	First Meeting 11/1/22	Second Meeting 30/01/22	Third Meeting 17/03/22	Fourth Meeting 27/04/22	Fifth Meeting 14/06/22	Sixth Meeting 26/07/22	Seventh Meeting 24/10/22

Mr. Khalifa Yousif Abdulla Husain Khouri	-	✓	✓	✓	✓	✓	✓	✓
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	-	N/A	N/A	✓	✓	✓	✓	✓
Mr. Ahmed Amer Omar Saleh Omar	-	✓	✓	✓	✓	✓	✓	✓
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	-	N/A	N/A	✓	✓	✓	✓	✓
Mr. Issa Najib Mir Abdulla Khoory	-	N/A	N/A	✓	✓	✓	✓	✓
Prof. Abdulrahman Sultan AlSharhan	-	✓	✓	Resigned				
Mr. Saeed Saif Hamarain AlMheiri	-	✓	✓	Resigned				
Dr Sam Ani	-	✓	✓	Resigned				

4.9 Summary of Board Resolutions Passed During 2022

i. Board Resolutions passed during Board Meeting.

Sr No	Board Meeting Date	Resolutions Passed
1.	11 th January 2022	<ol style="list-style-type: none"> Approval to enter into the Sale and Purchase Agreement for the shares of Apex Holding LLC ("Target Company") whereby the Company will acquire the entire shares of IHC Capital Holding LLC and Chimera Investments LLC in the Target Company. Approval to enter into the Convertible Instrument Issuance Agreement for the issuance of bonds mandatorily convertible into shares in the Company and approve the issuance of mandatory convertible bonds with a total value of AED 3,050,077,467 at par value of one Dirham to IHC Capital Holding LLC and Chimera Investments LLC in exchange for their entire shares in the Target Company. Approved the previous minutes of meeting no. (05/2021). Other business matters.

2.	30 th January 2022	<ol style="list-style-type: none"> 1. Approval of Financial Statements for the year ended 31st December 2021. 2. Approval of the previous minutes of meeting no. (01/2022). 3. Review of the report of the meeting of the Audit Committee and the Nomination & Remuneration Committee. 4. Approval of the Agenda of the Annual General Assembly and finalize the date of the general assembly meeting on Thursday - (24 February 2022) after taking Securities & Commodities Authority & ADX approvals.
3.	17 th March 2022	<ol style="list-style-type: none"> 1. Electing Mr. Khalifa Yousif Abdulla Husain Khouri as Chairman and Ms. Elham Abdulghafoor Mohammed Rafi Alqasim as Vice Chairman of the Board. 2. Approval to reform the Board Committees (Audit Committee, Nomination & Remuneration Committee & Investment Committee). 3. Decision to postpone the appointment of the CEO. 4. Other business matters.
4.	27 th April 2022	<ol style="list-style-type: none"> 5. Approval of Financial Statements for the first quarter ended 31st March 2022. 6. Approval of the previous minutes of meeting. 7. Review of the report of the meeting of the Audit Committee and the Investment Committee. 8. Other business matters.
5.	14 th June 2022	<ol style="list-style-type: none"> 1. Approval of the previous minutes of meeting no. (04/2022). 2. Review of the report of the meeting of the Audit Committee, Investment Committee and the Nomination & Remuneration Committee. 3. Other business matters.
6.	26 th July 2022	<ol style="list-style-type: none"> 1. Approval of Financial Statements for the second quarter ended June'22. 2. Other business matters.
7.	24 th October 2022	<ol style="list-style-type: none"> 1. Approval of Financial Statements for the third quarter ended September'22. 2. Other business matters.

ii. Other Board Resolution

Sr No	Resolution Date	Resolutions Passed
1.	1 st June 2022	Approval for reformation of Nomination and Remuneration Committee and Investment Committee.
2.	18 th May 2022	Approval of Investment in ADC SPAC IPO
3.	26 th May 2022	Approval of Investment in Borouge IPO
4.	31 st May 2022	Approval for Investment in Mussaffah Plots.

5. Board of Directors' Committees

5.1 Audit Committee

Audit Committee Chairman's Acknowledgment

Audit Committee Chairperson acknowledges her responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Audit Committee as of 31/12/2022

S. No	Name	Title	Category
1.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Chairwoman	Non-Executive/Independent
2.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Member	Non-Executive/Independent
3.	Mr. Issa Najib Mir Abdulla Khoory	Member	Non-Executive/Independent

Members of Audit Committee prior to 10/03/2022

S. No	Name	Title	Category
1.	Dr. Sam Ani	Chairman	Non-Executive/Independent
2.	Mr. Khalifa Yousif Abdulla Husain Khouri	Member	Non-Executive/Independent
3.	Mr. Saeed Saif Rashed Hamarain Al Mheiri	Member	Non-Executive/Independent

The Audit Committee shall undertake the following duties:

It is the responsibility of the Committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organisation:

- a. To monitor the integrity of the financial statements of the Company and its reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year and after the closing of the accounts in any quarter, and to focus in particular on the following:
 - o Any changes in accounting policies and practices.
 - o To highlight the areas subject to the management report.
 - o Significant amendments resulting from the audit.
 - o Assuming continuity of business.
 - o Compliance with the accounting standards determined by the Commission.
 - o Adhere to the rules of listing, disclosure and other legal requirements related to the preparation of financial reports.
- b. To monitor the financial reporting process, including reviewing the Company's annual and semi-annual reports and any other formal announcements relating to the Company's financial performance and considering significant financial reporting issues and judgements contained

- in them, and submit recommendations and proposals to the Board to ensure the integrity of the process.
- c. Submitting recommendations to the Board of Directors on the election, appointment, resignation, or dismissal of the External Auditor. In case of non-approval by the Board of Directors of the recommendations of the Audit Committee in this regard, the Board shall, in the governance report of the Company, include a statement articulating recommendations of the Audit Committee and the reasons behind the disapproval thereof.
 - d. The Audit Committee shall report formally to the Board on its activities which are to be included in the Company's annual report. The report should include:
 - o An explanation on how the Audit Committee has assessed the effectiveness of the External Audit process, the approach taken to the appointment or reappointment of the External Auditor and information on the length of tenure of the current auditor,
 - o The significant issues that the Audit Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the Auditor; and
 - o all other information requirements set out in the applicable Governance Rules and applicable laws.
 - e. Review and evaluate the Company's Internal Audit and risk management systems.
 - f. Receive and review the report on the results of the Internal Auditor's work on a periodic basis and consider the findings of principal investigations in Internal Audit matters assigned thereto by the Board of Directors or carried out by an initiative of the Committee with the approval of the management.
 - g. Monitor the Company's adherence to professional conduct rules.
 - h. Review the Related Parties' dealings with the Company and ensure that there are no conflicts of interest and recommend them to the Board of Directors before concluding it.
 - i. In regard to Internal Control and Risk Management, the Audit Committee shall:
 - o Keep under review the adequacy and effectiveness of the Company's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks), and review the Company's internal control and risk management systems;
 - o Review the adequacy and security of arrangements by which staff and contractors of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the proportionate and independent investigation of such matters, and for appropriate follow-up actions;
 - o review the Company's procedures for detecting fraud;
 - o review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
 - o review regular reports from the Compliance Officer and the adequacy and effectiveness of the Company's anti-money laundering systems and controls;
 - o review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function; and
 - o consider the major findings of internal investigations and management's response.
 - j. The Audit Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - k. Consider other issues as determined by the Board of Directors.

Audit Committee Meetings during year 2022

Audit Committee	No. of	First Meeting	Second Meeting	Third Meeting	Fourth Meeting
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Members	absences	30/01/22	27/04/22	25/07/22	04/10/22
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	-	N/A	✓	✓	✓
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	-	N/A	✓	✓	✓
Mr. Issa Najib Mir Abdulla Khoory	-	N/A	✓	✓	✓
Dr. Sam Ani	-	✓	N/A	N/A	N/A
Mr. Khalifa Yousif Abdulla Husain Khouri	-	✓	N/A	N/A	N/A
Mr. Saeed Saif Rashed Hamarain Al Mheiri	-	✓	N/A	N/A	N/A

Key Actions by Audit Committee

Sr. No.	Date	Key Action
1.	30/01/22	<ul style="list-style-type: none"> Review the Financial statements for the year ended 31st Dec 2021.
2.	27/04/22	<ul style="list-style-type: none"> Review the presentation of EY on the Financial Statements for the First Quarter ended 31st March 2022. Discussion on the financial statements for the first quarter ended 31st March 2022, to be submitted to the Board of Directors
3.	25/07/22	<ul style="list-style-type: none"> Review the management presentation for Financial Statements for the second quarter ended 30th June 2022. Review the Financial statements for second quarter ended 30th June 2022.
4.	24/10/22	<ul style="list-style-type: none"> Review of Expected Credit Loss (ECL) Model. Review the actions taken by Management on SCA report for the year 2021. Review the proposed draft of Delegation of Authority Review the EY Audit plan for the year 2022

5.2 Nomination and Remuneration Committee

Nomination and Remuneration Committee Chairman's Acknowledgment

The Chairman of Nomination and Remuneration Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Nomination and Remuneration Committee as of 31/12/2022

S. No	Name	Title	Category
1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Chairman	Non-Executive/Independent
2.	Mr. Issa Najib Mir Abdulla Khoory	Member	Non-Executive/Independent
3.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Member	Non-Executive/Independent

Members of Nomination and Remuneration Committee prior to 01/06/2022

S. No	Name	Title	Category
1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Chairman	Non-Executive/Independent
2.	Mr. Ahmed Amer Omar Saleh Omar	Member	Executive/ Independent
3.	Mr. Issa Najib Mir Abdulla Khoory	Member	Non-Executive/Independent

Members of Nomination and Remuneration Committee prior to 10/03/2022

S. No	Name	Title	Category
1	Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	Non-Executive/Independent
2.	Prof. Abdulrahman Sultan A. Al Sharhan	Member	Non-Executive/Independent
3.	Mr. Saeed Saif Rashed Hamarain Al Mheiri.	Member	Non-Executive/Independent

Nomination and Remuneration Committee Functions

The Nomination and Remuneration Committee shall carry out the duties set out below as appropriate.

- Develop a policy for applying to the membership of the Board and Top Executive Management, taking into account gender diversity within the formation and encouraging women through incentive and training programmes and benefits.
- Organise and follow up the procedures for applying for membership of the Board in accordance with the applicable laws and regulations and the provisions of the Governance Rules.
- Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
- Identify the Company's needs of competencies at the level of Top Executive Management and staff and the basis of selecting them.
- Ensure the independence of Independent Members on an ongoing basis.
 - to promote the long-term success of the Company.

- to ensure, where possible, that a significant proportion of the remuneration of Senior Management is structured to link remuneration to Company and individual performance.
 - to consider and promote the Company's long-term strategic goals, where appropriate; and
 - to ensure that any performance-related elements of any remuneration structure are transparent, stretching and rigorously applied.
- Ensure availability of continuity of the membership conditions in the Board members annually
 - If the Committee finds that a member lacks the conditions of independence, it shall submit the matter to the Board to notify the member by a registered letter to his/her address known to the Company about the grounds of lacking independence. The member shall reply to the Board within 15 days from the notice date. The Board shall issue a decision that the member is either independent or not independent at the first meeting following the member's reply or expiration of the period referred to in this paragraph (i.e., 15 days) without reply.
 - Subject to the provisions of the Companies Law, if the decision of the Board regarding lacking of reasons or justifications for the member independence affects the minimum percentage of its Independent Members, the Board shall appoint an Independent Member to replace this member if he/she submitted his/her resignation due to lack of independency. If the member refuses to resign, the Board shall present the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.
 - Regularly review the structure, size and composition of the Board (including skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board with regard to any changes.
 - Prepare and review the policy on granting rewards, benefits, incentives and salaries to the Board Members and the staff of the Company, on an annual basis. The Committee shall ensure that the rewards and benefits granted to Top Executive Management are reasonable and commensurate with the performance of the Company.
 - Regularly review the ongoing appropriateness and relevance of the remuneration policies and approved policy to ensure that reward policies across the Company work :
 - Consider and review the terms of any new equity plans for Top Executive Management.
 - The Committee is authorised by the Board to investigate any activity within the scope of its duties.
 - Any other matters determined by the Board.

Nomination and Remuneration Committee Meetings During the Year 2022

Member of the Committee	No. of absences	First meeting 30/01/22	Second Meeting 05/06/22	Third Meeting 03/11/22
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	-	N/A	✓	✓
Mr. Ahmed Amer Omar Saleh Omar	-	N/A	N/A	N/A
Mr. Issa Najib Mir Abdulla Khoory	-	N/A	✓	✓
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	-	N/A	✓	✓

Mr. Khalifa Yousif Abdulla Husain Khouri	-	✓	N/A	N/A
Prof. Abdulrahman Sultan A. Al Sharhan	-	✓	N/A	N/A
Mr. Saeed Saif Rashed Hamarain Al Mheiri.	-	✓	N/A	N/A

Key Actions of Nomination & Remuneration Committee

Sr. No.	Date	Key Actions
1.	30/01/22	No key actions
2.	05/06/22	Review the Group Structure and Policies
3.	03/11/22	Review of Key hiring, pay scale and Organizational structure

5.3 Insider Trading Supervision Committee

The Insider Trading Supervision Committee is not in existence after 10th March'22.

Members of the Insider Trading Supervision Committee as of 10/03/2022

No.	Member Name	Committee Position
1.	Mr. Ahmed Ali Ahmed Anoon Al Nuaimi	Committee Chairman
2.	Mr. Amr Mohammed EIDessouky	Member
3.	Mrs. Shamma Saleh Ahmed Saleh	Member

No meetings were conducted by Insider Trading Supervision Committee prior to 10.03.2022 during the year 2022.

5.4 Investment Committee

Investment Committee Chairman's Acknowledgment

The Chairman of the Investment Committee acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Investment Committee as of 31/12/2022

S. No	Name	Title	Category
1.	Mr. Issa Najib Mir Abdulla Khoory	Chairman	Non-Executive/Independent
2.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Member	Non-Executive/Independent
3.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Member	Non-Executive/Independent
4.	Mr. Ahmed Amer Omar Saleh Omar	Member	Executive/Independent

Members of Investment Committee prior to 01/06/2022

S. No	Name	Title	Category
1.	Mr. Issa Najib Mir Abdulla Khoory	Chairman	Non-Executive/Independent
2.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Member	Non-Executive/Independent
3.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Member	Non-Executive/Independent

Members of Investment Committee prior to 10/03/2022

S. No	Name	Title	Category
1.	Prof. Abdulrahman Sultan AlSharhan	Chairman	Non-Executive/Independent
2.	Dr. Sam Ani	Member	Non-Executive/Independent
3.	Mr. Saeed Saif Rashed Hamarain Al Mheiri.	Member	Non-Executive/Independent

Investment Committee Functions

The Investment Committee shall carry out the duties set out below as appropriate.

- Review and recommend to the Board for its approval an overall investment / capital allocation framework and implementation model for the Company's investment activities, which shall consider relevant factors such as return on invested capital targets and benchmarks, allocation guidelines and limits, risks limits and strategic objectives.
- Review on a periodic basis, of Company performance against the criteria set forth in the framework and implementation model as defined in the charter.
- Review the Committee Charter, Investment Policy, the Investment Procedures and submit to the Board for approval and once in every (3) three years review, evaluate, and make recommendations regarding the Committee Charter, Investment Policy, the Investment Procedures and submit to the Board for approval.
- Oversee implementation and ongoing operational execution of the Investment Policy.
- Ensure compliance with the Investment Policy by verifying that investments are made according to policy, on a quarterly basis.

- Review and recommend to the Board for its approval investment opportunities, acquisitions, joint ventures or divestitures all in accordance with the Company's existing delegation of authority matrix.
- Review the balance sheet impact of specific proposed transactions including funding requirements and impact on the Company's liquidity and debt ratios as part of determining whether to recommend them to the Board for approval.
- Keep the Board informed periodically about the Committee's activities.
- Select, monitor, and replace third-party advisors and consultants for effectiveness and appropriateness of responsibilities.
- The Committee shall perform such other duties consistent with the Committee's purpose or that are assigned to it by the Board.

Committee meeting during 2022

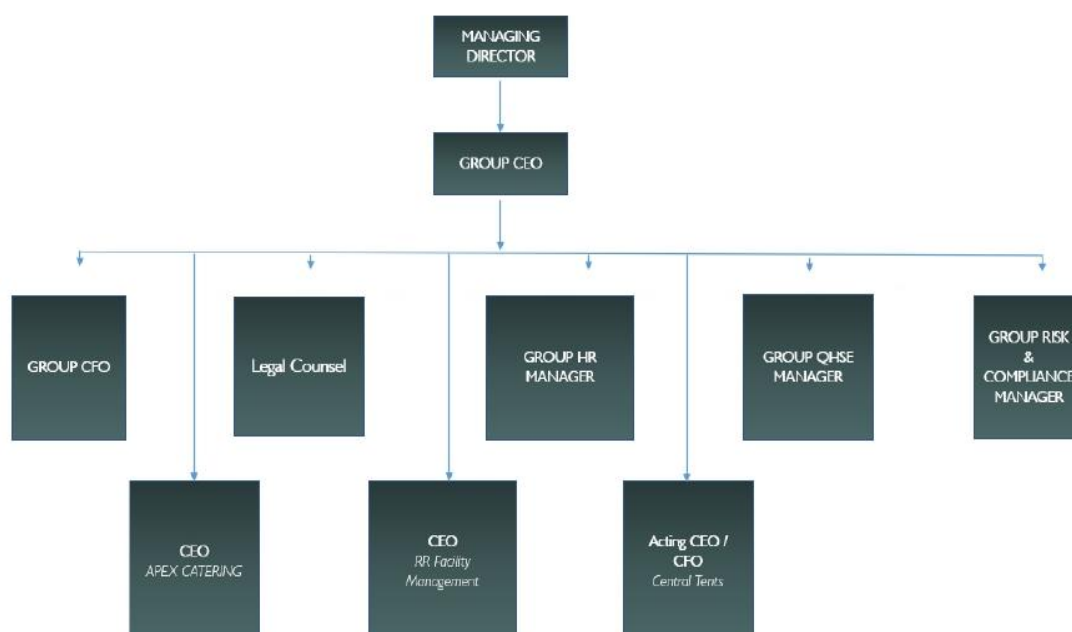
Member of the Committee	No. of absences	First Meeting 20/04/22	Second Meeting 18/05/22	Third Meeting 25/05/22	Fourth Meeting 03/06/22	Fifth Meeting 05/06/22	Sixth Meeting 26/10/22
Mr. Issa Najib Mir Abdulla Khoory	-	✓	✓	✓	✓	✓	✓
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	-	✓	✓	✓	✓	✓	✓
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	-	✓	✓	✓	✓	✓	✓
Mr. Ahmed Amer Omar Saleh Omar	-	N/A	N/A	N/A	✓	✓	✓
Prof. Abdulrahman Sultan AlSharhan	-	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Sam Ani	-	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Saeed Saif Rashed Hamarain Al Mheiri.	-	N/A	N/A	N/A	N/A	N/A	N/A

Key Actions of Investment Committee

Sr. No.	Date	Key Actions
1.	20/04/22	Investment Committee kick off meeting
2.	18/05/22	Review of Investment in ADC SPAC IPO
3.	25/05/22	Review of Investment in Borouge IPO
4.	03/06/22	Review for Investment in Mussaffah Plots
5.	05/06/22	Review of draft Policies
6.	26/10/22	Review business plan for ADNOC tender A1/A2 package, Avocado Farm and Hedef JV

6. Executive Management

Organizational structure



The following table lists Senior Executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2022:

Position	Appointment Date	Total salaries and allowances paid during the year 2022 - in UAE Dirhams	Total bonuses paid during the year 2022 – in UAE Dirhams	Any other bonuses to be paid in the future for the year 2022– in UAE Dirhams
Executive Management Team *	NA	5,300,138	336,699	-

* Executive Management comprises of MD, Group CEO, heads of functions reporting to the Group CEO and heads of Business Units reporting to Group CEO.

7. Related Parties Transactions

The Company has entered into transactions with companies and entities that fall within the definition of a related party under the Corporate Governance Code or the International Accounting Standards 24: Related Party Disclosures. The nature of such transactions relate to the Company's normal course of business and details of such transactions are disclosed in note 17 of the Company's 2022 audited financial statements.

Summary of transactions with related parties amounting to 5% or more of the Company's capital for the year 2022

The Company did not conduct transactions with any related parties amounting to 5% or more of Company's capital for the year 2022.

8. Internal Control System

The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. The objective of the Group's internal control framework is to ensure that internal controls are established, that those policies and procedures are properly documented, maintained, and adhered to, and are incorporated by the Group within its normal management and governance processes. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved.

The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

i. The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

In order to adapt with the changing needs of the organization and to enhance assurance over internal controls and risk management, the Company has outsourced the internal audit function during 2022 to the Protiviti business consulting firm (see below).

ii. Protiviti Profile

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through their network of more than 85 offices in over 25 countries.

Named on the 2020 Fortune 100 Best Companies to Work For[®] list, Protiviti has worked with more than 60% of Fortune 1000 and 35% of Fortune Global 500 companies as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti has strong presence in Middle East Region with offices in Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar, and Saudi Arabia. The organization works with 70% of the top 100 GCC companies in terms of their market capitalization. Protiviti employs over 600 people in the region, giving access to a large pool of skilled and qualified professionals. It is also the largest employer of risk advisory and internal audit professionals. With specialists and multilingual teams having global as well as regional experience, Protiviti is amongst the fastest growing business advisory firm in the region.

The outsourced Internal Audit Function governs itself by adherence to the Institute of Internal Auditors' mandatory guidance, including the definition of internal auditing, the code of ethics and the international standards for the professional practice of internal auditing (standards).

iii. Internal Audit Activities

The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, as is the status of management's implementation of agreed actions to address findings identified in the audits.

iv. Reports issued during the year.

In 2022, the outsourced Internal Audit team issued 1 report. The Internal Audit team has also issued Two (2) draft audit reports pending Management response and these audit reports shall be finalised and issued in early 2023.

No significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

9. External Auditor

9.1. Brief about the Company's External Auditor

Ernst & Young (EY) was appointed as the company's external auditor for the fiscal year 2022. Ernst & Young has a presence and operations in more than 150 countries which are organized into three areas – the Americas, Asia-Pacific and EMEIA – and further divided into regions. It has been operating in the MENA region for more than 90 years and in the UAE since 1966. All their personnel work in one of their service lines; Assurance, Advisory, Tax, Transaction Advisory Services (TAS), or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

Mr. Raed Ahmad is the Engagement Partner for Apex.

The scope of the audit for the financial year 2022 is as follows:

1. To provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.

2. To provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
3. To provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

9.2. External audit fees, services & costs

Below are the details and breakdowns of the external audit costs paid during 2022:

- The External Audit Services fees of E&Y for 2022 amounted to AED 1,335,851/-. These fees are against annual audit and interim review of financial statements of Apex and its subsidiaries.
- The fees for services, which were delivered to the Apex Group in 2022 by other Audit firms, other than the Company's auditors, amounted to AED 1,514,910/-. These fees were against consultancy and advisory services fees. The firms, which delivered these services were as follows:
 1. Ardent Advisory Accounting
 2. Allen and Overy LLC
 3. Ahmed Atwi
 4. Aswaar Management Consultancy
 5. Al Tamimi & Co.
 6. Hadeef & Co.
 7. Al Mizan Group

9.3. External Auditor's Opinion on the Financial Statements

The Company's external auditor did not have any reservations about any item in the interim and annual financial statements during 2022.

10. Violations Committed by the Group during the year 2022

During 2022, Apex Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

11. Corporate Social Responsibility

The Group is committed to various initiatives aimed at creating value for all its stakeholders through economic, environmental, and social actions. Details about the Corporate Social Responsibilities are provided in Apex's Environmental, Social and Governance report which is part of the Integrated Annual Report. Some of the key initiatives taken are as below;

- In 2022, Apex subsidiary RAKCC built a Waste Heat Recovery (WHR) plant, that uses exhaust heat from our system to produce electricity up to 27%.
- RAKCC implemented a project where discarded water from WHR plant is recycled and used for gardening and spraying to reduce dust emission. 5% of the water that RAKCC consume is recycled and segregated from waste portion.
- Group is taking an initiative towards Waste management. Total waste generated during the year is 786.30 MT and 312 MT waste was recycled in 2022.

- The Company plans to implement a document management system in 2023 to facilitate easy retrieval of documents and avoid printing where possible.

12. Sustainability Report

Apex Group views Environmental, Social and Governance (ESG) practices as a core constituent of its culture and is committed to working towards a balanced and inclusive green economy. As active investors and engaged owners, Apex aims to deliver sustainable value over the long term by leveraging technology and data management, enhancing, and enabling group-wide efforts in sustainable development. Apex remains dedicated to expanding sustainability efforts, tackling climate change, reducing food waste, and ensuring that our services add value to the people and community they operate into.

The Company is planning to establish an internal ESG committee in 2023 to oversee all sustainability developments and associated climate-related and other risks in the Company's boundary of operations as well as assess their impact on all ESG parameters.

Apex has hired an external firm to prepare the sustainability report for 2022 and the report can be accessed as part of Apex's Integrated report. Below are some of the initiatives taken by the Group during the year 2022 and their positive impact across the group:

- Health and Safety- In 2020, company have gained ISO 22000:2018, ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 and HACCP certifications. During 2022, number of fatalities reported was 0% and injury rate was 0.37%.
- Training & Development- Company align training and development programs with long-term company goals, which results in improved leadership skills and general well-being. Also, frequently conduct QHSE (Quality, Health, Safety and Environment) training. During 2022, Group has spent 18,809 hours towards training of employees.
- Implementation of ERP in the catering entity and oracle in central tents, and there is a further extension proposition for other operations. The Company invested AED 1,050,842 in ERP systems during 2022.
- GHG Emissions Reduction- It is one of major priorities and operational success factor. Hence, company has started calculating and assessing significant sources of GHG and working towards building effective reduction strategies.
- Energy & Water Consumption- monitor water consumption and energy consumption every year and prove that concrete efforts and measurable results do well in reaching sustainability goals faster. Also, intend to continually optimise performance in all its operations, contributing to a sustainable future. Apex plans to implement ISO 50001- Energy Management System for the year 2023.

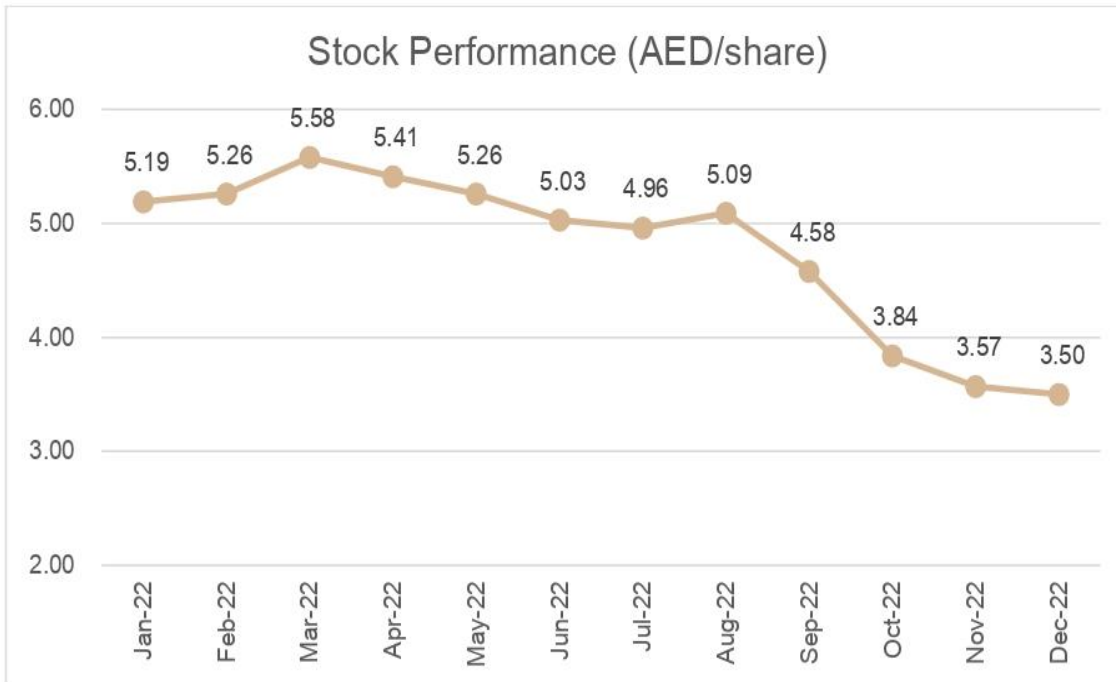
13. Shareholding and Share Price Information

13.1. Share Price

The following table presents the company's highest and lowest share price at the end of each month during 2022, and share performance against market index and sector index as of 31st December 2022:

Share Price (AED)				Share Performance				
Month	HIGH	LOW	CLOSING PRICE	Market Index	Industrial Index	Absolute	VS Market	Vs Sector
January	6.77	5.19	5.19	8,704.3	3,689.5	-23.3%	-25.9%	-21.9%
February	5.49	5.15	5.26	9,319.4	3,741.2	1.3%	-5.7%	-0.1%
March	6.24	5.25	5.58	9,948.8	3,807.3	6.1%	-0.7%	4.3%
April	5.90	5.37	5.41	10,081.4	4,124.3	-3.0%	-4.4%	-11.4%
May	5.48	4.68	5.26	10,054.9	3,948.6	-2.8%	-2.5%	1.5%
June	5.60	4.69	5.03	9,374.7	4,094.0	-4.4%	2.4%	-8.1%
July	5.19	4.96	4.96	9,663.5	3,859.9	-1.4%	-4.5%	4.3%
August	5.18	4.84	5.09	9,874.5	3,781.1	2.6%	0.4%	4.7%
September	5.16	4.54	4.58	9,750.8	3,756.5	-10.0%	-8.8%	-9.4%
October	4.53	3.76	3.84	10,412.3	3,805.3	-16.2%	-22.9%	-17.5%
November	4.05	3.55	3.57	10,552.4	4,064.8	-7.0%	-8.4%	-13.9%
December	3.71	3.26	3.50	10,211.1	4,028.6	-2.0%	1.3%	-1.1%
Overall Performance During 2022	6.77	3.26	3.50	10,211.10	4,028.6	-48.30%	-68.60%	-55.90%

13.2. Company's share price performance during the year 2022



13.3. Performance of the Company's shares compared with the ADX index and ADX Investment and Financial Sector index during 2022.

Apex Share Price Performance vs. ADX and ADX Industrial Index (all rebased to 100)



Share Price Performance (all rebased to 100)	31-01-2022	28-02-2022	31-03-2022	29-04-2022	31-05-2022	30-06-2022	29-07-2022	31-08-2022	30-09-2022	31-10-2022	30-11-2022	30-12-2022
Apex Group	76.7	77.7	82.4	79.9	77.7	74.3	73.3	75.2	67.7	56.7	52.7	51.7
ADX	102.5	109.8	117.2	118.8	118.5	110.4	113.8	116.3	114.9	122.7	124.3	120.3
ADX Industrial Sector Index	98.6	100.0	101.7	110.2	105.5	109.4	103.1	101.0	100.4	101.7	108.6	107.6

13.4. Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local	-	256,704,713	3,190,268,136	3,446,972,849
GCC	-	7,384,521	10,182,408	17,566,929
Arabs	-	12,892,732	35,110	12,927,842
Foreigners	-	5,571,718	70,156,129	75,727,847
Total	-	282,553,684	3,270,641,783	3,553,195,467

Percentage (%)		7.95%	92.05%	100%
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13.5. Statement of Shareholder Ownership reaching 5% or More

Name of Shareholders	Shareholders Share %
Tamween Management Company LLC	51.50%
Newtech Investment for General Trade LLC	34.34%

13.6. Shareholders Ownership Distribution

Ownership of shares	Number of shareholders	Number of owned shares	Ownership %
Less than 50,000	2,284	19,824,311	1%
From 50,000- Less than 500,000	477	66,608,975	2%
From 500,000- Less than 5,000,000	77	99,593,455	3%
More than 5,000,000	14	3,367,168,726	95%
Total	2,852	3,553,195,467	100%

14. Investor Relations Affairs

The Board is committed to communicating its strategy and activities clearly to its investors and maintains an active dialogue with investors through various Investor Relations activities. Apex regularly announces its results to SCA, ADX and shareholders by way of interim management statements, quarterly results, and the annual report and annual financial statements. Significant matters relating to Group are disclosed to SCA, ADX and general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings. Contact with investors is largely managed by the Investor Relations team.

Mr. Shihab Al Khandaqji has been appointed as Investor Relation Officer and holds the following qualifications:

- Mini MBA in Applied Corporate Finance & Evaluation, Postgraduate Diploma in Financial Management, Certified Financial Consultant, BSc in Accounting.
- Aware of the relevant legal and legislative requirements.
- Has full knowledge of the Company's activities and opportunities.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

Contact details for Investor Relations Officer.

Mr Shihab Al Khandaqji
Apex Investment PSC

501, Al Wahda Commercial Tower
Al Wahda Mall
P O Box 30688
Abu Dhabi, UAE

Email ID- sa@apex-ni.ae
Contact No- 058 8762357

15. Special Resolutions presented to General Assembly meetings held during 2022

15.1. Apex General Assembly Special Resolutions

No special resolution was passed by Apex Investment PSC in General Assembly meeting during the year 2022.

15.2. Subsidiary Companies' General Assembly/Partners' Meeting Special Resolutions

No special resolution was passed by subsidiaries in General Assembly meeting during the year 2022.

16. Emiratization Percentage in the Group as of 2022 (excluding unskilled labour)

2022:

Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	43	822	865
Ratio	4.97%	95.03%	100%

2021:

Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	26	133	159
Ratio	16.35%	83.65%	100%

2020:

Number of Employees	Emiratis Citizens	Non-Emiratis Citizen	Total
Total	26	142	168
Ratio	15.48%	84.52%	100%

17. Significant Events During 2022

January 2022

- Ras Al Khaimah Cement Investment Company (RAKCIC) enter into Sale and Purchase Agreement for the shares of Apex Holding LLC (“Target Company”) whereby the Company will acquire the entire shares of IHC Capital Holding LLC and Chimera Investments LLC in the Target Company.
- The Convertible Instrument Issuance Agreement was executed for the issuance of bonds mandatorily convertible into shares in the Company and approve the issuance of mandatory convertible bonds with a total value of AED 3,050,077,467 at par value of one Dirham to IHC Capital Holding LLC and Chimera Investments LLC in exchange for their entire shares in the Target Company.

March 2022

- Completed integration of Apex Holding acquisition.

April 2022

- Roll out of SAP (BYD) for Apex Catering.

August 2022

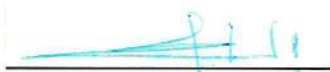
- Signing of new Contract with ADNOC Group. Contract Awarded to Apex Catering for 8 locations.

18. Initiatives and Innovations during 2022

- RAKCC optimised use of waste heat recovery plant that uses exhaust heat from our system to produce electricity. 27.3 % of the electricity used is Clean Electricity generated from Waste Heat Recovery, which is renewable and carbon free.
- RAKCC implemented a project where the discarded water from WHR plant is recycled and used for gardening and spraying to reduce dust emissions. 5% of the water that RAKCC consume is recycled and segregated from waste potion.



Mr. Khalifa Yousif Abdulla Husain Khouri
Chairman – Board of Directors



Ms. Ms. Elham Abdulghafoor
Mohammed Rafi Alqasim
Chairman - Audit Committee



Mr. Mansoor Ibrahim Ahmed Saeed
Almansoori
Chairman - Nomination and Remuneration
Committee

04

ESG report

SUSTAINABILITY REPORT



2022



APEX
INVESTMENT PSC
إيبكس للاستثمار ش.م.ع



Sustainability: It's the right thing to do, it's the smart thing to do, it's the profitable thing to do.

-Hunter Lovins

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About this Report

Welcome to our inaugural year of sustainability reporting 2022, highlighting our performance in environmental, social and governance (ESG).

Apex Investments PSC is proud to be engaged in adopting a robust perspective towards sustainable business strategies. We are a diversified investment holding company with sectors including commercial, industrial & agricultural enterprise investment, institution & management, company representation, commercial catering, real estate development construction & facilities management, cement manufacturing & tent production, among others.

We work to deliver sustainable value over the long term as active investors and engaged owners. Our investment ethics are based on investment themes that encircle transforming economies, deepening comparative advantages and emerging champions. In applying these themes, we look at investments through the lens of key-structural trends to shape our long-term portfolio construction and guide our investment activities.





Our industrial vertical handles the manufacturing and distribution of construction raw materials such as cement, operating on the latest chemical technology and focusing on strength, durability and sustainability.

We have put together this report for our stakeholders and readers for a better approach towards our sustainable development approach and various parameters relating to ESG.

REPORTING SCOPE & PARAMETERS

Prepared as per ESG and sustainability parameters in line with SCA and ADX ESG guidelines.

ALIGNMENT

The report aligns with GRI, United Nations Sustainable Development Goals (UNSDGs), United Nations Global Compact (UNGC) Principles, the Paris Climate Agreement, UAE Vision 2021 and UAE Strategy 2050.

DATA INCLUSION

The disclosures in the report showcase our performance for the year 2022, highlighting our achievements and developments within the UAE.

ASSURANCE

We follow the internal assurance process for our inaugural year of reporting providing our stakeholders with trust in the reported information.

Disclaimer: The data accurately available is of 2022 onwards, due to major restructuring in 2022, with RAKCC PSC changed to RAKCIC PSC - Addition of Investment activities (not restricted to cement industry), Acquisition of APEX Holding LLC (change in shareholder structure), rebranded to APEX Investment PSC, creation of subsidiary RAKCC LLC to assume all operations related to clinker and cement manufacturing. We aim to report comparable data in the coming years.



A word from our CHAIRMAN

Dear Stakeholders,

Our sustainability efforts align with the UAE's Net-Zero Strategy, a strategic initiative and a national drive to achieve net-zero emissions by 2050, making the Emirates the first Middle East and North Africa (MENA) nation to do so.

We face new challenges for survival because of climate change. More frequent and intense droughts, floods, and heat waves being some of them. As mandated by the Paris Climate Agreement, COP28 UAE in 2023 will deliver the first-ever global stocktake – a comprehensive evaluation of progress against climate goals. We aim to support UAE's agenda for sustainable development and implement the UNSDGs within our organization.

I thank our esteemed stakeholders for showing immense trust and confidence in us and extending their constant support throughout these years.

I, along with my team, look forward to implementing our planned advancements towards the economic and sustainability agendas with the prime engagement of our stakeholders.

**- KHALIFA YOUSUF ABDULLAH
KHOURY, CHAIRMAN**

"As UAE will lead a process for all parties to agree upon a clear roadmap to accelerate progress through a pragmatic global energy transition and a "leave no one behind" approach to inclusive climate action, we strive to remain dedicated to solving issues regarding climate change in line with UAE's vision."

A word from our GROUP MD

Dear Stakeholders,

Welcome to our sustainability report for the year 2022. Ending the third year of the COVID-19 pandemic, our focus has shifted to further defining the group's environmental, social, and governance (ESG) aims with a vivid set of targets to map our path towards a green and sustainable economy.

We are committed to working towards a balanced and inclusive green economy. Our innovative perspective is aiding us to progress towards enduring and transformative results through sustainable environmental, social and governance (ESG) investing. We work to deliver sustainable value over the long term as active investors and engaged owners.

Our aim focuses on leveraging technology and data management, enhancing and enabling group-wide efforts in sustainable development.

I sincerely thank our esteemed stakeholder groups for keeping faith in us as we continue working towards a greener tomorrow.

**- AHMAD AL AMRY,
GROUP MD**



"We continue to look at new and disruptive strategies in technology and sustainable developments to collaborate with innovative partners, as well as with local suppliers to push forward our sustainability goals."

A word from our CEO

Dear Stakeholders,

I am delighted to present our first sustainability report containing details on our efforts and performance in environmental, social, and governance for 2022.

We are working on a sustainability strategy through our unwavering commitment to safety, health and the environment, paving our path towards carbon neutrality and net zero.

We integrate our offerings with our customers' operations – always with health and safety at the forefront. We strive to increase our operational efficiencies with sustainable methodologies, utilizing the latest-in-technologies focused on reducing our carbon emissions along with optimal use of resources such as electricity, fuel and water. We are working towards renewable energy generation and recycling of waste.

We aim to build a forward-looking and resilient portfolio that can deliver sustainable economic growth, and enable the transition to a low-carbon economy.

**- SHEHZAD JANAB
CEO**



"At Apex, we remain dedicated to expanding our sustainability efforts, tackling climate change, reducing food waste and ensuring that our services add value to the people and community we operate into."

Key Achievements



Environmental Performance

In RAKCC we have built a Waste Heat Recovery plant, that uses exhaust heat from our system to produce electricity up to 27%.

We recycle 5% of the water that we consume in RAKCC and segregate our waste and divert some portion of it from the landfill.

Social Performance

We offer equal opportunities to men and women in our company, their compensation ratio being 1:1

Health & Safety is one of the topmost priorities of our labor intensive operations, we have 0 fatalities and strive to continue with this achievement.

Governance

We prioritize women inclusion at work, including at governance level and board committees.

We are working towards establishing an ESG committee to oversee all sustainability-related developments, risks and issues.

APEX

At a glance

An IHC Subsidiary with operations in the UAE

CONTRACTING AND AUXILIARY SERVICES

A growing collection of subsidiaries specialized in multiple construction and engineering functions that offer turnkey solutions in the contracting and auxiliary sector to clients across a wide range of industries.



- Engineering and Construction.
- Modular and Semi-permanent Construction Tents, Shelters and Covers.
- Interior Contracting.

FACILITIES MANAGEMENT

We provide high-performance, sustainable integrated facilities and workplace management. Our core facilities management services create positive, productive working environments, spaces and solutions that enhance life at work.



- Cleaning Services
- Annual Maintenance
- Real Estate Development Construction
- Management and Operation of Public Utilities
- Onshore And Offshore Oil And Gas Fields And Facilities Services



FOOD SERVICES

We provide food and support services and differentiate ourselves by sectorising and sub-sectorising our business to meet the specific needs of our clients and consumers.

- Foodstuff Catering
- Hospitality Services
- Onshore And Offshore Oil And Gas Fields And Facilities Services



INDUSTRIES

We are into manufacturing and distribution of construction raw materials.

- Cement
- Clinkers



We use the latest chemical technology, focusing on strength, durability and sustainability. We also strive to fuel the construction industry across the UAE and neighbouring countries, helping shape their building assets and landscape.

LOGISTICS

We are expanding in the field of Drones to look into the possibilities of air transport of goods by unmanned aerial vehicles.

Our 'safety-first' ethos is always an integral part of all our operations.



INVESTMENTS

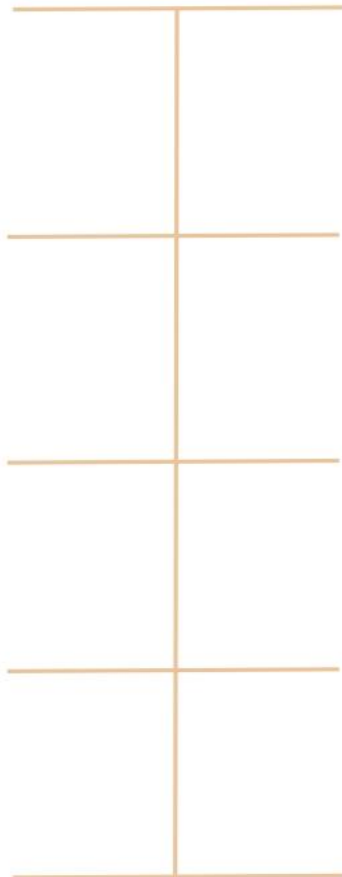
We work to deliver sustainable value over the long term as active investors and engaged owners.

We look at investments through the lens of key-structural trends to shape our long-term portfolio construction and guide our investment activities.

We also seek to add or create value in our portfolio across all stages of enterprise growth, from early-stage to mature companies.

We proactively promote good governance, looking at boards to drive strategy and oversee management, who, in turn, run their respective companies.

ORGANIZATION STRUCTURE



شركة الخدمات المساندة للتصويل ذ.م.م.
SUPPORT SERVICES & CATERING LLC.



- Apex Agro Investments

- Apex Construction

1

APEX National Investments SP LLC

It is the investment arm of Apex Holding LLC. It also acts as an incubator for all new businesses that the Apex group spawns. As such, it is at the heart of the group concerning all organic new ventures and supports all the group's new entities. It nurtures them to a particular size and corpus of funds until they are mature enough to become part of the Group holding structure.

2

The Central tents SP LLC

A pioneer in providing tents, shades and mobile halls, the company is leading the fight against the pandemic with its state-of-the-art field hospitals, screening tents, and remote medical facilities.

3

APEX Al Wataniah Catering SP LLC

It is one of the largest industrial and commercial catering service providers and the partner of choice of a select group of clients such as the UAE Government, ADNOC, Schlumberger, NMDC/NPCC, etc.

4

Support Services Catering Company - SP LLC

It is the leading industrial and commercial laundry service provider, catering to various markets such as hotels, healthcare etc.

5

RR Facility Management SP LLC

It offers facilities management services with customized solutions to various business sectors. Services include but are not limited to laundry, sanitization, repair and maintenance, real estate development construction, lease And management services cleaning services, and management and operation of public utilities.

6

Boudoir Interiors SP LLC

It offers turnkey solutions, high-end interior design services and innovative solutions for modern offices, luxury homes etc. Services include the implementation of cutting-edge interiors with the ability to customise projects as per client requirements. It has a long-running track record and is one of the most experienced interior design companies in the region with a solid reputation in the market.

7

APEX Logistics

The company provides air transport services of goods by unmanned aerial vehicles. Named as SkyGo Transport, it is a drone logistics company which is a joint venture with another entity.

8

RAKCC - Ras Al Khaimah Cement Company LLC

It was incorporated as a public shareholding company by the Emiri decree in 1995. RAKCC operates in the cement industry. The company is mainly engaged in the production of portland cement.

FINANCIAL PERFORMANCE



Net revenue -

820,299,415 AED



Total assets-

2,260,667,625 AED



Net Profits-

187,194,349 AED



Quantity of services or product lines -

39

Environmental Stewardship



We continually take sustainable initiatives to protect the environment and our surroundings. We do this by utilising energy judiciously and reducing waste generated and greenhouse gas emissions. One of our goals is to raise awareness among our employees about the importance of reducing carbon footprint.



We plan to implement initiatives such as recycling waste generated, responsible purchasing and encouraging paperless operations. Waste management is an environmental concern, and we intend to ensure the safe disposal of waste in a sustainable manner by adopting principles like waste segregation which is vital. We plan to implement environmentally friendly food packaging while using sustainable methods and reducing plastic generation.

In RAKCC, we implemented a project where the discarded water from our WHR plant is recycled and used for gardening and spraying to reduce dust emissions. We are also working towards having a framework that helps us inspect and incorporate environment-related concerns, opportunities and problems. Our senior management actively assesses and approves policies and actions relating to environmental issues



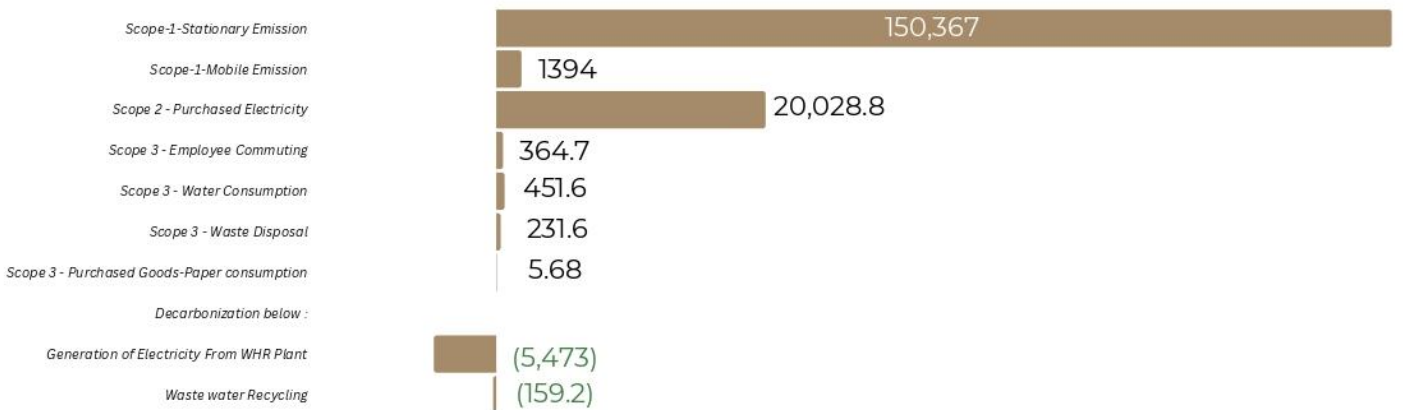
Plant 100 Trees

As a part of our CSR engagement, we plan to plant 100 trees in 2023 with the help of our sustainability advisors, The One Percent.

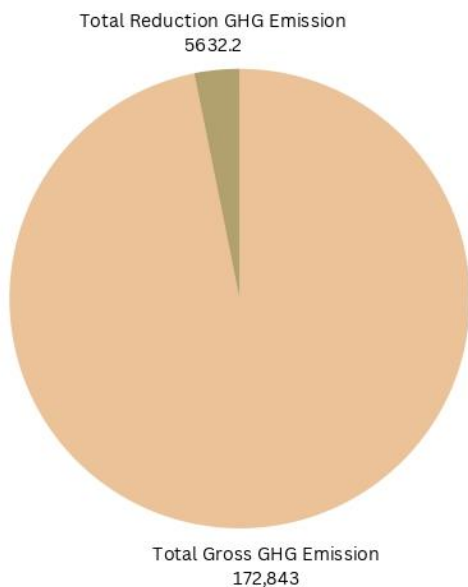
GHG EMISSIONS:

The catering element of food production is responsible for 18% of global carbon emissions. Caterers have an impact on climate change. There are many things caterers can do to cut carbon emissions. Gas, electricity and oil usage all contribute to our carbon footprint. The magnitude of cement production leads to more than 7% of annual anthropogenic greenhouse gas (GHG) emissions, resulting from both energy use and chemical reactions. It imposes a barrier to reaching net zero emissions by 2050. Real estate drives approximately 40% of global carbon emissions, making it a key priority in the race to reach net zero. Unsustainable buildings are facing increasing devaluation in the real estate sector.

We consider GHG emission reduction as one of our major priorities and operational success factor. Hence we have started calculating and assessing our significant sources of GHG and working towards building effective reduction strategies.



GHG Emissions in tCO2e/year



GHG Emissions Reduction in tCO2e/year

Emission Intensity

GHG Emission Intensity with respect to revenues in tCO2e/Mn\$/year

733.83

ENERGY AND WATER CONSUMPTION:

Restricting the environmental footprint in our business operations is one of our key factors. In the coming years, we plan to reduce ecological impact by implementing environment-friendly policies and behaviours. There is always an excess usage of water and energy if consumed without monitoring and optimizing. We, therefore, monitor our water consumption and energy consumption every year and prove that concrete efforts and measurable results do well in reaching our sustainability goals faster. We intend to continually optimise our performance in our operations, contributing to a sustainable future.

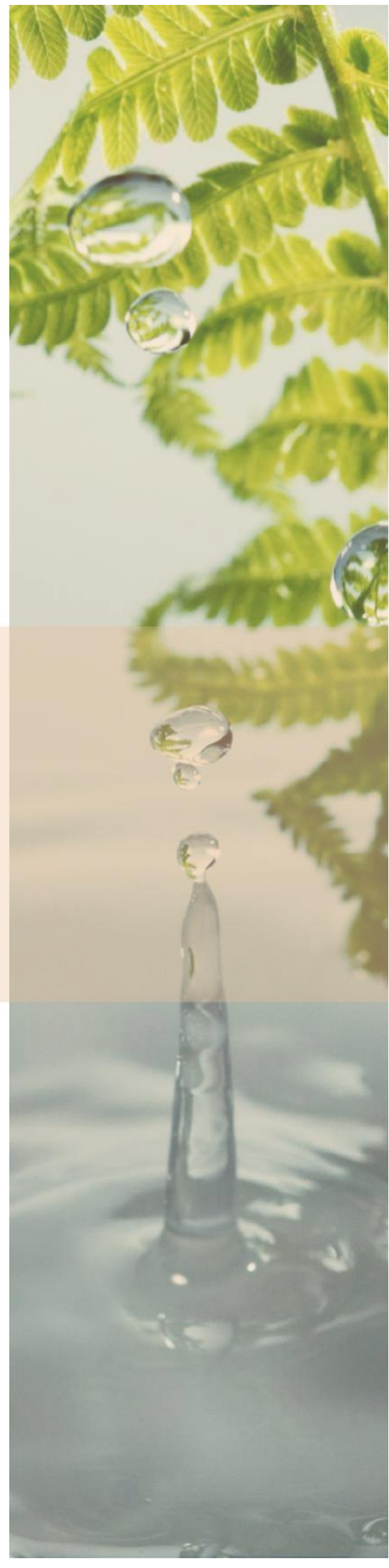
We also plan to implement ISO 50001- Energy Management System for the year 2023.

We recycled some part of the total consumed water both in 2021 and 2022.

In RAKCC we built a waste heat recovery plant that uses exhaust heat from our system to produce electricity.

27.3% of electricity used is **Clean Electricity** generated from Waste Heat Recovery, which is renewable & carbon free.

By 2025, absolute water scarcity will be a daily reality for an estimated 1.8 billion people. We plan to optimize our water usage and increase recycling and reuse in the coming years. If properly managed, the water we have already stops being an environmental hazard and becomes an affordable and sustainable source of energy, nutrients, and other recoverable materials.



Energy Consumption:



Renewable Energy
Generated in 2022

13,545,810 kWh



Total Electricity consumption
for the year 2022

49,576,450 kWh



Total fuel consumption within the organization for the year 2022 -

PETROL

293,555
Litres

DIESEL

460,856
Litres

DIESEL FOR KILN

96,230
Litres

COAL

47,382
MT

ALTERNATIVE FUEL

199
MT



Total fuel consumption (employee transportation by vehicles not owned)
outside the organization for the year 2022

135,236 Litres



LPG/CNG used within the organisation in cubic metres in 2022

LPG

560,479.76
MMBTU

CNG

840,065.24
Litres

Water consumption



2022-

176,097,028
Litres



5%

of water consumed in RAKCC is recycled

Energy Intensity -



Total Electricity Consumption/ revenue earned in 2022

0.060 kWh/AED



Total fuel consumption/ revenue earned within the organization for the year 2022 -

PETROL

357.86

Litres/Mn AED

DIESEL

561.81

Litres/Mn AED

DIESEL FOR KILN

117.31

Litres/Mn AED

COAL

57.76

MT/Mn AED

ALTERNATIVE FUEL

0.24

MT/Mn AED



Total fuel consumption/ employee (employee transportation by vehicles not owned) outside the organization for the year 2022

38.68 Litres/ employee



LPG/CNG used within the organisation in cubic metres in 2022

LPG

683.26

MMBTU/Mn AED

CNG

1024.09

Litres/Mn AED

Water consumption



Total water consumption/ revenue earned within the organization for the year 2022 -

214,674.08

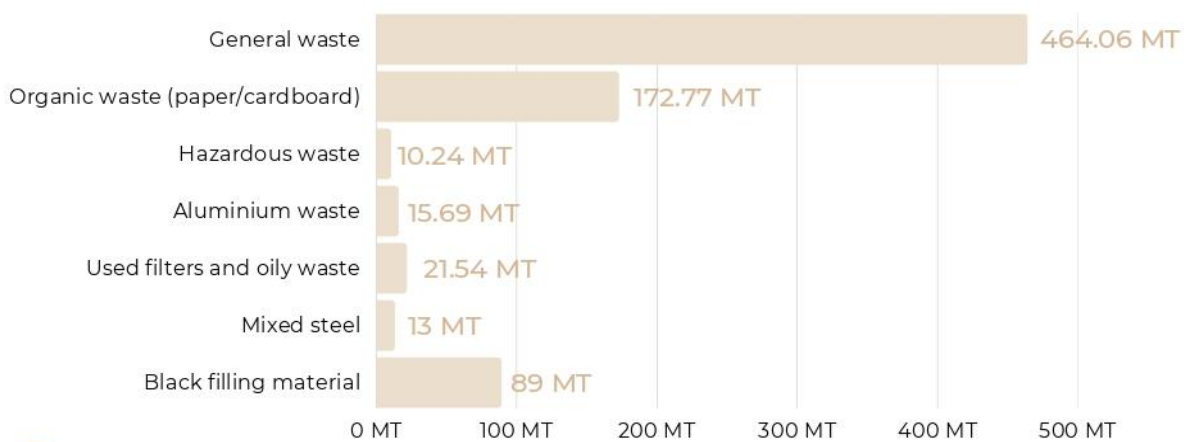
Litres/Mn AED

WASTE MANAGEMENT:

We intend to implement eco-friendly practices to reduce/ recycle the waste produced in our office premises. Waste management and safe disposal are vital in today's world. We are determined to handle it with utmost seriousness and precaution. Providing services like cleaning, waste management, landscaping and maintenance, we understand the importance of waste segregation and safe disposal to protect the environment. We want to contribute to a better cause and take pride in preserving the environment of the United Arab Emirates and supporting the local community.

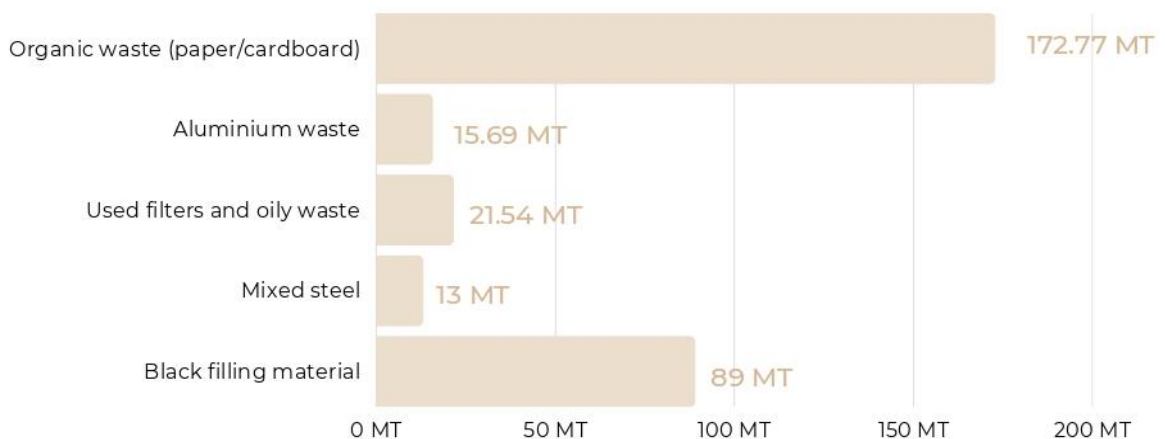
We are also exploring systems that will help control food waste.

The total waste generated for 2022 is as follows-



Total waste generated **786.30**
Metric Tons

The total waste recycled for 2022 is as follows-



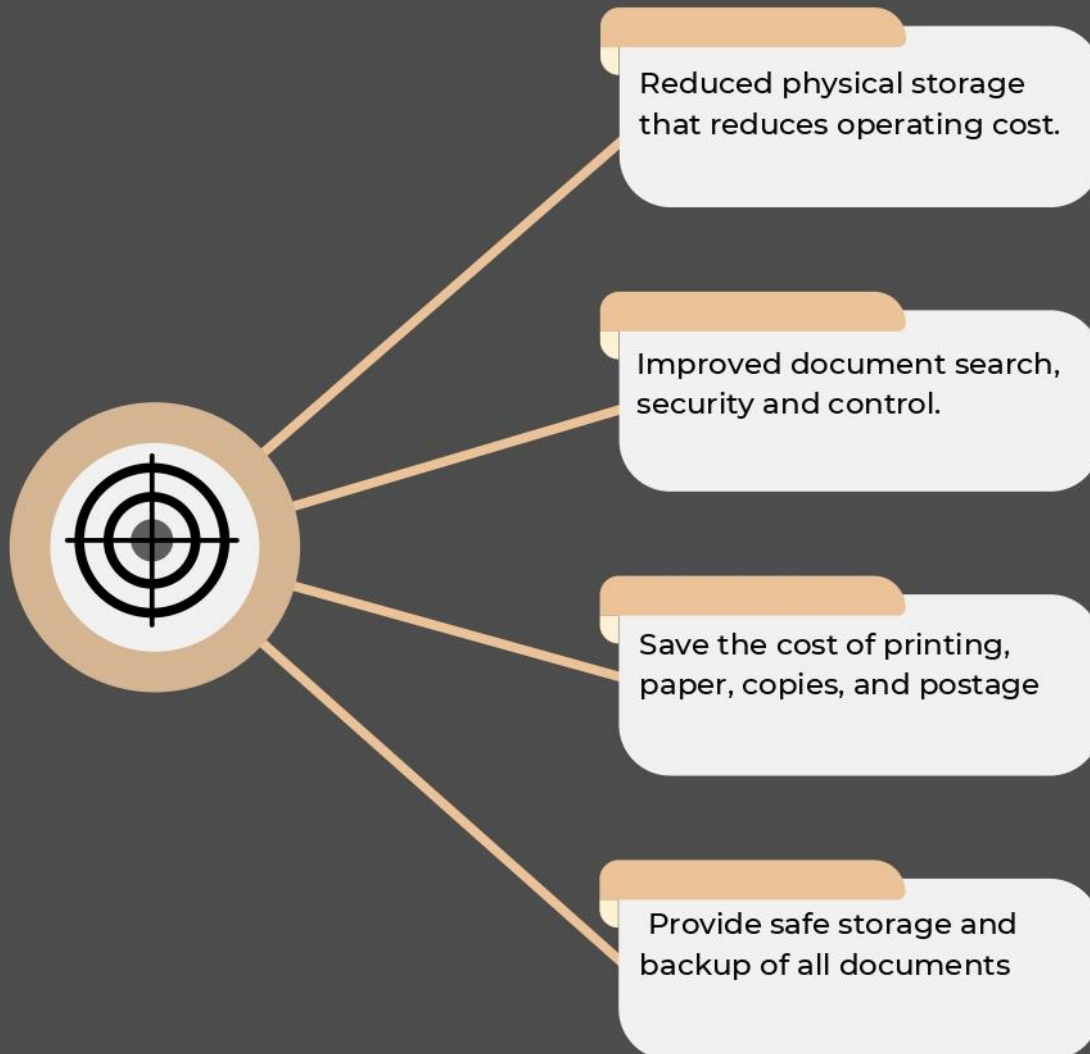
Total waste recycled **312**
Metric Tons

CASE STUDY

Going Paperless-

More than 200 million trees are cut down every day to produce paper. Once every 2.5 seconds, a tree is cut. Amount of carbon dioxide (CO₂) released into the atmosphere for paper production is approximately 28 million metric tons yearly, equivalent to lighting up 3,526,964 homes for one year!

When we save paper, we reduce the need to cut down trees to make new paper. Producing one ton of paper requires 2-3 times its weight in trees. Making paper from recycled content rather than virgin fiber creates 74 percent less air pollution and 35 percent less water pollution.



We ensure printing only on a necessary and duplex basis when necessary, strongly encouraging paper reuse.

Our IT department has planned to implement a document management system by 2023 within the organisation to facilitate easy retrieval of documents and avoid printing where possible.

Social Stewardship



Our employees are our pillars of strength. We have consistently provided an atmosphere that encourages their overall growth and development. They form the roots of our organisation, and it is with their contributions that our organisation is successful. We believe a diverse team accelerates innovation, strengthens our competitive advantage and keeps us at the forefront of our markets. We give importance to women's employment and equal opportunity for all. We also provide an open learning environment for employees to improve their skills. We reward and appreciate employees who achieve their goals timely.



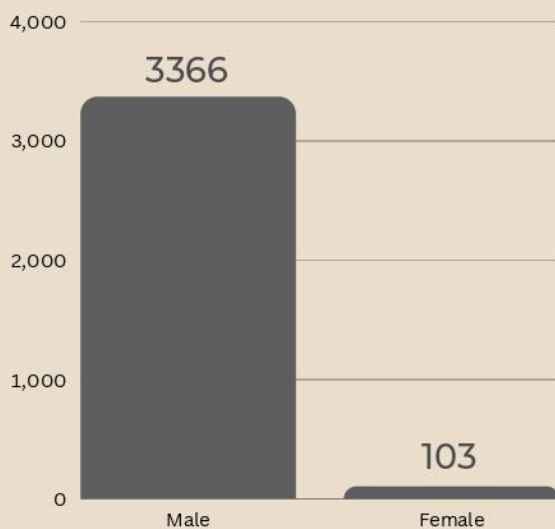
Our CSR activities focus on the needs, concerns and aspirations of our employees, also contributing to their well-being. These endeavors aim at helping, sustaining, growing and promoting society at large and the growth and development of our employees and our entire organization. We plan to have dedicated CSR activities more frequently.



We have an internal policy for human rights that is in the process of review and approval by our board committees.

Human Assets

We motivate our employees to improve their abilities and give them a chance to advance their capabilities. We appreciate every employee and strive to create a compassionate, inclusive, inspiring and rewarding environment. Through training and personal development programs, we strive to bring out the best in our employees, allowing them to have a rewarding career with us. Within and outside our work culture, we are committed to fostering diversity, gender equality, and employee well-being.



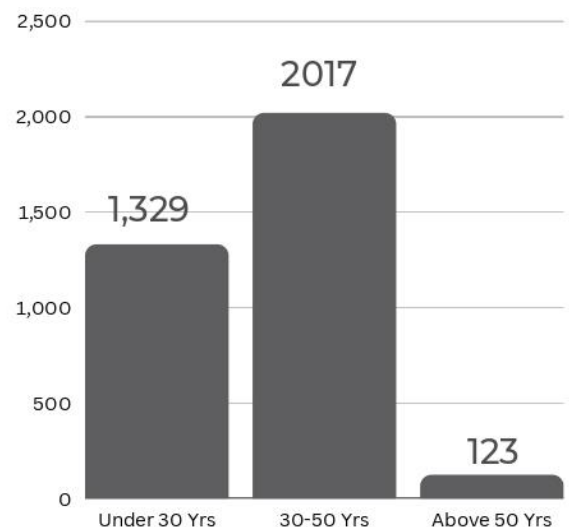
Total Employees

3469

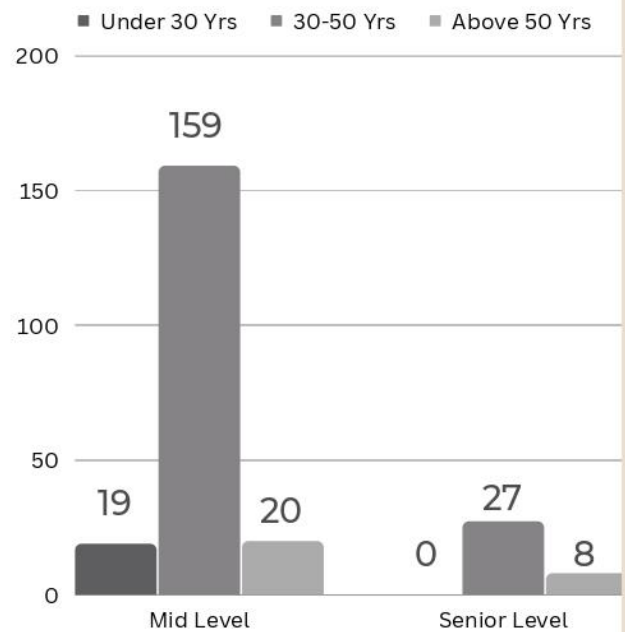
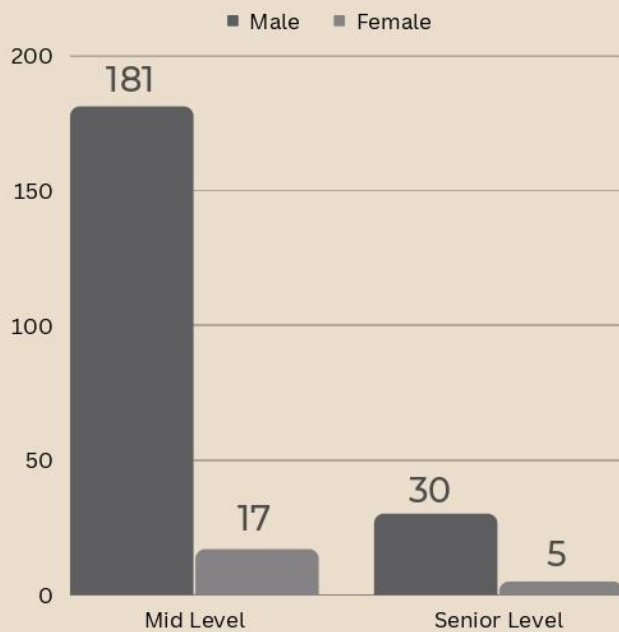
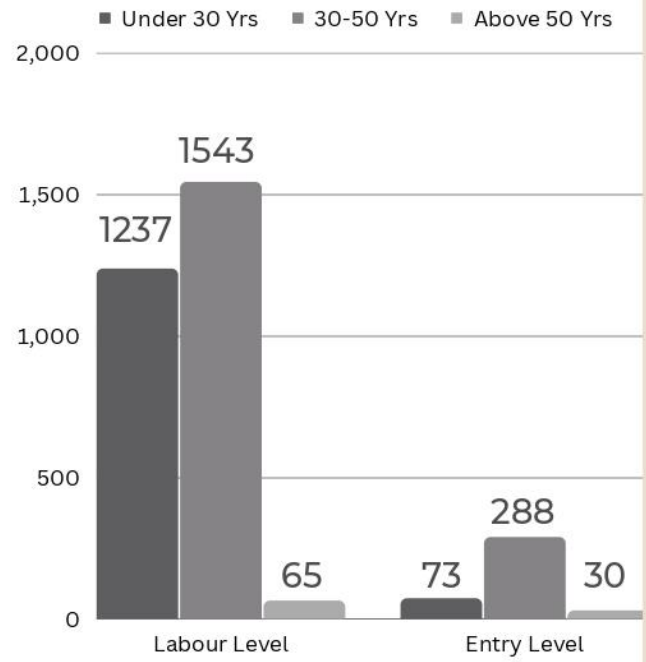
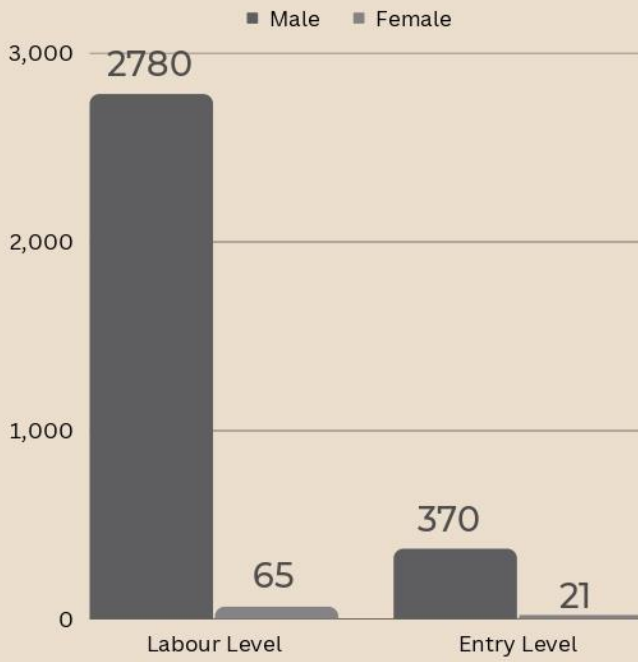


Nationalities

36



Total Enterprise Headcount for year 2022



Total Employees by Job Category and Gender for the year 2022

Total Employees by Job Category and Age Group for the year 2022

636



0

Total enterprise headcount held by contractors

Total enterprise headcount held by part-time employees

We prioritize local job creation, with more than 95% of our spending on local suppliers.

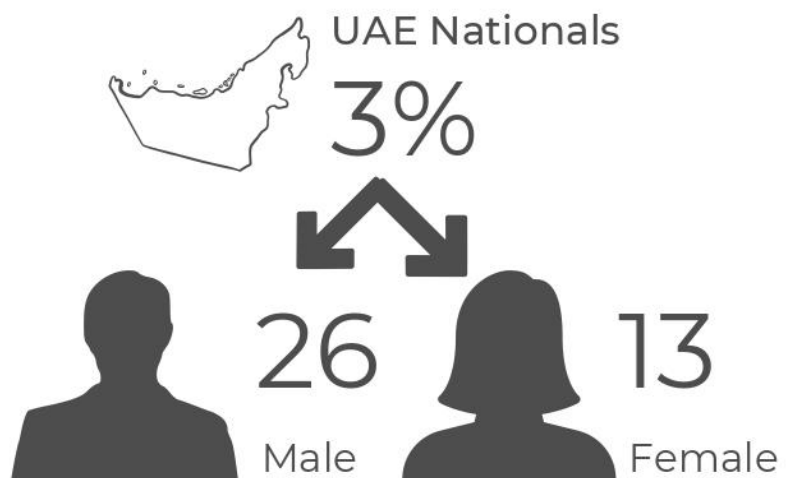


Male to Female
Compensation Ratio

Our motto is equality in diversity. We provide equal opportunities and do not discriminate against employees based on gender, and believe in the importance of the growth of the individuals and the organisation as a whole.

We believe in a culture of inclusiveness for team members of all backgrounds, genders, identities, abilities, heritage, and beliefs that contribute to our success. A diverse workforce drives innovation, engages our people and increases job satisfaction. It helps in building productivity and in delivering better experiences for our customers. We foster a workplace where-in everyone is respected and treated with kindness. We have a non-discrimination and prevention of sexual harassment policy in place. We also encourage everyone to achieve their personal and professional goals and objectives and provide support at all times. We plan to give incentives to our employees in the coming years on sustainability parameters.

Percentage of national employees



Health & Safety



Our employees and customers are our most valued assets. Their health and well-being are of priority to us. We provide catering and facility management services (that include waste management and cleaning) and understand the importance of cleanliness and health. Food is a serious health concern, is vital to conform to rules and regulation in relation to health and hygiene. We make sure they implement them, it benefits our employees and customers.

We ensure adequate ventilation and lighting and that the internal temperature of the kitchen is always maintained. The technical conditions of all devices are always under check, and we provide certified fire extinguishers and first aid kits. Hygiene comes first as we work with food. Our employees maintain personal hygiene at all times and wear protective clothing. We constantly monitor the conditions in the kitchen and register any possible accidents.

We also work directly with healthcare providers to prepare food services that improve patient experiences. As for facility management, health and safety management is essential and includes issues such as fire safety, water safety, electrical safety and asbestos management, and hazardous waste management.

Working in the cement manufacturing industry and dealing with asbestos, we ensure that our employees take safety measures. All these areas, if mishandled, can have detrimental and lasting effects on the health and safety of customers, employees and businesses. Therefore, we understand the importance of having a sustainable health and safety strategy. We also responded efficiently during the covid-19 pandemic by supporting our clients with seamless services and support.

Number of Fatalities 0

Injury Rate 0.37%

We strive to continue providing timely support to our employees and clients.

We implement OHS policies and procedures in accordance with all applicable laws and regulations in the jurisdictions in which we operate. Our safety management systems and practices meet the highest international parameters.

To this end, in 2020 we have gained ISO 22000:2018, ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 and HACCP certifications.

Training and Development



We align our training and development programs with our long-term company goals, which results in improved leadership skills and general well-being. We frequently conduct QHSE (Quality, Health, Safety and Environment) training. We are developing an internal talent development and succession planning programme as part of our internal HR policy and procedures manual, which is also planned to be reviewed and approved by one of our board committees in the year 2023.



Total Training Hours

18,809

We ensure health and safety rules while working in the kitchen complies with industry standards. We train our new staff on the regulations in the kitchen as well as organise pieces of training periodically for the existing team.

We have also initiated several training programs, including COVID-19 work procedures, safe operation of the machines and building maintenance units (BMUs), high-level cleaning procedures, manual handling and ergonomics, preventing slips, trips, falls, electrical hazards & safety measures, chemical handling & COSHH, work at heat and height training, waste management procedures, safe use of



PPE (Personal Protective Equipment) procedures, handling of the hazardous chemical procedures, first aid at work, fire safety for fire wardens, work related illnesses and diseases, heat stress/ safety in the heat, driver fatigue / workplace transport, hand/portable power tools, working at height, ADNOC lifesaving rules.

Ethical Governance



We have constantly improved the inherent corporate governance framework to maintain a healthy corporate governance environment and implement the best practices.

Despite the challenges posed by the worldwide pandemic, we implemented quality corporate governance procedures by strengthening and applying corporate governance concepts across all of the group's activities in 2022.

Our board of directors and executive management believe that our primary goal is to protect the interests of our stakeholders in a sustainable manner, contributing to improved corporate performance and accountability and creating long-term shareholder value.



We have the governance principles and practices outlined in our corporate governance code to perceive the organization's goals, which is planned for implementation in 2023.

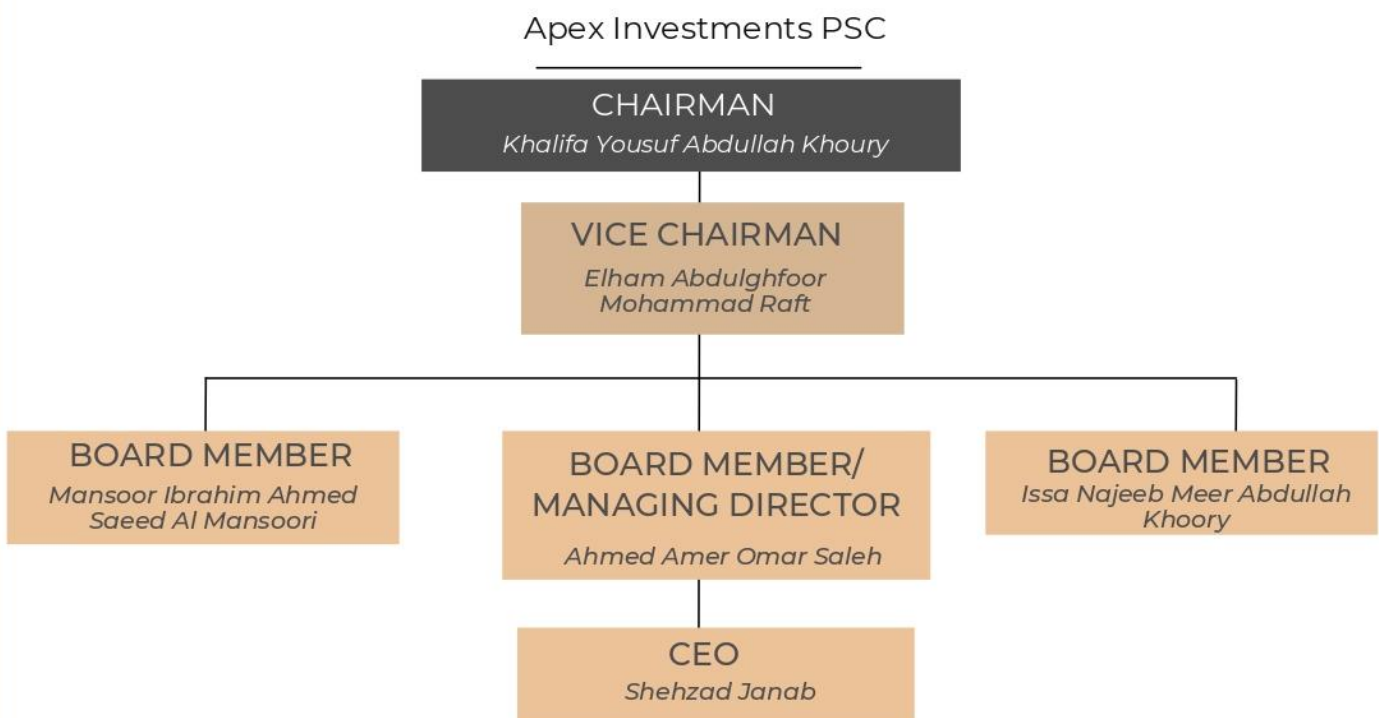
We are working towards establishing an ESG committee.

Our Board of Directors and management have initiated their involvement in our sustainability agenda and strategy, this being our inaugural reporting year on sustainability.

We plan to establish an internal ESG committee to oversee all sustainability developments and associated climate-related and other risks in the company's boundary of operations as well as assess their impact on all ESG parameters.

Under the vision of our leadership, we are also in process of developing an internal policy covering aspects of the code of ethics, prevention of corruption, data privacy, human rights, training and talent development, career development reviews and achievement awards/recognitions.

Corporate Governance Structure



AUDIT COMMITTEE

CHAIRWOMAN

Elham Abdulghfoor Mohammad Raft

COMMITTEE MEMBER

Mansoor Ibrahim Ahmed Saeed Al Mansoor

COMMITTEE MEMBER

Issa Najeeb Meer Abdullah Khoory

INVESTMENTS COMMITTEE

CHAIRMAN

Issa Najeeb Meer Abdullah Khoory

COMMITTEE MEMBER

*Mansoor Ibrahim Ahmed
Saeed Al Mansoor*

COMMITTEE MEMBER

*Elham Abdulghfoor
Mohammad Raft*

COMMITTEE MEMBER

Ahmed Amer Omar Saleh

NUMERATION AND RENUMERATION COMMITTEE

CHAIRMAN

Mansoor Ibrahim Ahmed Saeed Al Mansoor

COMMITTEE MEMBER

Elham Abdulghfoor Mohammad Raft

COMMITTEE MEMBER

Issa Najeeb Meer Abdullah Khoory



Number of male individuals in governance body/board



04

Number of female individuals in governance body/board



01

Number of individuals in the governance body/board in age group of -



Under the age of 30-

00

30-50-

04

50+ -

01

All the Board Member are UAE Nationals.

Out of 5 board members, 4 are independent board members

Considering the nature of our organization as labour intensive, our Annual Compensation Ratio stands at 1:57.

The percentage of committee chairs held by women

25%

Investment Committee

33%

NRC

33%

Remuneration Committee

33%

Audit Committee

CASE STUDY

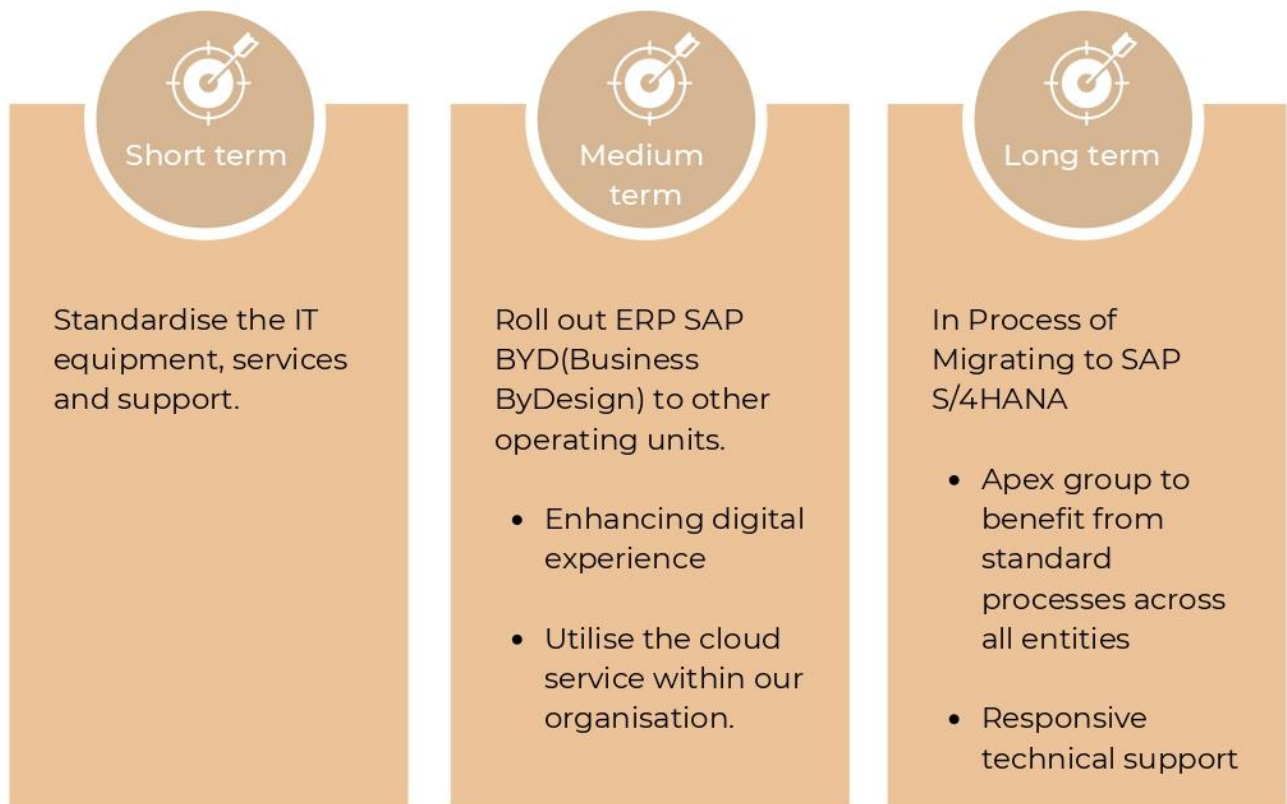
Digitalization and Innovations-

MS team was utilized as a focal point during covid and continues to support managing businesses remotely.

We implemented ERP in the catering entity and oracle in central tents, and there is a further extension proposition for other operations. The amount Invested is 2.75% of the total CapEx.

GOALS:

Digital and Technology-



1,050,842

Amount Invested in ERP System in AED

TARGET SUSTAINABILITY AREAS FOR 2023



Sustainability Management



Our clients and stakeholders are valuable to us. We stay in consistent touch with our clients needs, and take feedback through various surveys and channels.

Listening to our Stakeholders

We owe our stakeholders our current position as an industry leader. They are our source of motivation and goals. We connect with them for their viewpoints and build our growth plan. We work with them to determine what is most important to the business and inform them about environmental, social and governance concerns. Our stakeholder entities are diverse to interact with since our activities vary greatly. Respecting and being responsive to the interests of our stakeholders is what we believe strongly. In determining our growth, stakeholders play a dominant role. We involve our stakeholders and strive for transparency in communication with constant improvement.



Guests



Employees



Investors



Government authorities



Policymakers



Residents



Suppliers



01



Identification

Identify the stakeholders through discussion and deliberation by the corporate centre sustainability committee.

02



Prioritization

Precedence to stakeholders based on the level of influence they have on our decisions and activities.

03



Engagement

Connect with stakeholders through various channels for determining material topics.

04



Managing Expectations

Enhance stakeholder relationships by handling their concerns and requirements.



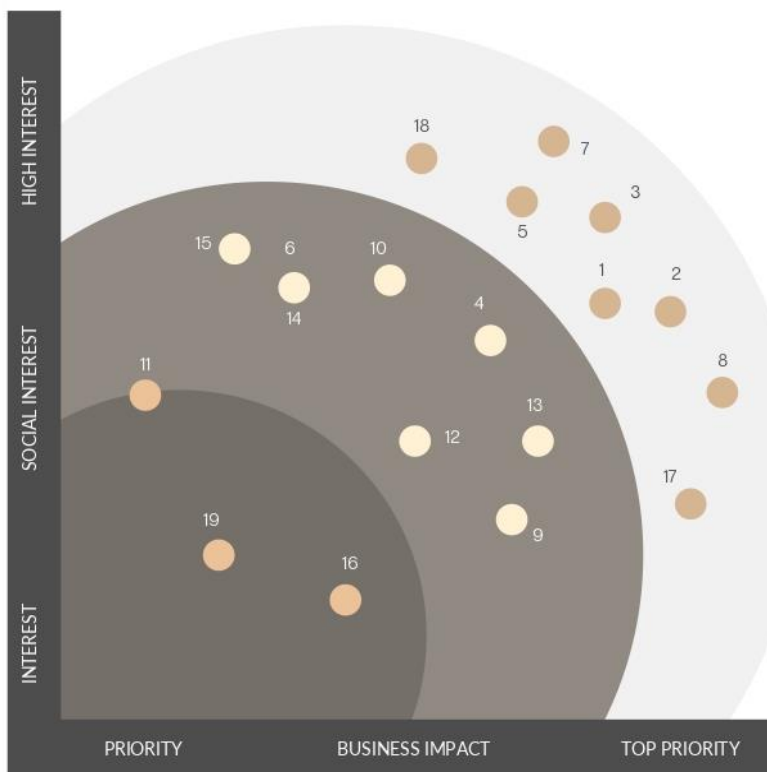
Materiality

We contact internal and external stakeholders and include strategic insights.

We need to stay focused on essential issues in the present and future. Understanding our stakeholders' social, environmental, and economic concerns is critical to focus on the crucial issues today and in the future.

We engage with stakeholders in operations, all of whom might directly or indirectly affect the fulfilment of business objectives. Iterations of materiality evaluations based on internal and external data and ongoing engagement with a diverse group of internal and external stakeholders, including team members, guests, and subject matter experts, have helped us define the goals.




Materiality analysis is a crucial tool to identify the most relevant societal goals that align with our vision and business strategy and determine the content of our sustainability report. We plot the issues after extensive stakeholder interaction. We selected the issues that significantly impact our economic, social, and environmental performance and stakeholder perceptions having a long-term impact and decisions with this matrix.




- 1.GRI - 302, 305 Energy and Emissions
- 2.GRI 306 Waste
- 3.Sustainable Operations
- 4.GRI - 307 Environmental Compliance
- 5.GRI - 403 Occupational Health & Safety
- 6.GRI 405 Diversity & Equal Opportunity
- 7.GRI 416 Customer Health & Safety
- 8.Client Satisfaction
- 9.GRI - 402 Labor-Management Relations
- 10.GRI - 205 Anti-Corruption
- 11.GRI 303 Water
- 12.GRI 401 Employment
- 13.Employee well-being and Retention Rate
- 14.GRI - 404 Training and Development
- 15.GRI - 413 Local Communities; CSR; Corporate Volunteering
- 16.Nationalization
- 17.Innovation and R&D
- 18.Human Rights
- 19.GRI 204 Procurement Practices




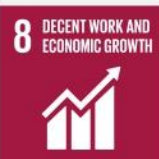

ADX ESG INDEX

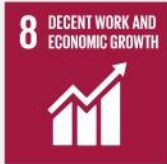
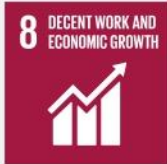

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Environmental	E1. GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016		Page 19
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016		Page 19
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016		Page 21
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		Page 22

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016		Page 21
E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018		Page 21
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No E7.3) Does your company use a recognized energy management system? Yes/No	GRI 103: Management Approach 2016*		Yes, Included in our QHSE Policy. Yes, included in QHSE policy Page 20
E8. Environmental Oversight	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	GRI 102: General Disclosures 2016		Page 32

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
	E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No			Page 32
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?			Page 18
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016		Page 34 Yes
	S2. Gender Pay Ratio	Ratio: Average male compensation to average female compensation	GRI 405: Diversity and Equal Opportunity 2016		Page 28
	S3 Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016		Page 26, 27

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		<p>S3.2) Percentage: Year-over-year change for part-time employees</p> <p>S3.3) Percentage: Year-over-year change for contractors and/or consultants</p>			<p>No part-time employees.</p> <p>No enterprise headcount held by contractors and/or consultants</p>
	S.4 Gender Diversity	<p>S4.1) Percentage: Total enterprise headcount held by men and women</p> <p>S4.2) Percentage: Entry- and mid-level positions held by men and women</p> <p>S4.3) Percentage: Senior- and executive-level positions held by men and women</p>	<p>GRI 102: General Disclosures 2016</p> <p>GRI 405: Diversity and Equal Opportunity 2016</p> <p>GRI 405: Diversity and Equal Opportunity 2016</p>		<p>Page 26</p> <p>Page 27</p> <p>Page 27</p>
	S.5 Temporary Worker Ratio	<p>S5.1) Percentage: Total enterprise headcount held by part-time employees</p> <p>S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants</p>	<p>GRI 102: General Disclosures 2016</p>		<p>Page 27</p> <p>Page 27</p>

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social	S6. Non-Discrimination	Does your company follow a sexual harassment and/or nondiscrimination policy? Yes/No	GRI 103: Management Approach 2016*		Page 28
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018		Page 29
	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 403: Occupational Health and Safety 2018		Page 29
	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*		Yes, we adhere to UAE laws.
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016*		Page 26

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			No
	S11. Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Page 28 Page 28
	S12. Community Investment	S12.1) Amount invested in the community, as a percentage of company revenues			Potential areas are being evaluated, to be considered for investments in future.
Governance	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016		Page 34
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	GRI 102: General Disclosures 2016		Yes

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
	G2.2) Percentage: Total board seats occupied by independents			Page 34
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	GRI 102: General Disclosures 2016		Page 28
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Potential areas are being evaluated, to be covered in subsequent reports.
G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Potential areas are being evaluated, to be covered in subsequent reports.

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	GRI 103: Management Approach 2016*		Page 31 Potential areas are being evaluated, to be covered in subsequent reports.
G7. Sustainability Reporting	G7.1) Does your company publish a sustainability report? Yes/No G7.2) Is sustainability data included in your regulatory filings? Yes/No			Yes, this is our inaugural sustainability report. Yes
G8. Disclosure Practices	G8.1) Does your company provide data to sustainability reporting frameworks? G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No			No, we will be considering in future for necessary disclosures. Yes No, we will be considering in next report for necessary disclosures.

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance	G9. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	GRI 102: General Disclosures 2016 * GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards		We chose to have internal assurance this year since it is our first year of reporting.





The climate change has prepared us to see the world from a 'together' perspective.

Investing in Earth
means investing in
US.

-Adi



APEX
INVESTMENT PSC
ايبكس للاستثمار ش.م.ع.

APEX INVESTMENT PSC

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