Apex Investment PSC

BOARD OF DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Apex Investment PSC

BOARD OF DIRECTORS' REPORT

31 DECEMBER 2024

BOARD OF DIRECTORS' REPORT
For the year ended 31 December 2024

The Board of Directors have the pleasure to present their report, together with the audited consolidated financial statements of Apex Investment PSC (the "Company") and its subsidiaries (together referred to as the "Group"), for the year ended 31 December 2024.

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 2024, the Group reported revenue of AED 852,850,156 (2023: AED 723,487,592) and profit from operations AED 146,869,124 (2023: AED 78,866,647) and profit for the year of AED 75,642,563 (2023: loss of AED 58,433,109).

Auditors
A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2025 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 29 January 2025
Abu Dhabi

Apex Investment PSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

EY
Building a better working world

Ernst & Young Middle East
(Abu Dhabi Branch)
P.O. Box 136
Nation Towers, Tower 2, Floor 27
Corniche Road West
Emirate of Abu Dhabi
United Arab Emirates

Tel: +971 2 417 4400
+971 2 627 7522
Fax: +971 2 627 3383
abudhabi@ae.ey.com
ey.com

CL No. 1001276

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Apex Investment PSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and 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.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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 2024, total revenue of the Group amounted to AED 852,850,156 (2023: AED 723,487,592) (note 3).

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition continued
To address the above risk, we performed the following procedures among others:

- We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy;
- Assessed the compliance of such policies with the applicable International Financial Reporting Standards;
- Obtained understanding of the revenue accounting processes as applied by the Group for significant revenue streams;
- Obtained representative sample of transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We have performed cut off procedures, including selecting the sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Performed analytical procedures across significant revenue streams during the year; and
- Assessed the adequacy of the Group's disclosure in the consolidated financial statements in connection with revenue recognition.

Impairment assessment of goodwill
The Group has goodwill amounting to AED 4,618,724 (2023: AED 6,913,271) in relation to acquisition of subsidiaries operating in multiple business segments.

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the respective cash generating units (note 2.6).

As part of our audit procedures, we performed the following for CGUs with significant goodwill:

- tested, with involvement of internal valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models for impairment testing including key assumptions relating to growth rates, inflation rates and discount rates;
- analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions;
- compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates; and
- assessed the adequacy of disclosure in line with the requirements of the IFRSs.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC continued

Report on the Audit of the Consolidated Financial Statements continued

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the 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.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC 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 2024:

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 2024, 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 consolidated financial position as at 31 December 2024; and

viii) there were no social contributions made during the year.

For Ernst & Young

Walid J Nakfour
Registration No: 5479

29 January 2025
Abu Dhabi, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Revenue	3	**852,850,156**	723,487,592
Cost of sales	4	**(660,677,436)**	(596,068,115)
GROSS PROFIT		**192,172,720**	127,419,477
General and administrative expenses	5	**(81,496,460)**	(57,491,331)
Other income	6	**29,723,226**	9,912,275
Dividend income		**8,029,091**	939,559
Finance costs		**(1,559,453)**	(1,913,333)
PROFIT FROM OPERATIONS		**146,869,124**	78,866,647
Share of loss from associates and joint ventures	8	**(2,672,423)**	(7,866,387)
Net decrease in fair value of equity investments carried at fair value through profit or loss	9	**(57,900,242)**	(129,433,369)
PROFIT (LOSS) BEFORE TAX FOR THE YEAR		**86,296,459**	(58,433,109)
Income tax expense	22	**(10,653,896)**	-
PROFIT (LOSS) AFTER TAX FOR THE YEAR		**75,642,563**	(58,433,109)
Basic and diluted earnings (loss) per share	21	**0.021**	(0.016)

The attached notes 1 to 25 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	2024 AED	2023 AED
PROFIT (LOSS) FOR THE YEAR		**75,642,563**	(58,433,109)
Other comprehensive loss:			
Items that will not be subsequently reclassified to consolidated profit or loss in subsequent years:			
Decrease in fair value of equity investments carried at fair value through other comprehensive income ("FVTOCI"), net of taxes	9	**(13,470,512)**	(44,394,666)
Total other comprehensive loss		**(13,470,512)**	(44,394,666)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**62,172,051**	(102,827,775)

The attached notes 1 to 25 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	7	331,361,978	348,853,470
Intangible assets		4,618,724	6,913,271
Right-of-use of assets	18	15,555,221	16,110,979
Investments in associates and joint venture	8	36,132,535	38,804,958
Advances to jointly controlled entity	7.1	130,369,603	-
Investments in equity securities carried at FVTOCI	9	5,853,696	144,322,521
Deferred tax asset		1,881,501	-
		525,773,258	555,005,199
Current assets			
Inventories	10	59,831,244	76,220,392
Trade and other receivables	11	335,814,886	332,825,371
Investments in equity securities carried at fair value through profit or loss (FVTPL)	9	516,893,197	450,834,185
Amounts due from related parties	17	129,318,073	176,422,632
Cash and bank balances	12	670,230,503	607,791,559
		1,712,087,903	1,644,094,139
TOTAL ASSETS		2,237,861,161	2,199,099,338
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,553,195,467	3,553,195,467
Merger reserve		(1,800,910,103)	(1,800,910,103)
Cumulative changes on revaluation of investments at FVTOCI		(29,579,571)	66,952,153
Statutory reserve	14.1	92,217,581	88,435,453
Voluntary reserve	14.2	51,756,274	51,756,274
Retained earnings (accumulated losses)		141,120,549	(13,801,098)
Total equity		2,007,800,197	1,945,628,146
Non-current liabilities			
Provision for employees' end of service benefits	15	11,016,649	8,099,005
Deferred tax liability		424,318	-
Lease liabilities	18	1,490,441	1,574,290
		12,931,408	9,673,295
Current liabilities			
Trade and other payables	16	180,936,059	180,127,591
Lease liabilities	18	15,468	17,467
Amounts due to related parties	17	24,082,731	42,048,254
Current tax payable	22	12,095,298	-
Short term borrowings	19	-	21,604,585
		217,129,556	243,797,897
Total liabilities		230,060,964	253,471,192
TOTAL EQUITY AND LIABILITIES		2,237,861,161	2,199,099,338

Group Chairman of the Board

Group Managing Director

The attached notes 1 to 25 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital AED	*Merger reserve AED*	*Statutory reserve AED*	*Voluntary reserve AED*	*Cumulative changes on revaluation of investments at FVTOCI AED*	*(Accumulated losses) retained earnings AED*	*Total equity AED*
Balance at 1 January 2023	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	111,346,819	44,632,011	2,048,455,921
Loss for the year	-	-	-	-	-	(58,433,109)	(58,433,109)
Other comprehensive loss for the year	-	-	-	-	(44,394,666)	-	(44,394,666)
Total comprehensive loss for the year	-	-	-	-	(44,394,666)	(58,433,109)	(102,827,775)
At 31 December 2023	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	66,952,153	(13,801,098)	1,945,628,146
Balance at 1 January 2024	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	66,952,153	(13,801,098)	1,945,628,146
Profit for the year	-	-	-	-	-	75,642,563	75,642,563
Other comprehensive (loss) income for the year	-	-	-	-	(13,470,512)	-	(13,470,512)
Total comprehensive (loss) income for the year	-	-	-	-	(13,470,512)	75,642,563	62,172,051
Transfer to statutory reserves	-	-	3,782,128	-	-	(3,782,128)	-
Sale of equity investments carried at FVTOCI	-	-	-	-	(83,061,212)	83,061,212	-
At 31 December 2024	**3,553,195,467**	**(1,800,910,103)**	**92,217,581**	**51,756,274**	**(29,579,571)**	**141,120,549**	**2,007,800,197**

The attached notes 1 to 25 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	***31 December 2024 AED***	*31 December 2023 AED*
OPERATING ACTIVITIES			
Profit (loss) before tax for the year		**86,296,459**	(58,433,109)
Adjustments for:			
Depreciation on property, plant and equipment	7	**37,250,731**	32,165,370
Property, plant and equipment written off	7	**970,643**	882,000
Gain on sale of property, plant and equipment, net		**(9,636)**	(9,644)
Goodwill impairment		**2,268,466**	-
Amortization of intangible assets		**26,081**	41,378
Depreciation on right-of-use assets	18	**555,758**	555,758
Fair value loss on revaluation of investments at FVTPL	9	**57,900,242**	132,462,765
Provision for employees' end of service benefits	15	**4,652,737**	4,040,203
Gain on sale of investments at FVTPL	9	**-**	(3,029,396)
Dividend income		**(8,029,091)**	(939,559)
Share of loss from equity accounted investees	8	**2,672,423**	7,866,387
Provision (reversal of) for expected credit loss on trade and other receivables and amount due from related parties	11 & 17	**10,506,844**	(11,103,330)
(Reversal) allowance for slow-moving and obsolete inventories	10	**(1,000,000)**	1,000,000
Finance costs		**1,559,453**	1,913,333
		195,621,110	107,412,156
Working capital adjustments			
Inventories		**17,389,148**	(19,427,266)
Trade and other receivables		**(2,240,070)**	322,985,257
Trade and other payables		**808,468**	21,043,565
Amount due from related parties		**35,848,270**	51,696,142
Amount due to related parties		**(17,965,523)**	12,701,807
Cash from operations		**229,461,403**	496,411,661
Employees' end of service benefits paid	15	**(1,735,093)**	(1,561,438)
Net cash generated from operating activities		**227,726,310**	494,850,223
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(22,194,235)**	(27,037,152)
Investment in equity accounted investees	8	**-**	(13,961,250)
Proceeds from disposal of property, plant and equipment		**1,474,092**	394,282
Proceeds from disposal of investments at FVTPL and FVTOCI	9	**443,467,568**	13,647,852
Purchase of investments at FVTPL	9	**(443,467,563)**	(6,767,522)
Movement in term deposits	12	**(104)**	(95)
Advances to jointly controlled entity		**(129,346,334)**	-
Dividend received		**8,029,091**	939,559
Net cash used in investing activities		**(142,037,485)**	(32,784,326)
FINANCING ACTIVITIES			
Net movement in short term borrowings	19	**-**	(1,158,655)
Payment of lease liabilities	18	**(204,522)**	(67,500)
Finance costs paid		**(1,440,878)**	(1,795,054)
Net cash used in financing activities		**(1,645,400)**	(3,021,209)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**84,043,425**	459,044,688
Cash and cash equivalents at the beginning of the year		**586,176,684**	127,131,996
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**670,220,109**	586,176,684

The attached notes 1 to 25 form part of these consolidated financial statements.

1 ACTIVITIES

Apex Investment PSC (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 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.

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. Subsequently, on 30 January 2024, Tamween Companies Management LLC sold 3% of Apex Investment PSC shareholding, resulting in Apex Investment PSC no longer being a subsidiary but an associate of Tamween Companies Management LLC.

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issuance by the Board of Directors on 29 January 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

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 also the functional currency of the primary economic environment in which the Group operates.

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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION continued

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION continued

Details of subsidiaries as at 31 December 2024 and 31 December 2023 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* *2024*	*2023*
Apex Holding LLC	United Arab Emirates	Investment Company	**100%**	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%**	100%
The Central Tents Company – Sole Proprietorship LLC	United Arab Emirates	Sale and rental of tents	**100%**	100%
R.R Facility Management – Sole Proprietorship LLC	United Arab Emirates	Facilities management services	**100%**	100%
Boudoir Interiors - Sole Proprietorship LLC	United Arab Emirates	Interior design implementation works	**100%**	100%
Apex National Investment LLC	United Arab Emirates	Investment, institution and management of enterprises	**100%**	100%
Support Services Catering Company – Sole Proprietorship LLC	United Arab Emirates	Building cleaning services	**100%**	100%
Apex Companies Management LLC (*) (**)	United Arab Emirates	Management services of companies and private institutions	**40%**	40%
Apex Construction and Development – Sole Proprietorship LLC	United Arab Emirates	Real estate development and construction	**100%**	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%**	100%
Apex Academy SPLLC (*)	United Arab Emirates	Food safety consulting, professional safety and health consultancy	**100%**	51%
Apex AGRO Investment (*)(***)	Morocco	Agricultural Crop Trading, agricultural enterprises investment, institution and management	**100%**	-
Apex Commercial Investment – SPLLC	United Arab Emirates	Commercial enterprises investment, institution and management	**100%**	100%
Apex Energy Holding Ltd (note 2.3.2)	United Arab Emirates	Investment Company	**100%**	-
Enercap Energy Holding Ltd (note 2.3.2)	United Arab Emirates	Investment Company	**65%**	-
Enercap Manufacturing L.L.C S.P.C (note 2.3.2)	United Arab Emirates	Electrical accumulators and parts manufacturing	**65%**	-
ERL Power Industries L.L.C (note 2.3.2)	United Arab Emirates	Energy storage units manufacturing	**65%**	-

(*) These entities are dormant and non-operating entities.
(**) Subsidiary consolidated based on de-facto control.
(***) The Board of Directors has resolved to dissolve this entity which has no operations as of reporting date.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION continued

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits or losses resulting from intra-group transactions that are recognized in assets, are eliminated in full.

2.3 INCORPORATION DURING THE PERIOD

2.3.1 During the year, Aplon Catering and Facility Management LLC has been incorporated with 50:50 shareholding between Apex Holding Sole Proprietorship LLC and Dylwn for Repairing Oil & Natural Gas Well Equipment Aborad Est. The obligation under the Memorandum of Association is yet to be carried out and accordingly the relation of the entity is yet to be established.

2.3.2 The Group has incorporated Apex Energy Holding Ltd in which it holds 100% ownership interest. In July 2024, Apex Energy Holding Ltd entered into Shareholder's Agreement (SHA) with Enercap SPV Limited to form Enercap Energy Holding Ltd ("Newco") (EEHL) in July 2024 to manufacture and distribute energy storage systems based on supercapacitors products.

While the SHA stipulates a shareholding structure of 65% for Apex Energy Holding Ltd and 35% for Enercap SPV Limited, the terms of agreement provides a governance structure which results in both Apex and Enercap SPV jointly controlling the Enercap Energy Holdings Ltd. Further, the agreement also obligates the Apex group to purchase almost all the output of the EEHL and hence, this jointly controlled entity is classified as a joint operation under IFRS requirements.

For the purposes of achieving the shareholding, the agreement specifies the capital commitments of Apex Group and Enercap SPV Limited which are as follows:

APEX GROUP'S COMMITMENT

- Provision of land and building;
- Capex funding; and
- Working capital loan

ENERCAP SPV LIMITED COMMITMENT

- Transfer of intellectual property along with other assets

As of the year end, these capital commitments are not paid up / completed fully and hence, the Group has recognized the investment in the EEHL to the extent of the paid up value of its equity contributions as reflected in note 7.1 to the consolidated financial statements However, as per the SHA and external legal opinion sought, both shareholders would bear profits and losses retrospectively from July 2024 for the financial year ended 31 December 2024.

In accordance with the terms of the SHA, the Group has made advances to the suppliers aggregating AED 38,882,472 along with advances made towards asset acquisition aggregating to AED 140,742,390 as part of its capital contribution towards the project which has been adjusted with its share of net loss amounted to AED 10,372,787 (net of taxes) (refer note 11 for advances to suppliers and note 7.1 for advances towards equity contribution).

The Group's total capital commitments outstanding in relation to the project is disclosed in note 20.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

- Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7;
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16;
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

The amendments had no impact on the Group's consolidated financial statements.

2.5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS - NOT YET EFFECTIVE

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

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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.

2.6 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 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.

Allowance for expected credit losses on trade receivables and amounts due from related parties
The Group uses a provision matrix to calculate ECLs for trade receivables and amounts due from related parties. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

At the reporting date, gross trade accounts receivable including unbilled receivables and amounts due from related parties amounted to AED 270,884,067 (2023: AED 284,203,824) and AED 150,273,760 (2023: AED 186,122,030) and the allowance for expected credit losses against them amounted to AED 15,211,287 (2023: AED 15,960,732) and AED 20,955,687 (2023: AED 9,699,398), 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.

At the reporting date, gross inventories amounted to AED 64,806,578 (2023: AED 82,195,726) and the provision for old and obsolete inventories amounted to AED 4,975,334 (2023: AED 5,975,334). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

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 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Estimation uncertainty continued
Impairment assessment of goodwill
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

Goodwill is assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded an impairment loss of AED 2,268,466 for the year ended 31 December 2024 (2023: AED Nil).

The key assumptions used in relation to impairment assessment includes future cash flows, revenue growth rates, expected inflation rates and discount rates.

- Terminal growth rate: 2% - 3% (2023: 2% - 3%); and
- Discount rate: 11.4% - 19.2% (2023: 9.3% - 15%).

2.7 MATERIAL ACCOUNTING POLICY INFORMATION

New accounting policies adopted by the Group – Taxation

The Group is subject to the Federal corporate tax (CT) regime as implemented by the UAE Ministry of Finance through release of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or the "Law") to enact a Corporate Tax ("CT") regime in the UAE. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group is subject to the CT regime from with effect from 1 January 2024, and accordingly, it has recorded a net income tax expense of AED 10,653,896 in consolidated statement of profit or loss. The related accounting policies adopted and applied by the Group in this regard are as follows:

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

New accounting policies adopted by the Group – Taxation continued

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

Interest in joint operation
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Interest in joint operation continued
The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

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 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued
Contract revenue continued
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 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.

Revenue from sale of goods and catering contracts
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).

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 investments in equity securities carried at fair value through profit or loss, investments in equity securities carried at fair value through other comprehensive income, trade and other receivables, amounts due from related parties and cash and bank balances.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

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 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,.

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 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.

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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

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.

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:

	Years
Factory building and leasehold improvements	10 - 40
Plant and machinery	28 – 40
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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment assessment of goodwill
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Goodwill is assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

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, it's 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, equity investments carried at fair value through profit or loss, at fair value at the consolidated statement of financial position date.

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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value of financial instruments continued
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 'impairment of non-financial assets' policy.

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 option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Group as a lessee continued

ii) Lease liabilities continued

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.

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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.7 MATERIAL ACCOUNTING POLICY INFORMATION 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 (loss) per share
Basic (loss) earnings per share is calculated by dividing:

- The profit (loss) 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.

3 REVENUES

	2024 *AED*	*2023* *AED*
Revenue from catering contracts (note 3.1)	**510,701,143**	328,540,384
Sale of cement	**221,600,832**	146,078,740
Facility management services	**68,947,447**	119,329,423
Contracting services	**31,776,750**	112,539,045
Share of revenue from jointly controlled operations (note 7.1)	**13,737,249**	-
Sale of tents	**6,086,735**	17,000,000
	852,850,156	723,487,592

3.1 Included is an aggregated amount of AED 20.3 million received in prior years in relation to catering contract and not claimed for over two years. After prudent evaluation and approval by the Board of Directors, the amount has been recognized as an income during the year.

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

	2024 *AED*	*2023* *AED*
Timing of revenue recognition		
Goods and services transferred at a point in time	**765,218,150**	514,896,836
Goods and services transferred over time	**87,632,006**	208,590,756
	852,850,156	723,487,592
Geographical location:		
Within United Arab Emirates	**833,406,712**	707,384,169
Outside United Arab Emirates	**19,443,444**	16,103,423
	852,850,156	723,487,592

4 COST OF SALES

	2024 *AED*	*2023* *AED*
Food and beverage costs	**226,198,084**	180,254,249
Sale of cement	**156,434,083**	106,729,323
Staff costs (note 4.1)	**153,523,978**	136,103,561
Depreciation of property, plant and equipment (note 7)	**36,064,601**	31,124,446
Contracting cost (note 4.1)	**32,345,011**	77,101,030
Repairs and maintenance costs	**14,633,577**	10,984,105
Utilities and rent expenses	**5,702,633**	8,363,646
Facility management expenses	**28,763,348**	26,869,225
Sale of tents	**1,446,380**	12,221,100
Depreciation on right-of-use assets (note 18)	**555,758**	555,758
Amortization of intangible assets	**26,081**	41,378
Others	**4,983,902**	5,720,294
	660,677,436	596,068,115

4.1 Includes staff costs of AED 2,567,470 and direct material cost of AED 12,682,773 as its share in jointly controlled operations.

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 *AED*	*2023* *AED*
Staff costs (note 5.1)	**40,133,129**	50,152,748
Provision for (reversal of) expected credit loss on trade receivable and amount due from related parties, net (note 11 and 17)	**10,506,844**	(11,103,330)
Professional and consulting fees (note 5.1)	**8,461,129**	5,394,450
Utilities and rent expenses	**7,884,523**	3,530,017
Marketing and distribution expenses (note 5.1)	**4,171,075**	916,438
Board of director's remuneration (note 17.3)	**2,756,220**	1,448,985
Depreciation on property, plant and equipment (note 7)	**1,186,130**	1,040,924
Repair and maintenance costs	**811,563**	2,865,893
Others	**5,585,847**	3,245,206
	81,496,460	57,491,331

5.1 Includes staff costs of AED 2,903,096, professional fees of AED 1,575,977 and marketing and distributing expenses of AED 2,274,069 as its share in jointly controlled operations.

6 OTHER INCOME

	2024 *AED*	*2023* *AED*
Interest income on fixed deposits	**29,526,003**	8,515,789
Others	**197,223**	1,396,486
	29,723,226	9,912,275

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*
2024								
Cost:								
At 1 January 2024	38,632,485	834,407,691	19,431,841	36,522,001	21,942,242	17,881,371	581,274	969,398,905
Additions	-	159,805	14,860,422	3,272,228	2,276,456	1,625,324	-	22,194,235
Write off	-	(970,643)	-	-	-	-	-	(970,643)
Disposals	(1,330,291)	-	(3,338,790)	(612,226)	(860,127)	(164,600)	-	(6,306,034)
At 31 December 2024	**37,302,194**	**833,596,853**	**30,953,473**	**39,182,003**	**23,358,571**	**19,342,095**	**581,274**	**984,316,463**
Accumulated depreciation:								
At 1 January 2024	23,447,099	547,606,460	8,616,553	16,730,831	15,437,366	8,707,126	-	620,545,435
Charge for the year	677,733	14,184,731	7,107,293	8,548,558	3,842,661	2,889,755	-	37,250,731
Relating to disposals	(1,330,291)	-	(2,498,274)	(314,075)	(535,403)	(163,638)	-	(4,841,681)
At 31 December 2024	**22,794,541**	**561,791,191**	**13,225,572**	**24,965,314**	**18,744,624**	**11,433,243**	**-**	**652,954,485**
Net carrying amount:								
At 31 December 2024	**14,507,653**	**271,805,662**	**17,727,901**	**14,216,689**	**4,613,947**	**7,908,852**	**581,274**	**331,361,978**

7 PROPERTY, PLANT AND EQUIPMENT continued

	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*
2023								
Cost:								
At 1 January 2023	35,176,464	834,049,386	10,916,120	31,888,356	15,675,129	15,511,240	1,227,706	944,444,401
Additions	3,461,414	495,790	8,544,721	4,789,135	6,282,699	3,227,825	235,568	27,037,152
Write-offs	-	-	-	-	-	-	(882,000)	(882,000)
Disposals	(5,393)	(137,485)	(29,000)	(155,490)	(15,586)	(857,694)	-	(1,200,648)
At 31 December 2023	38,632,485	834,407,691	19,431,841	36,522,001	21,942,242	17,881,371	581,274	969,398,905
Accumulated depreciation:								
At 1 January 2023	22,877,159	533,524,454	3,752,770	9,075,414	12,968,026	6,998,252	-	589,196,075
Charge for the year	575,333	14,082,006	4,868,033	7,714,790	2,477,805	2,447,403	-	32,165,370
Relating to disposals	(5,393)	-	(4,250)	(59,373)	(8,465)	(738,529)	-	(816,010)
At 31 December 2023	23,447,099	547,606,460	8,616,553	16,730,831	15,437,366	8,707,126	-	620,545,435
Net carrying amount:								
At 31 December 2023	15,185,386	286,801,231	10,815,288	19,791,170	6,504,876	9,174,245	581,274	348,853,470

7 PROPERTY AND EQUIPMENT continued

Depreciation charge for the year has been allocated as follows:

	2024 *AED*	*2023* *AED*
Cost of sales (note 4)	**36,064,601**	31,124,446
General and administrative expenses (note 5)	**1,186,130**	1,040,924
	37,250,731	32,165,370

7.1 ADVANCES TO JOINTLY CONTROLLED ENTITY

	2024 *AED*	*2023* *AED*
Advances towards equity contribution (note 2.3.2)	**130,369,603**	-

Statement of profit and loss for jointly controlled entity / operations

	2024 *AED*	*2023* *AED*
Total revenues	**21,134,229**	-
Total net loss	**(17,532,393)**	-
Share of Group in total net loss (65%)	**(11,396,055)**	-

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

Investees	*Classification*	*Principal activities*	*Country of incorporation*	*Equity %* *2024*	*2023*
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%**	50%
APHE Restaurants Management LLC	Joint venture	Engaged in Restaurants Management specializing in the food and beverages sector	UAE	**50%**	50%

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

	2024 *AED*	*2023* *AED*
Reem Ready Mix L.L.C	**24,126,681**	26,025,104
Sky Go Transport of Goods LLC (note 17)	**-**	230,928
APHE Restaurants Management LLC	**12,005,854**	12,548,926
	36,132,535	38,804,958

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

	2024 *AED*	*2023* *AED*
Opening balance	**38,804,958**	32,710,095
Additional investment during the year	**-**	13,961,250
Share of loss for the year	**(2,672,423)**	(7,866,387)
	36,132,535	38,804,958

The summarised financial information of the associate (Reem Ready Mix L.L.C) as at 31 December 2024 and 2023 is as follows:

	2024 *AED*	*2023* *AED*
Current assets		
Cash and cash equivalents	**1,832,039**	1,829,202
Other current assets	**60,578,864**	85,830,783
	62,410,903	87,659,985
Non-current assets	**39,537,576**	31,603,294
Current liabilities:		
Financial liabilities (excluding trade payables)	**(16,970,812)**	(15,705,513)
Other current liabilities	**(66,671,462)**	(75,304,553)
	(83,642,274)	(91,010,066)
Non-current liabilities	**(3,228,361)**	(3,683,252)
Net assets	**15,077,844**	24,569,961
Group's share in net assets	**3,015,569**	4,913,992
Goodwill	**21,111,112**	21,111,112
Carrying amount	**24,126,681**	26,025,104
Total revenue	**128,639,394**	128,676,610
Net loss for the year	**(9,492,119)**	(22,129,304)
Share of associate's loss for the year	**(1,898,424)**	(4,425,861)

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

During the year ended 31 December 2024, management performed its annual impairment review of its investment using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2% - 3% (2023: 2% - 3%); and
- Discount rate: 9.3% - 15.5% (2023: 9.3% - 15.5%).

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2024.

The summarised financial information of the joint venture (APHE Restaurants Management LLC) as at 31 December 2024 is as follows:

	2024 AED	*2023 AED*
Current assets		
Cash and cash equivalents	**1,472,181**	1,100,000
Other current assets	**7,093,526**	9,376,260
	8,565,707	10,476,260
Non-current assets	**3,776,202**	927,860
Current liabilities		
Financial liabilities (excluding trade payables)	**-**	-
Other current liabilities	**(2,099,023)**	(87,517)
	(2,099,023)	(87,517)
Non-current liabilities	**(12,427)**	-
Net assets	**10,230,459**	11,316,603
Group's share in net assets	**5,115,230**	5,658,302
Goodwill	**6,890,624**	6,890,624
Carrying amount	**12,005,854**	12,548,926
Total revenue	**(9,018,302)**	-
Net loss for the year	**(1,086,144)**	(2,464,647)
Share of venture's loss for the year	**(543,072)**	(1,232,324)

9 INVESTMENTS IN EQUITY SECURITIES

	2024 *AED*	*2023* *AED*
Equity securities carried at FVTPL	**516,893,197**	450,834,185
Equity securities carried at FVTOCI	**5,853,696**	144,322,521
	522,746,893	595,156,706
Equity securities carried at FVTPL		
Quoted investments		
Opening balance	**450,834,185**	587,147,884
Additions (note 9.1)	**443,467,563**	6,767,522
Change in fair value	**(57,900,242)**	(132,462,765)
Gain on disposal of investments carried at FVTPL	**-**	3,029,396
Disposals (note 9.1)	**(319,508,309)**	(13,647,852)
Closing balance	**516,893,197**	450,834,185
Equity securities carried at FVTOCI		
Quoted and unquoted investments		
Opening balance	**144,322,521**	188,717,187
Disposals (note 9.1)	**(123,959,254)**	-
Change in fair value	**(14,509,571)**	(44,394,666)
Closing balance	**5,853,696**	144,322,521
Total quoted securities	**5,085,330**	143,036,245
Unquoted securities (note 9.2)	**768,366**	1,286,276
	5,853,696	144,322,521

The geographical distribution of investments is as follows:

	2024 *AED*	*2023* *AED*
UAE	**522,746,893**	595,156,706

9.1 On 5 July 2024, the Group executed the share swap transaction whereby 154,993,493 shares amounting to AED 443,467,563 in Q Holding PSC were sold to IHC Real Estate Holding LLC in exchange for acquisition of 37,566,219 shares amounting to AED 443,467,563 from IHC Capital Holding LLC's holdings in Alpha Dhabi Holding PJSC. The same was approved on 20 March 2024 by the Board of Directors followed by approval from the shareholders in the Annual General Assembly held on 15 April 2024 and by the UAE Securities and Commodities Authority (ESCA) on 28 June 2024.

9.2 The investments are recorded at fair value using the valuation techniques as disclosed in note 23.

9.3 The investments include AED 516,504,488 (31 December 2023: AED 226,112,539) in related party entities.

10 INVENTORIES

	2024 *AED*	*2023* *AED*
Raw materials	**19,847,041**	19,339,208
Consumable items	**5,214,160**	6,535,151
Work in progress	**4,634,176**	20,155,360
Finished goods (note 10.1)	**3,271,705**	3,538,380
Spare parts – maintenance	**31,839,496**	32,627,627
Total	**64,806,578**	82,195,726
Less: allowance for slow-moving and obsolete inventories	**(4,975,334)**	(5,975,334)
Total	**59,831,244**	76,220,392

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

	2024 *AED*	*2023* *AED*
Opening balance	**5,975,334**	4,975,334
(Reversal)/ charge for the year	**(1,000,000)**	1,000,000
	4,975,334	5,975,334

10.1 Includes goods received from a related party at nominal value of AED 1.

11 TRADE AND OTHER RECEIVABLES

	2024 *AED*	*2023* *AED*
Trade receivables – from government entities	**83,868,846**	140,830,748
Trade receivables – from non-government entities	**84,787,933**	66,800,845
Unbilled receivables – from government entities	**90,457,941**	57,931,111
Unbilled receivables – from non-government entities (note 11.1)	**11,769,347**	18,641,120
	270,884,067	284,203,824
Less: provision for expected credit losses	**(15,211,287)**	(15,960,732)
Trade receivables – net	**255,672,780**	268,243,092
Deposits	**19,289,352**	17,239,543
Prepayments	**9,666,586**	9,156,195
Accrued income	**1,933,214**	7,934,286
Retention receivables	**-**	9,335,564
Advances to suppliers (note 2.3.2)	**44,587,342**	7,584,143
Other receivables (net) (note 11.2)	**4,665,612**	13,332,548
	335,814,886	332,825,371

11.1 Unbilled receivables – from non-government entities includes amount of AED 10,369,864 (2023: AED 18,641,120) pertaining to unbilled receivables from related parties.

11 TRADE AND OTHER RECEIVABLES continued

11.2 Other receivables, net includes amount receivable from a supplier amounting to AED 1,912,305 (31 December 2023: AED 1,921,305) against which specific provision has been made by the Group.

11.3 Trade receivable balance at the end of the year is due from multiple customers including receivable from 5 customers amounting to AED 183,591,499 (31 December 2023: AED 285,825,824) representing 68% (31 December 2023: 86%) 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:

	2024 AED	*2023 AED*
Opening balance	**15,960,732**	31,914,486
(Reversal) / charge for the year	**(749,445)**	(15,937,126)
Write off	**-**	(16,628)
Closing balance	**15,211,287**	15,960,732

	Total AED	***0-90 days AED***	***Past due 90-180 days AED***	***180-270 days AED***	***270-360 days AED***	***More than 360 days AED***
At 31 December 2024						
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	**174,326,787**	**151,271,254**	**5,245,049**	**5,703,540**	**6,653,078**	**5,453,866**
Expected credit loss	**571,879**	**496,245**	**17,206**	**18,710**	**21,825**	**17,893**
Expected credit loss rate		**2%**	**30%**	**58%**	**100%**	**100%**
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	**96,557,280**	**82,754,727**	**739,367**	**677,693**	**484,359**	**11,901,134**
Expected credit loss	**14,639,408**	**1,637,744**	**220,881**	**395,290**	**484,359**	**11,901,134**
Expected credit loss rate		**1%**	**4%**	**6%**	**7%**	**69%**
Estimated total gross carrying amount at default – trade and unbilled receivables	**270,884,067**	**234,025,981**	**5,984,416**	**6,381,233**	**7,137,437**	**17,355,000**
Expected credit loss	**15,211,287**	**2,133,989**	**238,087**	**414,000**	**506,184**	**11,919,027**

	Total AED	*0-90 days AED*	*Past due 90-180 days AED*	*180-270 days AED*	*270-360 days AED*	*More than 360 days AED*
At 31 December 2023						
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	198,761,859	162,016,097	13,442,898	20,316,717	1,797,592	1,188,555
Expected credit loss	652,038	531,494	44,099	66,649	5,897	3,899
Expected credit loss rate		3.64%	13.28%	41.89%	89.46%	99.82%
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	85,441,965	64,803,715	8,608,175	318,420	177,070	11,534,585
Expected credit loss	15,308,694	2,359,844	1,143,101	133,386	158,409	11,513,954
Expected credit loss rate		1.27%	5.38%	0.97%	8.32%	90.53%
Estimated total gross carrying amount at default – trade and unbilled receivables	284,203,824	226,819,812	22,051,073	20,635,137	1,974,662	12,723,140
Expected credit loss	15,960,732	2,891,338	1,187,200	200,035	164,306	11,517,853

12 CASH AND BANK BALANCES

	2024	*2023*
	AED	*AED*
Cash on hand	**3,297,565**	1,691,476
Bank balances:		
Current accounts	**151,922,544**	301,089,793
Term deposits	**10,394**	10,290
Fixed deposits with an original maturity of less than three months (note 12.1)	**515,000,000**	305,000,000
Cash and bank balances	**670,230,503**	607,791,559
Less: Term deposits	**(10,394)**	(10,290)
Less: bank overdrafts (note 19)	**-**	(21,604,585)
Cash and cash equivalents	**670,220,109**	586,176,684

12.1 Fixed deposits are placed with commercial bank and financial institution. These are mainly denominated in the UAE Dirham and earn interest at market rates.

13 SHARE CAPITAL

	2024	*2023*
	AED	*AED*
Authorised, issued and fully paid		
3553,195,467 ordinary shares of AED 1 each	**3,553,195,467**	3,553,195,467

14 RESERVES

14.1 Statutory reserve

As required by the Decree Law No. (32) of 2021, a minimum of 5% - 10% of the profit for the year as applicable with respect to subsidiaries of the Group 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

The requirement to allocate additional 10% of the annual profit to the voluntary reserve has been eliminated on account of update in the articles of association of the Company during the year. Accordingly, this allocation is no longer mandatory and can be determined solely by the board of directors, or it may be suspended if the reserve balance reaches 20% of the Company's paid-up capital. The reserve remains available for use by the Company in accordance with the resolutions passed by the board of directors.

15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	2024 *AED*	*2023* *AED*
Balance at 1 January	**8,099,005**	5,620,240
Charge during the year	**4,652,737**	4,040,203
Paid during the year	**(1,735,093)**	(1,561,438)
Balance at 31 December	**11,016,649**	8,099,005

16 TRADE AND OTHER PAYABLES

	2024 *AED*	*2023* *AED*
Trade payables	**110,804,022**	105,573,226
Accruals and provisions*	**58,266,519**	50,235,069
Deferred income	**2,067,956**	-
Retention payable	**-**	12,853,751
Other payables	**9,797,562**	11,465,545
	180,936,059	180,127,591

* Includes employee bonus accrual amounting to AED 8,773,115 (2023: AED 5,008,574).

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 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances

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

	2024	*2023*
	AED	*AED*
Amounts due from related parties:		
ATGC Transport & GC LLC-AR*	**75,968,093**	75,541,519
National Petroleum Construction Company (NPCC)	**33,936,875**	30,242,653
Moon Flower Real Estate Development LLC	**17,068,430**	16,240,556
National Marine Dredging Company PJSC (NMDC)	**6,840,951**	778,999
Construction Workers Residential City LLC	**3,954,985**	6,352,582
Al Ataa Investment LLC**	**3,815,083**	3,815,083
Rafed Healthcare Supplies L.L.C.	**3,514,591**	2,195,004
Sky Go Transport of Goods LLC***	**2,715,614**	2,533,793
Radiant Enterprises Real Estate LLC	**1,042,970**	-
International Holding Company PJSC (IHC) (Standalone)	**631,939**	623,526
Istinye Tevukcusu	**410,855**	-
Shory Insurance Brokers – Sole Proprietorship LLC	**267,862**	413,536
Somerian Health LLC	**34,107**	225,115
Telal Resort LLC	**31,067**	65,673
Sanimed International Lab and Management LLC	**15,984**	10,718
National Health Insurance Company (Daman) PJSC – Standalone	**6,840**	6,840
Sirius International Holding Limited	**13,865**	6,306
International Securities L.L.C.	**3,150**	23,880,330
Al Seer Marine Supplies and Equipment Company PJSC	**499**	-
Tamouh Healthcare LLC	-	22,817,443
Tamouh Healthcare Group LLC	-	366,639
Oxinus Holding Limited	-	5,715
Total amounts due from related parties	**150,273,760**	186,122,030
Less: provision for expected credit loss	**(20,955,687)**	(9,699,398)
	129,318,073	176,422,632

* This includes short term loans given by the Group for meeting the working capital requirements of ATGC Transport & General Contracting LLC-AR. These are interest free loans and are repayable in a single instalment on 1 April 2025.

** Balance receivable from Al Ataa Investment LLC has been provided in full due to non-realization for a considerable amount of time and non-confirmation by the related party.

*** Balance receivable from Sky Go Transport of Goods LLC has been provided in full considering the entity is under liquidation.

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

	2024	*2023*
	AED	*AED*
Opening balance	**9,699,398**	4,865,602
Net charge for the year	**11,256,289**	4,833,796
Closing balance	**20,955,687**	9,699,398

17 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances continued

	2024 *AED*	*2023* *AED*
Amounts due to related parties:		
Malaih Investments LLC	**6,970,436**	6,712,519
Zee Stores International LLC	**6,929,757**	14,336,987
N.R.T.C Dubai International Vegetables & Fruits Trading LLC	**6,315,976**	13,625,981
Alliance Food Company LLC	**1,031,328**	1,461,260
Royal Horizon General Trading	**797,199**	3,419,916
Al Ain farms for Live Stock production	**765,916**	1,342,473
Newtec Investment General Trading SP LLC	**630,000**	630,000
Abu Dhabi Vegetable Oil Company LLC	**341,570**	23,415
PAL Cooling Holding LLC (PCH) (Standalone)	**214,374**	495,703
Al Jaraf Travel & Tourism	**86,175**	-
Total amounts due to related parties	**24,082,731**	42,048,254

17.2 Transactions

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

	2024 *AED*	*2023* *AED*
Sales	**110,466,281**	168,818,732
Cost of sales*	**69,609,135**	141,831,588

* During the year, cost of sales includes impact of the related party balance written back aggregating to AED 2,698,460 on account of final settlement made.

17.3 Key management remuneration

	2024 *AED*	*2023* *AED*
Salaries and employee benefits	**7,914,768**	8,465,252
Employees end of service benefits	**140,660**	144,573
Board of director's remuneration (note 6)	**2,756,220**	1,448,985
Total	**10,811,648**	10,058,810

18 LEASES

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

	Right-of-use assets AED	*Lease liabilities AED*
2024		
As at 1 January 2024	**16,110,979**	**1,591,757**
Depreciation expense	**(555,758)**	-
Interest expense	-	**118,674**
Payments during the year	-	**(204,522)**
As at 31 December 2024	**15,555,221**	**1,505,909**
2023		
As at 1 January 2023	16,666,737	1,540,978
Depreciation expense	(555,758)	-
Interest expense	-	118,279
Payments during the year	-	(67,500)
As at 31 December 2023	16,110,979	1,591,757

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

	2024 AED	*2023 AED*
Current	**15,468**	17,467
Non-current	**1,490,441**	1,574,290
	1,505,909	1,591,757

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

	2024 AED	*2023 AED*
Depreciation expense of right-of-use assets	**555,758**	555,758
Interest expense on lease liabilities	**118,674**	118,279
Total	**674,432**	674,037

19 SHORT TERM BORROWINGS

	2024 AED	*2023 AED*
Bank overdrafts (note 12)	-	21,604,585
	-	21,604,585

20 CONTINGENT LIABILITIES AND COMMITMENTS

	2024 *AED*	*2023* *AED*
Bank guarantees	**40,581,952**	64,935,000
Bonds and guarantees	**12,793,500**	-
Deposits	**445,000**	-
Capital commitments towards Jointly controlled operations (note 2.3.2)	**232,686,064**	-
Total	**286,506,516**	64,935,000

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

21 EARNINGS (LOSS) PER SHARE

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

	2024 *AED*	*2023* *AED*
Profit (loss) for the year (in AED)	**75,642,563**	(58,433,109)
Weighted average number of shares (share)	**3,553,195,467**	3,553,195,467
Basic earnings (loss) per share	**0.021**	(0.016)

Diluted earnings (loss) per share as of 31 December 2024 and 31 December 2023 are equivalent to basic earnings (loss) per share.

22 INCOME TAX

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

22.1 Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024 and 2023:

Consolidated profit or loss	*2024* *AED*	*2023* *AED*
Current income tax expense	**13,143,393**	-
Deferred tax related to loss on investments in equity securities designated at fair value through P&L	**(2,489,497)**	-
Income tax expense reported in the consolidated statement of profit or loss	**10,653,896**	-

22 INCOME TAX continued

22.1 Amount recognised in the consolidated statement of comprehensive income continued

Consolidated other comprehensive income	*2024 AED*	*2023 AED*
Deferred tax related to items recognised in OCI during in the year:		
Losses arising during the period	1,039,059	-
Deferred income tax credit to OCI	1,039,059	-

22.2 Reconciliation of accounting income

	2024 AED	*2023 AED*
Accounting profit before tax relating to UAE entities	86,296,459	-
At United Arab Emirates' statutory income tax rate of 9%	7,766,681	-
Less: effect of standard exemption	(33,750)	-
Less: income not subject to tax	(731,662)	-
Add: non-deductible expenses	3,652,627	-
Income tax expense reported in the consolidated statement of comprehensive income	10,653,896	-
Effective tax rate	12.35%	-

Deferred tax asset relates to the following:

	Consolidated statement of financial position		*Consolidated statement of comprehensive income*	
	2024 AED	*2023 AED*	*2024 AED*	*2023 AED*
Goodwill	415,260	-	-	-
Financial instruments through OCI	-	-	9,043	-
Financial instruments through FVPL	(276,778)	-	-	-
Provision for expected credit losses	(1,604,708)	-	-	-
Deferred tax expense	(1,466,226)	-	9,043	-
Deferred tax liabilities	(1,466,226)	-	9,043	-

23 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of trade and other receivables, investments in equity securities carried at fair value through profit or loss, investments in equity securities 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 2024 AED***	*Fair value 2023 AED*	*Fair value hierarchy*	*Valuation techniques*
Quoted equity investments – investment in financial assets	**521,978,527**	593,870,430	Level 1	Quoted bid prices in an active market
Un-quoted equity instruments – investment in financial assets	**768,366**	1,286,276	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.

24 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 2024, 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 summarized below:

24 FINANCIAL RISK MANAGEMENT continued

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 (refer note 11.3). 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.

As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED	Loss allowance AED	Net carrying amount AED
31 December 2024							
Trade receivables and unbilled receivables	11	N/A	i	Lifetime ECL	**270,884,067**	**(15,211,287)**	**255,672,780**
Due from related parties	17	N/A	i	Lifetime ECL	**150,273,760**	**(20,955,687)**	**129,318,073**
Deposits and other receivables	11	N/A	i	Lifetime ECL	**82,063,411**	**(1,921,305)**	**80,142,106**
Bank balances	12	AA- / BBB	N/A	12-month ECL	**666,932,938**	**-**	**666,932,938**
31 December 2023							
Trade receivables	11	N/A	I	Lifetime ECL	284,203,824	(15,960,732)	268,243,092
Due from related parties	17	N/A	i	Lifetime ECL	186,122,030	(9,699,398)	176,422,632
Deposits and other receivables	11	N/A	i	Lifetime ECL	66,503,584	(1,921,305)	64,582,279
Bank balances	12	AA- / BBB	N/A	12-month ECL	606,100,083	-	606,100,083

24 FINANCIAL RISK MANAGEMENT continued

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.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

	Less than 3 months AED	*From 3 months to one year AED*	*Over 1 year AED*	*Total AED*
As at 31 December 2024				
Due to related parties	**24,082,731**	**-**	**-**	**24,082,731**
Trade and other payables	**101,006,460**	**9,797,562**	**-**	**110,804,022**
Lease liabilities	**-**	**15,468**	**1,517,331**	**1,532,799**
	125,089,191	**9,813,030**	**1,517,331**	**136,419,552**
As at 31 December 2023				
Short term borrowings	21,604,585	-	-	21,604,585
Due to related parties	42,048,254	-	-	42,048,254
Trade and other payables	105,573,226	24,319,296	-	129,892,522
Lease liabilities	-	17,797	1,692,645	1,710,442
	169,226,065	24,337,093	1,692,645	195,255,803

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.

As at 31 December 2024, the Group did not have any floating rate financial assets or liabilities and therefore, is not exposed to variation in interest rates.

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, (accumulated losses) retained earnings, reserve for cumulative changes in revaluation of financial assets, statutory reserve and voluntary reserve and is measured at AED 2,007,800,197 (2023: AED 1,945,628,146).

25 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 2024				
	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	595,658,264	106,162,618	235,338,080	38,008,362	45,000	17,052,172	(139,414,340)	852,850,156
Cost of sales	(460,378,891)	(80,146,669)	(211,238,642)	(33,327,574)	-	(15,000,000)	139,414,340	(660,677,436)
Gross profit	135,279,373	26,015,949	24,099,438	4,680,788	45,000	2,052,172	-	192,172,720
General and administrative expenses	(13,700,187)	(7,831,772)	(13,041,529)	(13,541,287)	(7,952,377)	(25,429,308)	-	(81,496,460)
Share of loss from associates and joint venture	-	-	-	-	(2,672,423)	-	-	(2,672,423)
Net loss from investments in equity securities carried at FVTPL	-	-	-	-	(57,900,242)	-	-	(57,900,242)
Dividend income	-	-	-	-	8,029,091	715,000,000	(715,000,000)	8,029,091
Other income	11,049,406	3,571,364	70,689	13,339,581	3,296	1,688,890	-	29,723,226
Finance costs	(725,074)	(251,606)	(552,602)	(24,843)	(603)	(4,725)	-	(1,559,453)
Profit (loss) for the year	131,903,518	21,503,935	10,575,996	4,454,239	(60,448,258)	693,307,029	(715,000,000)	86,296,459

				31 December 2024				
Segment assets	933,151,881	210,620,171	418,594,106	377,998,529	4,402,478,930	181,576,440	(4,286,558,896)	2,237,861,161
Segment liabilities	505,170,357	97,510,906	79,452,273	314,534,904	330,170,707	65,267,326	(1,162,045,509)	230,060,964

				31 December 2023				
	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	395,630,072	125,450,583	146,078,740	129,608,511	198,721	2,510,962	(75,989,997)	723,487,592
Cost of sales	(348,183,727)	(87,579,778)	(138,465,434)	(97,829,173)	-	-	75,989,997	(596,068,115)
Gross profit	47,446,345	37,870,805	7,613,306	31,779,338	198,721	2,510,962	-	127,419,477
General and administrative expenses	(10,583,361)	(10,649,449)	(3,176,249)	(7,793,944)	(935,229)	(24,353,099)	-	(57,491,331)
Share of loss from associates and joint venture	-	-	-	-	(7,866,387)	-	-	(7,866,387)
Net loss from investments in equity securities carried at FVTPL	-	-	-	-	(129,433,369)	-	-	(129,433,369)
Dividend income	-	-	-	-	939,559	-	-	939,559
Other income	6,768,356	2,119,141	255,581	767,635	-	1,562	-	9,912,275
Finance costs	(551,349)	(399,145)	(924,698)	(32,870)	(1,315)	(3,956)	-	(1,913,333)
Profit (loss) for the year	43,079,991	28,941,352	3,767,940	24,720,159	(137,098,020)	(21,844,531)	-	(58,433,109)

				31 December 2023				
Segment assets	1,032,222,868	228,166,759	412,020,099	371,568,380	4,191,036,326	14,354,509	(4,050,269,603)	2,199,099,338
Segment liabilities	175,003,799	49,631,922	92,867,120	194,488,483	185,978,693	172,281,215	(616,780,040)	253,471,192