Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

PERIOD ENDED 30 SEPTEMBER 2024

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REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF APEX INVESTMENT PSC

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Apex Investment PSC (the "Company") and its subsidiaries (together referred to as the "Group"), comprising the interim condensed consolidated statement of financial position as at 30 September 2024, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the nine month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting (IAS 34)". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

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

For Ernst & Young

Walid J Nakfour
Registration No 5479

24 October 2024
Abu Dhabi, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three and nine month periods ended 30 September 2024 (Unaudited)

	Notes	Three month period ended		Nine month period ended	
		30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Revenues	3	**197,471,416**	223,662,874	**622,709,794**	525,504,067
Cost of sales		**(153,744,458)**	(182,126,977)	**(474,066,240)**	(441,619,384)
GROSS PROFIT		**43,726,958**	41,535,897	**148,643,554**	83,884,683
General and administrative expenses	5.1	**(19,161,504)**	(13,379,380)	**(48,648,675)**	(36,708,003)
Other income	5.2	**6,519,361**	3,784,490	**23,071,731**	6,189,377
Dividend income		**-**	-	**211,575**	738,000
Finance costs		**(269,333)**	(483,354)	**(967,163)**	(1,381,886)
PROFIT FROM OPERATIONS		**30,815,482**	31,457,653	**122,311,022**	52,722,171
Share of loss from equity accounted investees	8	**(291,932)**	(1,408,150)	**(1,242,929)**	(3,750,185)
Net gain (loss) from financial assets carried at fair value through profit or loss	9	**(39,977)**	156,288,885	**(65,239,173)**	(61,450,505)
PROFIT (LOSS) BEFORE TAX		**30,483,573**	186,338,388	**55,828,920**	(12,478,519)
Income tax expense	4	**(2,354,898)**	-	**(4,686,051)**	-
PROFIT (LOSS) FOR THE PERIOD		**28,128,675**	186,338,388	**51,142,869**	(12,478,519)
Basic earnings (loss) per share	20	**0.008**	0.052	**0.014**	(0.004)

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine month periods ended 30 September 2024

	Three month period ended		Nine month period ended	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
PROFIT (LOSS) FOR THE PERIOD	**28,128,675**	186,338,388	**51,142,869**	(12,478,519)
Other comprehensive income (loss):				
Items that may not be subsequently reclassified to the consolidated statement of profit or loss in subsequent periods:				
Net increase (decrease) in value of financial assets carried at fair value through other comprehensive income (FVTOCI)	**937,020**	54,331,205	**(13,846,263)**	(18,634,197)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**937,020**	54,331,205	**(13,846,263)**	(18,634,197)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**29,065,695**	240,669,593	**37,296,606**	(31,112,716)

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2024

	Notes	*30 September 2024 AED (Unaudited)*	*31 December 2023 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**334,406,526**	348,853,470
Advances towards asset acquisition	6.1	**44,919,656**	-
Intangible assets		**6,893,239**	6,913,271
Deferred tax asset		**4,823,559**	-
Right-of-use of assets		**15,694,161**	16,110,979
Investments in equity accounted investees	8	**37,562,029**	38,804,958
Financial assets carried at FVTOCI	9	**6,299,340**	144,322,521
		450,598,510	555,005,199
Current assets			
Inventories	10	**70,853,492**	76,220,392
Trade and other receivables	7	**374,862,320**	332,825,371
Financial assets carried at fair value through profit or loss (FVTPL)	9	**509,554,265**	450,834,185
Amounts due from related parties	15	**111,389,565**	176,422,632
Cash and bank balances	11	**680,364,720**	607,791,559
		1,747,024,362	1,644,094,139
TOTAL ASSETS		**2,197,622,872**	2,199,099,338
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**3,553,195,467**	3,553,195,467
Merger reserve		**(1,800,910,103)**	(1,800,910,103)
Cumulative changes on revaluation of financial assets		**(29,955,322)**	66,952,153
Statutory reserve	13.1	**90,992,596**	88,435,453
Voluntary reserve	13.2	**51,756,274**	51,756,274
Retained earnings (accumulated losses)		**117,845,840**	(13,801,098)
Total equity		**1,982,924,752**	1,945,628,146
Non-current liabilities			
Provision for employees' end of service benefits		**10,198,056**	8,099,005
Lease liabilities		**1,595,117**	1,574,290
Deferred tax liability		**619,435**	-
		12,412,608	9,673,295
Current liabilities			
Trade and other payables	14	**164,932,418**	180,127,591
Lease liabilities		**15,468**	17,467
Current tax payable		**8,672,515**	-
Amounts due to related parties	15	**28,665,111**	42,048,254
Short term borrowings	16	**-**	21,604,585
		202,285,512	243,797,897
Total liabilities		**214,698,120**	253,471,192
TOTAL EQUITY AND LIABILITIES		**2,197,622,872**	2,199,099,338

Group Chairman of the Board

Group Managing Director

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine month period ended 30 September 2024

	Share capital AED	*Merger reserve AED*	*Statutory reserve AED*	*Voluntary reserve AED*	*Cumulative changes on revaluation of financial assets AED*	*Retained earnings (accumulated losses) AED*	*Total AED*
At 1 January 2023 (audited)	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 period	-	-	-	-	-	(12,478,519)	(12,478,519)
Total other comprehensive loss for the period	-	-	-	-	(18,634,197)	-	(18,634,197)
Total comprehensive loss for the period	-	-	-	-	(18,634,197)	(12,478,519)	(31,112,716)
At 30 September 2023 (unaudited)	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	92,712,622	32,153,492	2,017,343,205
At 1 January 2024 (audited)	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 period	-	-	-	-	-	51,142,869	51,142,869
Total other comprehensive loss for the period	-	-	-	-	(13,846,263)	-	(13,846,263)
Total comprehensive income (loss) for the period	-	-	-	-	(13,846,263)	51,142,869	37,296,606
Sale of financial assets carried at FVTOCI	-	-	-	-	(83,061,212)	83,061,212	-
Transfer to statutory reserves	-	-	2,557,143	-	-	(2,557,143)	-
At 30 September 2024 (unaudited)	**3,553,195,467**	**(1,800,910,103)**	**90,992,596**	**51,756,274**	**(29,955,322)**	**117,845,840**	**1,982,924,752**

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2024

	Notes	*Nine month period ended* 30 September 2024 AED (Unaudited)	30 September 2023 AED (Unaudited)
OPERATING ACTIVITIES			
Profit (loss) for the period		**55,828,920**	(12,478,519)
Adjustments for:			
Depreciation of property, plant and equipment	6	**27,984,001**	23,357,995
Net gain on disposal of property, plant and equipment		**(9,636)**	(9,636)
Amortization of intangible assets		**20,032**	34,627
Depreciation of right-of-use assets		**416,818**	416,818
Fair value loss on revaluation of investments at FVTPL	9	**65,239,173**	61,450,505
Provision for employees' end of service benefits		**3,296,767**	2,668,996
Dividend income		**(211,575)**	(738,000)
Share of loss from an equity accounted investees	8	**1,242,929**	3,750,185
Reversal of allowance for slow-moving and obsolete inventories	10	**(1,000,000)**	-
Provision for (reversal of) expected credit loss on trade and other receivables and amount due from related parties	7 & 15	**8,903,747**	(11,874,612)
Finance costs		**967,163**	1,381,886
Cash flow from operating activities		**162,678,339**	67,960,245
Working capital adjustments:			
Inventories		**6,366,900**	(12,081,969)
Trade and other receivables		**(41,699,967)**	58,162,893
Amounts due from related parties		**55,792,338**	59,911,993
Trade and other payables		**(15,195,173)**	19,454,320
Amounts due to related parties		**(13,383,143)**	6,875,828
Cash from operations		**154,559,294**	200,283,310
Employees' end of service benefits paid		**(1,197,716)**	(1,317,083)
Net cash from operating activities		**153,361,578**	198,966,227
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	**(15,032,180)**	(19,632,151)
Proceeds from disposal of property, plant and equipment		**1,504,759**	266,697
Proceeds from disposal of financial assets carried at FVTPL		**443,467,568**	9,957,652
Purchase of financial assets carried at FVTPL	9	**(443,467,562)**	(234,591)
Advances towards asset acquisition	6.1	**(44,919,656)**	-
Dividend received		**211,575**	738,000
Net cash used in investing activities		**(58,235,496)**	(8,904,393)
FINANCING ACTIVITIES			
Net movement in bank borrowings	16	**-**	(1,158,655)
Lease payments		**(69,502)**	-
Finance costs paid		**(878,834)**	(1,296,252)
Net cash used in financing activities		**(948,336)**	(2,454,907)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**94,177,746**	187,606,927
Cash and cash equivalents at the beginning of the period		**586,176,684**	127,131,996
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11	**680,354,430**	314,738,923

The attached notes 1 to 21 form part of these interim condensed 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 interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group 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 interim condensed consolidated financial statements of the Group for the period ended 30 September 2024 were authorised for issuance by the Board of Directors on 24 October 2024.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional and presentation currency of the Group.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual financial statements as at 31 December 2023. In addition, results for the nine month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

2.2 BASIS OF CONSOLIDATION

Details of subsidiaries as at 30 September 2024 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* ***30 September 2024***	*31 December 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%**	100%
Apex UL Investment LLC (*)	United Arab Emirates	Commercial enterprises investment	**51%**	51%
Apex Academy SPLLC (*)	United Arab Emirates	Food safety consulting, professional safety and health consultancy	**100%**	100%
Apex AGRO Investment (*)(***)	Morocco	Agricultural Crop Trading, agricultural enterprises investment, institution and management	**100%**	100%
Apex Commercial Investment – SPLLC	United Arab Emirates	Commercial enterprises investment, institution and management	**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	**100%**	-
Enercap Manufacturing L.L.C S.P.C (note 2.3.2)	United Arab Emirates	Electrical accumulators and parts manufacturing	**100%**	-
ERL Power Industries L.L.C (note 2.3.2)	United Arab Emirates	Energy storage units manufacturing	**100%**	-

(*) 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 SIGNIFICANT ACCOUNTING POLICIES 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 period, 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 entered into a Shareholders Agreement (SHA) dated 16 September 2024 whereby Apex Energy Holding Ltd, Enercap Energy Holding Ltd, Enercap Manufacturing L.L.C S.P.C and ERL Power Industries L.L.C have been incorporated during the period.

The said arrangement is between Apex Energy Holding Limited, Enercap SPV Ltd and Enercap Energy Holding Ltd towards a business collaboration for a power storage project whereby the preconditions attached to the SHA are yet to be achieved by the parties.

In accordance with the terms of the SHA, the Group has made advances to the suppliers aggregating AED 62,078,610 along with advances made towards asset acquisition aggregating to AED 44,919,656 as part of its capital contribution towards the project. The Group's total capital commitments in relation to the project is disclosed in note 17.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those 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 interim condensed consolidated financial statements of the Group.

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

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

3 REVENUES

An analysis of the Group's sales is as follows:

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Catering services*	**134,083,650**	100,711,296	**383,014,860**	229,501,279
Sale of cement	**48,189,422**	41,070,274	**158,592,469**	98,358,764
Facility management services	**2,697,428**	30,855,654	**45,566,695**	94,398,639
Contracting services	**6,526,181**	51,025,650	**29,561,035**	86,245,385
Sale of tents	**5,974,735**	-	**5,974,735**	17,000,000
Total	**197,471,416**	223,662,874	**622,709,794**	525,504,067

* Included is an aggregated amount of AED 20.3 million received in prior years and not claimed for over two years. As the duration has lapsed and in accordance with the Group's unclaimed policy, the amount has been recognized as an income during the period.

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

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Timing of revenue recognition				
Goods and services transferred at a point in time	**186,956,043**	163,814,815	**556,524,563**	360,974,932
Goods and services transferred over time	**10,515,373**	59,848,059	**66,185,231**	164,529,135
Total	**197,471,416**	223,662,874	**622,709,794**	525,504,067

4 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Income taxes				
Current income tax expense	**451,164**	-	**8,672,515**	-
Deferred tax related to gain (loss) on investments designated at fair value through P&L	**1,903,734**	-	**(3,986,464)**	-
Income tax expense recognized in consolidated statement of profit or loss	**2,354,898**	-	**4,686,051**	-
Deferred tax related to items recognized in OCI during the period				
Financial assets carried at fair value through OCI				
(Gain) losses arising during the period	**(1,244,425)**	-	**217,658**	-
Deferred tax credited to OCI	**(1,244,425)**	-	**217,658**	-

5.1 GENERAL AND ADMINISTRATIVE EXPENSES

This includes provision for expected credit loss on trade and other receivables and amount due from related parties amounting to AED 8,903,747 (30 September 2023: reversal of AED 11,874,612).

5.2 OTHER INCOME

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Interest income	**7,800,510**	3,266,760	**22,875,140**	5,053,696
Foreign exchange (loss) / gain	**(12,067)**	33,792	**(32,044)**	74,756
Miscellaneous (loss) / income	**(1,269,082)**	483,938	**228,635**	1,060,925
Total	**6,519,361**	3,784,490	**23,071,731**	6,189,377

6 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 15,032,180 (nine month period ended 30 September 2023: AED 19,632,151), and depreciation charge for the nine month period ended 30 September 2024 amounted to AED 27,984,001 (nine month period ended 30 September 2023: AED 23,357,995). Disposal of property, plant and equipment amounted to AED 1,504,759 (nine-month period ended 30 September 2023: AED 266,697).

6.1 ADVANCES TOWARDS ASSET ACQUISITION

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Advances towards asset acquisition (note 2.3.2)	**44,919,656**	-

7 TRADE AND OTHER RECEIVABLES

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Trade receivables – from government entities	**119,554,241**	140,830,748
Trade receivables – from non-government entities	**85,701,544**	66,800,845
Unbilled receivables – from government entities	**65,502,003**	57,931,111
Unbilled receivables – from non-government entities (note 7.1)	**13,618,470**	18,641,120
	284,376,258	284,203,824
Less: provision for expected credit losses	**(15,565,302)**	(15,960,732)
Trade receivables – net	**268,810,956**	268,243,092
Advances to suppliers (note 2.3.2)	**65,195,285**	7,584,143
Prepayments	**11,953,891**	9,156,195
Deposits	**21,255,804**	17,239,543
Accrued income	**1,063,821**	7,934,286
Retention receivables	**-**	9,335,564
Other receivables, net (note 7.2)	**6,582,563**	13,332,548
	374,862,320	332,825,371

7.1 Unbilled receivables – from non-government entities includes amount of AED 13,270,943 (2023: AED 18,641,120) pertaining to unbilled receivables from related parties.

7.2 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.

Trade receivable balance at the end of the period is due from multiple customers including receivable from 5 customers amounting to AED 134,719,643 (31 December 2023: AED 285,825,824) representing 47% (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.

7 TRADE AND OTHER RECEIVABLES continued

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

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Opening balance	**15,960,732**	31,914,486
Reversal for the period / year	**(336,982)**	(15,937,126)
Write off	**(58,448)**	(16,628)
Closing balance	**15,565,302**	15,960,732

			Past due				
	Total AED	***Current AED***	***0-90 days AED***	***90-180 days AED***	***180-270 days AED***	***270-360 days AED***	***More than 360 days AED***
At 30 September 2024 (Unaudited)							
Expected credit loss rate	**0.33%**	**0.33%**	**0.33%**	**0.33%**	**0.33%**	**0.33%**	**0.33%**
Estimated total gross carrying amount at default – government entities	**185,056,244**	**122,398,319**	**28,450,027**	**17,202,191**	**9,588,596**	**3,419,075**	**3,998,036**
Expected credit loss	**607,077**	**401,528**	**93,330**	**56,432**	**31,455**	**11,216**	**13,116**
Expected credit loss rate	**15.06%**	**2.34%**	**1.66%**	**4.53%**	**71.47%**	**99.72%**	**100.00%**
Estimated total gross carrying amount at default – non-government	**99,320,014**	**31,413,467**	**43,361,269**	**11,344,016**	**733,943**	**1,326,922**	**11,140,397**
Expected credit loss	**14,958,225**	**734,531**	**721,374**	**514,241**	**524,560**	**1,323,228**	**11,140,291**
Expected credit loss rate	**5.47%**	**0.74%**	**1.13%**	**2.00%**	**5.39%**	**28.12%**	**73.68%**
Estimated total gross carrying amount at default – trade receivables	**284,376,258**	**153,811,786**	**71,811,296**	**28,546,207**	**10,322,539**	**4,745,997**	**15,138,433**
Expected credit loss	**15,565,302**	**1,136,059**	**814,704**	**570,673**	**556,015**	**1,334,444**	**11,153,407**

			Past due			
	Total AED	*0-90 days AED*	*90-180 days AED*	*180-270 days AED*	*270-360 days AED*	*More than 360 days AED*
At 31 December 2023 (Audited)						
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

8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

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

Investees	*Classification*	*Principal activities*	*Country of incorporation*	*Equity %* **2024**	*Equity %* *2023*
Reem Ready Mix L.L.C	Associate	Engaged in business of manufacture and sale of concrete ready mix 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%

	2024 AED	*2023 AED*
Reem Ready Mix L.L.C	**25,663,103**	26,025,104
APHE Restaurants Management LLC	**11,898,926**	12,548,926
Sky Go Transport of Goods LLC	**-**	230,928
	37,562,029	38,804,958

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

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Opening balance	**38,804,958**	32,710,095
Additional investment during the period / year	**-**	13,961,250
Less: Share of loss for the period / year	**(1,242,929)**	(7,866,387)
	37,562,029	38,804,958

9 FINANCIAL ASSETS

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Financial assets carried at FVTPL	**509,554,265**	450,834,185
Financial assets carried at FVTOCI	**6,299,340**	144,322,521
	515,853,605	595,156,706

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Financial assets carried at FVTPL		
Quoted investments		
Opening balance	**450,834,185**	587,147,884
Additions (note 9.1)	**443,467,562**	6,767,522
Change in fair value	**(65,239,173)**	(129,433,369)
Disposals (note 9.1)	**(319,508,309)**	(13,647,852)
Closing balance	**509,554,265**	450,834,185
Financial assets carried at FVTOCI		
Quoted and unquoted investments		
Opening balance	**144,322,521**	188,717,187
Change in fair value	**(14,063,921)**	(44,394,666)
Disposals (note 9.1)	**(123,959,260)**	-
Closing balance	**6,299,340**	144,322,521
Quoted securities	**5,013,064**	143,036,245
Unquoted securities (note 9.2)	**1,286,276**	1,286,276
	6,299,340	144,322,521

The geographical distribution of investments is as follows:

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
UAE	**515,853,605**	595,156,706

9.1 On 05 July 2024, the Group executed the share swap transaction whereby 154,993,493 shares amounting to AED 443,467,562 in Q Holding PSC were sold to IHC Real Estate Holding LLC in exchange for acquisition of 37,566,219 shares amounting to AED 443,467,562 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 19.

9.3 The investments include AED 505,489,985 (31 December 2023: AED 226,112,539) in related party entities.

10 INVENTORIES

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Raw materials	**21,711,150**	19,339,208
Work in progress	**13,616,882**	20,155,360
Finished goods (note 10.1)	**3,710,325**	3,538,380
Consumable items	**2,305,857**	6,535,151
Spare parts – maintenance	**34,484,612**	32,627,627
Total	**75,828,826**	82,195,726
Less: allowance for slow-moving and obsolete inventories	**(4,975,334)**	(5,975,334)
Total	**70,853,492**	76,220,392

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

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
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 Inventories include finished goods received from a related party at nominal value of AED 1.

11 CASH AND BANK BALANCES

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Cash on hand	**2,790,792**	1,691,476
Bank balances:		
Current accounts (note 11.1)	**282,563,638**	301,089,793
Term deposits	**10,290**	10,290
Fixed deposits with an original maturity of less than three months	**395,000,000**	305,000,000
Cash and bank balances	**680,364,720**	607,791,559
Less: Term deposits	**(10,290)**	(10,290)
Less: bank overdrafts (note 16)	**-**	(21,604,585)
Cash and cash equivalents	**680,354,430**	586,176,684

11.1 Current accounts include a demand draft of AED 38,571,750 held by the Group.

12 SHARE CAPITAL

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Authorised, issued and fully paid		
AED 3,553,195,467 ordinary shares of AED 1 each	**3,553,195,467**	3,553,195,467

13 RESERVES

13.1 STATUTORY RESERVE

As required by the Decree Law No. (32) of 2021, a minimum of 5% of the profit for the year is to be allocated annually to a non-distributable statutory reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the Company's paid-up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the Company's paid-up capital.

13.2 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 period. 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.

14 TRADE AND OTHER PAYABLES

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Trade payables	**99,597,300**	105,573,226
Accruals and provisions	**53,607,229**	50,235,069
Retention payable	**-**	12,853,751
Other payables	**11,727,889**	11,465,545
	164,932,418	180,127,591

15 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.

15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.1 Balances

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

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Amounts due from related parties:		
ATGC Transport & GC LLC-AR*	**75,951,583**	75,541,519
National Petroleum Construction Company (NPCC)	**19,395,470**	30,242,653
Moon Flower Real Estate Development LLC	**16,147,167**	16,240,556
Construction Workers Residential City LLC	**4,552,503**	6,352,582
Al Ataa Investment LLC**	**3,815,083**	3,815,083
Rafed Healthcare Supplies L.L.C.	**3,002,672**	2,195,004
Sky Go Transport of Goods LLC***	**2,715,614**	2,533,793
National Marine Dredging Company PJSC (NMDC)	**2,710,740**	778,999
Radiant Enterprises Real Estate LLC	**652,053**	-
International Holding Company PJSC (IHC) (Standalone)	**612,540**	623,526
Istinye Tevukcusu	**312,083**	-
Somerian Health LLC	**272,307**	225,115
Shory Insurance Brokers – Sole Proprietorship LLC	**128,100**	413,536
Telal Resort LLC	**20,553**	65,673
Sanimed International Lab and Management LLC	**17,120**	10,718
Sirius International Holding Limited	**11,844**	6,306
National Health Insurance Company (Daman) PJSC – Standalone	**6,840**	6,840
International Securities L.L.C.	**3,150**	23,880,330
Oxinus Holding Limited	**2,270**	5,715
Tamouh Healthcare Group LLC	**-**	366,639
Tamouh Healthcare LLC	**-**	22,817,443
Total amounts due from related parties	**130,329,692**	186,122,030
Less: provision for expected credit loss	**(18,940,127)**	(9,699,398)
	111,389,565	176,422,632

* This includes short term loan given by the Group for meeting the working capital requirements of ATGC Transport & General Contracting LLC-AR. The loan is interest free and 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 financial difficulties in settling the obligation.

15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.1 Balances continued

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

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Opening balance	**9,699,398**	4,865,602
Net charge for the period/ year	**9,240,729**	4,833,796
Closing balance	**18,940,127**	9,699,398

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Amounts due to related parties:		
N.R.T.C Dubai International Vegetables & Fruits Trading LLC	**9,344,286**	13,625,981
Zee Stores International LLC	**7,246,197**	14,336,987
Malaih Investments LLC	**6,994,796**	6,712,519
Alliance Food Company LLC	**1,562,051**	1,461,260
Royal Horizon General Trading	**1,510,314**	3,419,916
Al Ain farms for Live Stock Production	**915,773**	1,342,473
Newtec Investment General Trading SP LLC	**630,000**	630,000
Abu Dhabi Vegetable Oil Company LLC	**354,506**	23,415
PAL Cooling Holding LLC (PCH)	**107,188**	495,703
	28,665,111	42,048,254

15.2 Transactions

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

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Sales	**23,830,046**	39,059,108	**75,258,646**	141,357,382
Cost of sales*	**18,387,704**	56,794,972	**53,856,171**	103,753,742

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

15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.3 Key management remuneration

	Three month period ended		*Nine month period ended*	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Salaries and employee benefits	**4,078,115**	2,133,198	**5,987,181**	5,856,276
Employees end of service benefits	**71,278**	40,379	**105,969**	89,694
Total	**4,149,393**	2,173,577	**6,093,150**	5,945,970

16 BANK BORROWINGS

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Bank overdrafts (note 11)	**-**	21,604,585

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

17 CONTINGENT LIABILITIES AND COMMITMENTS

	30 September 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Other commitments	**234,512,314**	-
Bank guarantees	**51,350,884**	64,935,000
	285,863,198	64,935,000

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

18 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the nine month period ended 30 September 2024 and 30 September 2023.

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

19 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

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

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 as at 30 September 2024 AED***	*Fair value as at 31 December 2023 AED*	*Fair value hierarchy*	*Valuation techniques*
Quoted equity investments	**514,567,329**	593,870,430	Level 1	Quoted bid prices in an active market
Unquoted equity investments	**1,286,276**	1,286,276	Level 3	Based on the net asset value method.

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.

20 EARNINGS (LOSS) PER SHARE

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

	Three month period ended		***Nine month period ended***	
	30 September 2024 AED (Unaudited)	*30 September 2023 AED (Unaudited)*	***30 September 2024 AED (Unaudited)***	*30 September 2023 AED (Unaudited)*
Profit (loss) for the period (in AED)	**28,128,675**	186,338,388	**51,142,869**	(12,478,519)
Weighted average number of shares (share)	**3,553,195,467**	3,553,195,467	**3,553,195,467**	3,553,195,467
Basic earnings (loss) per share	**0.008**	0.052	**0.014**	(0.004)

Diluted earnings per share as of 30 September 2024 and 30 September 2023 are equivalent to basic earnings per share.

21 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.

30 September 2024 (Unaudited)

	Catering AED	***Facility management services AED***	***Manufacturing AED***	***Contracting AED***	***Investments AED***	***Others AED***	***Inter segment eliminations AED***	***Group AED***
Revenue	**447,521,778**	**78,681,997**	**158,592,469**	**35,647,646**	**45,000**	**1,559,891**	**(99,338,987)**	**622,709,794**
Cost of sales	**(344,206,813)**	**(57,691,217)**	**(140,254,103)**	**(31,253,094)**	**-**	**-**	**99,338,987**	**(474,066,240)**
Gross profit	**103,314,965**	**20,990,780**	**18,338,366**	**4,394,552**	**45,000**	**1,559,891**	**-**	**148,643,554**
General and administrative expenses	**(9,665,325)**	**(5,889,810)**	**(3,668,477)**	**(11,660,889)**	**(3,491,650)**	**(14,272,524)**	**-**	**(48,648,675)**
Share of loss from an equity accounted investees	**-**	**-**	**-**	**-**	**(1,242,929)**	**-**	**-**	**(1,242,929)**
Net loss from financial assets at FVTPL	**-**	**-**	**-**	**-**	**(65,239,173)**	**-**	**-**	**(65,239,173)**
Dividend income	**-**	**-**	**-**	**-**	**211,575**	**715,000,000**	**(715,000,000)**	**211,575**
Other income	**9,969,267**	**2,838,815**	**58,356**	**9,864,387**	**1,995**	**338,911**	**-**	**23,071,731**
Finance costs	**(532,877)**	**(204,038)**	**(203,245)**	**(23,123)**	**(520)**	**(3,360)**	**-**	**(967,163)**
Profit (loss) for the period	**103,086,030**	**17,735,747**	**14,525,000**	**2,574,927**	**(69,715,702)**	**702,622,918**	**(715,000,000)**	**55,828,920**
Segment assets	**919,742,425**	**196,339,177**	**421,666,400**	**373,146,410**	**4,251,277,671**	**282,975,146**	**(4,247,524,357)**	**2,197,622,872**
Segment liabilities	**473,744,015**	**86,658,511**	**89,301,752**	**311,478,534**	**333,485,554**	**43,042,091**	**(1,123,012,337)**	**214,698,120**

30 September 2023 (Unaudited)

	Catering AED	*Facility management services AED*	*Manufacturing AED*	*Contracting AED*	*Investments AED*	*Others AED*	*Inter segment eliminations AED*	*Group AED*
Revenue	265,544,944	96,622,851	98,358,764	103,246,435	-	1,267,992	(39,536,919)	525,504,067
Cost of sales	(237,584,015)	(64,633,243)	(101,555,029)	(77,384,016)	-	-	39,536,919	(441,619,384)
Gross profit	27,960,929	31,989,608	(3,196,265)	25,862,419	-	1,267,992	-	83,884,683
General and administrative expenses	(8,416,944)	(10,175,045)	1,201,459	(4,416,614)	(794,282)	(14,106,577)	-	(36,708,003)
Share of loss from an equity accounted investees	-	-	-	-	(3,750,185)	-	-	(3,750,185)
Net loss from financial assets at FVTPL	-	-	-	-	(61,450,505)	-	-	(61,450,505)
Dividend income	-	-	-	-	738,000	-	-	738,000
Other income	4,378,553	1,295,279	159,428	354,557	-	1,560	-	6,189,377
Finance costs	(379,031)	(296,192)	(672,769)	(29,603)	(1,231)	(3,060)	-	(1,381,886)
Profit (loss) for the period	23,543,507	22,813,650	(2,508,147)	21,770,759	(65,258,203)	(12,840,085)	-	(12,478,519)
Segment assets	990,203,117	224,241,445	402,923,407	408,996,470	4,251,011,195	34,265,321	(4,053,273,740)	2,258,367,215
Segment liabilities	152,238,877	51,473,441	90,042,824	235,699,683	182,238,566	149,114,782	(619,784,163)	241,024,010