NMDC Energy – P.J.S.C.

Public Joint Stock Company incorporated in Abu Dhabi, United Arab Emirates

(“**Company**”)

Prospectus in relation to the listing of the Company’s shares on the Abu Dhabi Securities Exchange First Market

Dated: 11 September 2024

The main objective of this listing prospectus ("**Prospectus**") is to present material information about the Company to the UAE Securities and Commodities Authority ("**SCA**") and Abu Dhabi Securities Exchange ("**ADX**") as part of the application to SCA and ADX to accept the listing of the Company on the ADX First Market.

This Prospectus contains data submitted pursuant to the ADX Listing and Disclosure Rules. The Board members of the Company's shareholder, NMDC Group P.J.S.C., are jointly responsible for and confirm the accuracy and validity of data and information stated in the Prospectus.

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SECTION

1. DEFINITIONS & ABBREVIATIONS

In this Prospectus, the following expressions shall have the meanings assigned to them hereunder.

AED or Dirham(s)	The lawful currency of the United Arab Emirates.
ADX	Abu Dhabi Securities Exchange.
ADX First Market	The ADX market designated for the listing of shares of public joint stock companies.
Articles of Association	The articles of association of the Company.
Board or Board of Directors	The board of directors of the Company.
Chairman	The chairman of the Board of Directors.
Companies Law	UAE Federal Decree - Law No. (32) of 2021 concerning Commercial Companies (as amended from time to time).
Company	NMDC Energy – P.J.S.C., a public joint stock company incorporated in Abu Dhabi, UAE under license number IN-1001041.
Financial Statements	The Company's consolidated audited financial statements as of and for the year ended 31 December 2022 and 31 December 2023 and the independent auditor's report on review of condensed consolidated interim financial statements for the six (6) month period ended 30 June 2024 (unaudited) as set out in Annex I.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, KSA, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
General Assembly	The general assembly of the Company consisting of the Company's Shareholders.
Group	The Company and its Subsidiaries.
KSA	Kingdom of Saudi Arabia.
Listing	Listing of the Company's shares on ADX First Market.

Offering	The offer and sale of 1,150,000,000 (one billion one hundred and fifty million) Shares in a public subscription in the UAE only.
Prospectus	This document.
Related Party	A related party means: (a) the Chairman and his relatives; (b) the Board of Directors and their relatives; (c) the members of Senior Management and their relatives; employees of the Company; (d) companies in which any for the aforementioned in (a)-(c) hold at least 30% of its capital; (e) a parent, subsidiary, sister or affiliated company of the Company; (f) any Shareholder holding more than 5% of the Company's Shares or voting rights; (g) the chairman and directors of the board of a parent, subsidiary, sister or affiliated company of the Company; and (h) companies where any Board of Director or Senior Management serves as a board member or senior executive.
Related Party Transaction	A contract, transaction or dealing between a Related Party and the Company.
SCA Governance Guide	Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, as amended from time to time.
Senior Management	The senior management of the Company.
Share(s)	Ordinary shares in the Company, with a nominal value of AED 0.5 (fifty Fils) each.
Shareholder(s)	Holder(s) of the Shares of the Company.
SCA	UAE Securities and Commodities Authority.
Subsidiaries	Entities owned directly or indirectly by the Company.
UAE	United Arab Emirates.

2. COMPANY PROFILE

Company Name	NMDC Energy – P.J.S.C.
License Number	Industrial licence no. IN-1001041 issued on 23 June 2023
Address	P.O. Box 2058 Mussafah, Abu Dhabi, UAE
Share Capital	AED 2,500,000,000 (two billion and five hundred million Dirhams)
Number of Shares	5,000,000,000 (five billion) ordinary shares
Nominal Value per Share	AED 0.50 (fifty Fils)
Rights Related to the Shares	No third-party rights on the Shares
Term of the Company	Ninety-Nine (99) Years
Financial Year	1 January to 31 December
Major banks dealing with the Company	• First Abu Dhabi Bank PJSC • Abu Dhabi Commercial Bank PJSC • Abu Dhabi Islamic Bank PJSC

3. CONSTITUTIVE DOCUMENTS

The Constitutive Documents of the Company include:

(1) Articles of Association

(2) SCA Certificate of Registration

(3) Industrial License

The Articles of Association of the Company are set out in Annex II of this Prospectus.

4. SHAREHOLDERS OF THE COMPANY AND STATEMENT OF CAPITAL DEVELOPMENT

(1) Upon incorporation of the Company on 2 April 1973, the Company's share capital was set at BD 500,000 (five hundred thousand Bahraini Dinars) divided into 50,000 (fifty thousand) shares of BD 10

(ten Bahraini Dinars) each.

(2) By virtue of Abu Dhabi Law No. 2 of 1987 on the Incorporation of the National Petroleum Construction Company, the share capital has been fixed at AED 100,000,000 (one hundred million Dirhams) divided into 100,000 (one hundred thousand) shares of AED 1,000 (one thousand) nominal value per share.

(3) By virtue of the articles of association adopted on 28 September 2020, the Company's share capital was set at AED 100,000,000 (one hundred million Dirhams) divided into 100,000,000 (one hundred million) shares of AED 1 (one Dirham) nominal value per share.

(4) On 24 July 2024, the Company's capital was increased from AED 100,000,000 (one hundred million Dirhams) to AED 2,500,000,000 (two billion and five hundred million Dirhams) divided into 5,000,000,000 (five billion) shares of AED 0.5 (fifty Fils) nominal value per share.

The following tables set forth the Shareholders of the Company: (i) prior to the Offering; and (ii) immediately following completion the Offering (assuming that the Offering is subscribed in full and the number of Shares offered in the Offering are not amended):

Shareholders of the Company prior to the Offering:

	Shareholder	Number of Shares	Percentage
1.	NMDC Group P.J.S.C.	5,000,000,000	100%
	TOTAL:	**5,000,000,000**	**100%**

Shareholders of the Company following completion of the Offering:

	Shareholder	Number of Shares	Percentage
1.	NMDC Group P.J.S.C.	3,850,000,000	77%
2.	Subscribers in the Offering	1,150,000,000	23%
	TOTAL:	**5,000,000,000**	**100%**

An updated statement will be issued following the conclusion of the Offering, showing the Shareholders who collectively, along with their parents, subsidiaries or branches, possess 5% or more of the Company's shares.

Resolutions of the Shareholder of the Company for the two (2) financial years preceding the submission of the listing application:

Resolution dated 12 February 2024 resolving to approve a dividend of AED 750 million for previous years.

Resolution dated 24 July 2024 resolving to approve:

(1) the audited consolidated financial statements for the Company for the financial year ended 31 December 2022 and 31 December 2023;

(2) a reduction in the nominal value for each share in the Company from AED one (1) UAE dirham to fifty (50) UAE Fils;

(3) the capitalisation of AED two billion and four hundred million (2,400,000,000) from the Company's standalone retained earnings, increasing the Company's share capital to AED two billion and five hundred million (2,500,000,000) divided into five billion (5,000,000,000) shares with a nominal value of fifty (50) UAE Fils each; and

(4) an amendment to the Articles of Association to reflect the reduction in nominal share value and the capitalisation of retained earnings.

5. LICENSED ACTIVITIES

The licensed activities of the Company are:

(1) Onshore and Offshore Oil and Gas Fields and Facilities Services;

(2) Prefabricated Structural Components Manufacturing;

(3) Construction Metal Framework and Skeletons and Parts thereof Manufacturing;

(4) Metal Reservoirs, Tanks and Similar Containers Installed as Fixtures Manufacturing;

(5) Non-metallic Coating of Metals;

(6) Oil and Gas fields Equipment Manufacturing;

(7) Building of Commercial Vessels;

(8) Construction of Drilling Platforms, Floating or Submersible;

(9) Importing; and

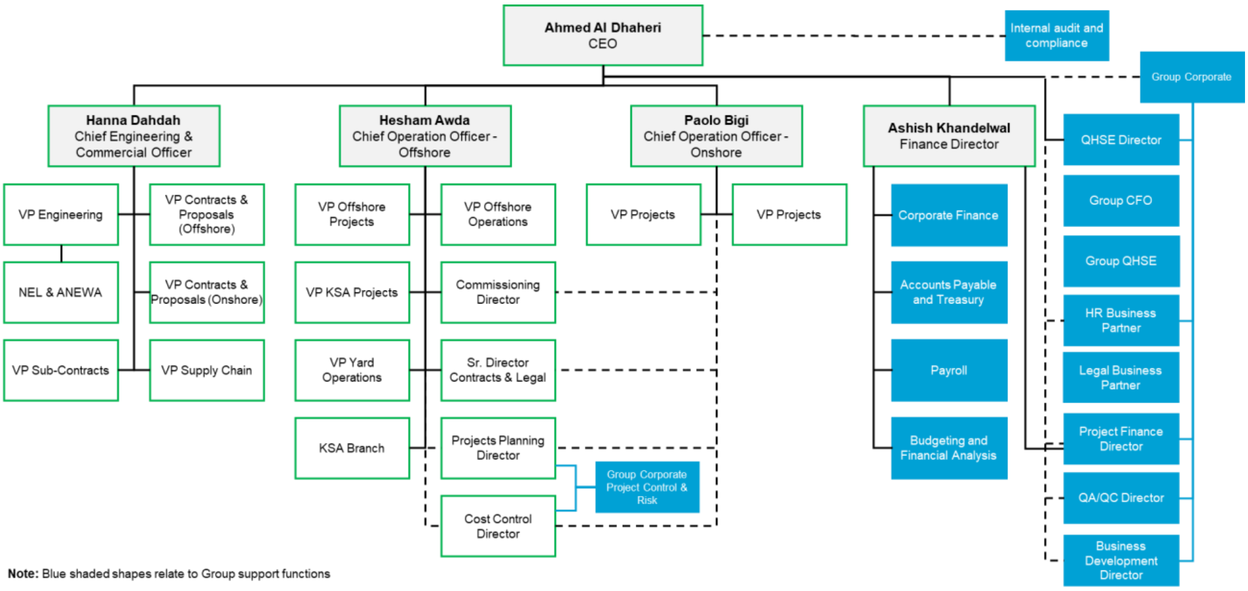
(10) Exporting.

6. SUBSIDIARIES

The principal activities of the Subsidiaries are set out in Annex III.

7. ORGANISATIONAL STRUCTURE

The organisational structure of the Company is as follows:



Note: Blue shaded shapes relate to Group support functions

8. CORPORATE GOVERNANCE OF THE COMPANY

Members of the Board of Directors of the Company

The Company's board of directors is comprised of five (5) members who are to be elected at the Company's constitutive general assembly. The persons proposed for appointment as directors of the Company are:

Name	Year of Appointment	Capacity
H.E Mohamed Hamad Ghanem Hamad Almehairi	2024	Chairman
Yasser Zaghloul	2024	Vice Chairman
Talal Shaffique Abdullah Al Dhiyebi	2024	Board Member
Nasser Mohamed Omeir Yousef Almheiri	2024	Board Member
Marwa Ahmed Ali Abdalla Almarzooqi	2024	Board Member

Biographies of Board Members of the Company

The management expertise and experience of each of the proposed directors is set out below.

H.E Mohamed Hamad Ghanem Hamad Almehairi

H.E Mohamed Almehairi is a seasoned executive with over 25 years of experience in investment and business sectors. Throughout his distinguished career, he has demonstrated a strong track record of success, rising to leadership positions at prominent organizations in the UAE. His career trajectory showcases a remarkable progression, starting with a foundation in market analysis and sales at ADNOC. He steadily climbed the ranks, demonstrating exceptional leadership and strategic thinking. His expertise lies in investment management, having held director and CEO positions at prominent organizations like IPIC, Aabar Investments, and Mubadala. He has a proven track record of managing and growing investment portfolios across various industries.

Currently, he serves as the Chief Executive Officer of the Emirates Investment Authority (EIA), leveraging his extensive experience to lead the management and investment of the UAE's strategic assets. Prior to his current role, H.E Mohamed Almehairi was the Executive Director of Strategic Assets at EIA. In addition, he has previously held leadership positions such as CEO at Aabar Investments, Executive Director - Financial Institutions at Mubadala, and Director of Investments at IPIC.

H.E Mohamed Almehairi has served as a Board member of Emarat Petroleum, Borealis, Nova Chemicals, Al Hilal Bank, Cosmo Oil and Etihad Airways.

H.E Mohamed Almehairi holds a Bachelor in Science and Business Administration degree from Suffolk University, Boston, USA.

Eng. Yasser Zaghloul

Eng. Yasser Zaghloul is the Group CEO of NMDC Group, leading the Company to significant achievements in the marine and energy sectors globally, particularly in the Middle East and North Africa region and South Asia. His strategic leadership has propelled NMDC's expansion and success, with the vision to further expand NMDC's global influence while promoting sustainable practices. Prior to his CEO role, he was the head of operations at NMDC, enhancing operational efficiencies from 2006 to 2009. His career at NMDC started in 1998 in various managerial roles. Before joining NMDC, Eng. Yasser Zaghloul worked at the Suez Canal Authority in Egypt and began his professional journey at the Higher Institute of Technology in Egypt, focusing on engineering research and development.

Eng. Yasser Zaghloul was recognized among the Top 100 CEOs in the Middle East by Forbes Middle East in 2022, 2023 and 2024, and as Best CEO in 2021 by ME Magazine. Additionally, he was named "Personality of the Year" at the 19th ShipTek International Awards 2024, further highlighting his influential presence in the maritime sector.

Eng. Yasser Zaghloul recently concluded his tenure as a board member of the Abu Dhabi Chamber of Commerce and Industry (ADCCI), a prestigious role assigned by His Highness UAE President Sheikh Mohammed bin Zayed Al Nahyan. He also serves as the Chairman of The Challenge – the Egyptian Emirates Marine Dredging Company, further demonstrating his significant role in the industry.

Currently pursuing his PhD, Eng. Yasser Zaghloul holds two master's degrees in management, including a specialized degree in Strategic Management from Cambridge College Global, and an MBA from Swiss Business School. He also holds a bachelor's degree in engineering at the University of Helwan in Egypt.

Talal Shaffique Abdullah Al Dhiyebi

Mr. Talal Al Dhiyebi is the Group Chief Executive Officer at Aldar Properties, the UAE's leading real estate developer, investor, and manager.

Under his leadership, Aldar has expanded its geographic footprint outside of Abu Dhabi to the neighbouring emirates of Dubai and Ras Al Khaimah, and internationally to Egypt and Europe. The company currently holds a diversified recurring income portfolio worth over USD 10 billion, an ongoing development backlog of over USD 20 billion between owned and managed projects, in addition to a 69 million sqm strategic landbank.

Aldar is a regional leader when it comes to sustainability, having launched its comprehensive Net Zero Action Plan by committing to becoming net zero in Scope 1, 2, and 3 emissions by 2050. The company has set high standards across various ESG metrics, including Governance, Diversity & Inclusion, Women Empowerment, Youth Development, Emiratisation, Worker Welfare & CSR.

Mr. Talal Al Dhiyebi chairs the boards of a number of Aldar businesses, including Aldar Estates, SODIC, and London Square, and is Vice-Chairman of Aldar Education.

Mr. Talal Al Dhiyebi also serves on the boards of numerous companies, including Abu Dhabi Transport Company, Ethara, Miral Asset Management, National Projects Office, Sandooq Al Watan, the UAE's national fund focused on social contribution, Edamah, the real estate arm of Bahrain Mumtalakat Holding Company, Abu Dhabi Hospitality Academy – Les Roches and is a member of the executive committee of Sorbonne University Abu Dhabi.

Mr. Talal Al Dhiyebi is a graduate of Electrical Engineering from the University of Melbourne, Australia.

Nasser Mohamed Omeir Yousef Almheiri

Mr. Nasser Almheiri currently serves as the Senior Vice President, Business Transformation, Excellence and Performance at ADNOC. He has over 15 years of experience in strategy and transformation.

Prior to his role as Senior Vice President, he held various leadership positions across the organization overseeing the company's long-term growth strategy.

Mr. Nasser Almheiri has also several leadership roles with a number of ADNOC Group entities including ADNOC Distribution, ADNOC Gas, ADNOC Global Trading and Ta'ziz joint venture with ADQ.

Mr. Nasser Almheiri holds a Bachelors degree in Chemical Engineering from the American University of Sharjah and a Masters degree in Business Administration from Higher Colleges of Technology.

Marwa Ahmed Ali Abdalla Almarzooqi

Ms. Marwa Almarzooqi currently serves as the Vice President, Special Projects at the Executive Office of ADNOC. She has over 10 years of experience in strategic planning and transformation.

Prior to her role as VP Special projects, Ms. Marwa Almarzooqi held various leadership positions across the organization overseeing the company's long-term strategy and growth.

She previously held the following positions:

- Business Development Advisor – ADNOC (2021-2023)
- Acting Planning Manager– ADNOC Sour Gas (2021)
- Senior Corporate Planning Analyst– ADNOC Sour Gas (2019-2021)
- Contracts Engineer – ADNOC Sour Gas (2014-2018)

Ms. Marwa Almarzooqi holds a Bachelor of Science degree in Electrical Engineering from Khalifa University, Abu Dhabi.

Committees Formed by the Board of Directors

Following the listing of the Company on ADX, the Board will establish two permanent committees; an Audit Committee and a Nomination and Remuneration Committee. Both committees are currently under formation. Should the need arise, and subject to the Articles of Association and the applicable laws, the Board may set up additional committees, as appropriate.

(a) Audit Committee

The Audit Committee (*under formation*) will assist the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the ADX.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (*under formation*) will assist the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of the Company's senior management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles of Association, the Nomination and Remuneration Committee shall assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

Members of the Senior Management of the Company

In addition to the members of the Company's board of directors, the day-to-day management of the Company is conducted by the senior management team, which is comprised as follows:

Name	Position	Year of appointment	Year of joining the Company or its affiliate
Eng. Ahmed Al Dhaheri	Chief Executive Officer	2018	2009
Eng. Hesham Awda	Chief Operating Officer – Offshore	2021	2016
Eng. Hanna Dahdah	Chief Engineering & Commercial Officer	2021	1980
Paolo Bigi	Chief Operating Officer – Onshore	2024	2024
Ashish Khandelwal	Finance Director	2024	2024

Biographies of Senior Management of the Company

Chief Executive Officer: Eng. Ahmed Al Dhaheri

Eng. Ahmed Al Dhaheri is the Chief Executive Officer of NMDC Energy, a position he has held since 2018. His journey started with the Company from 2009 as a board member.

He leads the current business and transformation of the Company and oversees the growth strategy, focusing on new markets and capabilities while driving operational excellence across all levels. Eng. Ahmed Al Dhaheri has over 22 years of in-depth experience in the industrial sector.

In addition to his role at NMDC Energy, Eng. Ahmed Al Dhaheri serves as Chairman of NTS Group and as Vice Chairman of Enersol, a joint venture between Alpha Dhabi Holding and ADNOC Drilling. Eng. Ahmed Al Dhaheri also sits on the boards of Abu Dhabi Aviation and other companies

Prior to joining NMDC Energy, he was the Chief Commercial Officer of Emirates Steel, where he played a leading role in the delivery of the company's expansion strategy. In addition, he was spearheading all the projects related to expansion of the business, in his role as Projects Director and subsequently as Vice President, Projects at Emirates Steel. This unique experience with Emirates Steel has been instrumental to his role within NMDC Energy, given the projects based activities of the Company.

Eng. Ahmed Al Dhaheri holds a Bachelor of Science in Industrial Engineering from the University of Miami and a Masters Certificate in Project Management from the George Washington University, as well as an Executive MBA with honors from UAE University.

Chief Operating Officer – Offshore: Eng. Hesham Awda

Eng. Hesham Awda is the current Chief Operation Officer – Offshore at NMDC Energy, a position he has held since 2021. He is also serving as General Manager of NPCC KSA, and a board member of Safeen, NEL and ANEWA.

Eng. Hesham Awda has over 25 years of experience in project management, engineering, and technical support in the oil and gas industry. His extensive industrial experience includes managing engineering, construction and execution of major green and brown field projects, with a current portfolio of over AED 25 billion (twenty-five billion Dirhams) worth of projects in the Middle East region and other geographies.

Eng. Hesham Awda manages the business performance of offshore operations, through managing and directing overall project execution and delivery, fabrication yard operations, and offshore operations.

Eng. Hesham Awda holds a Bachelor's Degree in Mechanical Engineering from the UAE University, and a Postgraduate Certificate in Engineering Systems and Management from the American University of Sharjah.

Chief Engineering & Commercial Officer: Eng. Hanna Dahdah

Eng. Hanna Dahdah is the Chief Engineering & Commercial Officer (CECO) of NMDC Energy, a position he has held since 2021.

Eng. Hanna Dahdah has been with NMDC Energy for over four decades, dedicating his career to the growth and success of the organization. An expert in the oil & gas industry, his impressive journey combines project engineering experience, supply chain management, business acumen and strategic development expertise.

In his current role, he leads the commercial functions of business development, contracts and proposals, and supply chain for NMDC Energy. He also drives the commercial and engineering strategy within the organization. In addition, he serves in the Board of Directors for NEL and ANEWA in India.

Eng. Hanna Dahdah has over 30 years of in-depth experience in the industrial sector. He holds a Bachelor of Science Degree from the University of Manchester in the United Kingdom.

Chief Operating Officer – Onshore: Paolo Bigi

Mr. Paolo Bigi, who has recently joined NMDC Energy, has over 35 years' experience in the onshore Energy EPC Industry having started his career in Tecnimont where he covered various Operating and Business Development roles over a period of 22 years.

He has subsequently joined Techint E&C as CEO and Petrofac as Managing Director and spent the last few years in Saudi Arabia, ultimately as Group CEO of Arkad.

Mr. Paolo Bigi has graduated with honors in Mechanical Engineering at the University of Milan and holds a master in Management from INSEAD.

Finance Director: Ashish Khandelwal

Mr. Ashish Khandelwal, who has recently joined NMDC Energy, has over 25 years' of experience in Finance and Investments. He started his career within the audit division of a big four firm and subsequently transitioned into Deal Advisory, covering an array of services including financial due diligence, M&A and restructuring advisory. He has previously held senior leadership roles with big four firms, including as Partner with both KPMG in the UAE and with PricewaterhouseCoopers in the Middle East. In his previous roles, he has worked with some of the largest corporate and investment companies in the region, advising senior management and board level executives on finance, strategy and investment related matters. Mr. Ashish Khandelwal has previously advised on some of the largest deals in the region and has significant experience of working on mandates related to the Energy sector.

Mr. Ashish Khandelwal is a qualified Chartered Accountant from India and also holds a bachelor's degree in finance and commerce.

Membership of the Board members and Senior Management of the Company on the boards of other joint stock companies and free zone companies (which take the form equivalent to that of joint stock companies) in UAE

None of the members of the board or senior management team hold any memberships in the board of directors of any joint stock companies or free zone companies (which take the form equivalent to that of joint stock companies) in the UAE except:

- Talal Al Dhiyebi: Chairman of the Board of Musanada PJSC
- Eng. Yasser Zaghloul: Group Chief Executive Officer of NMDC Group PJSC
- Ahmed Al Dhaheri: Board member of Abu Dhabi Aviation PJSC

9. BUSINESS STRATEGY AND PLAN

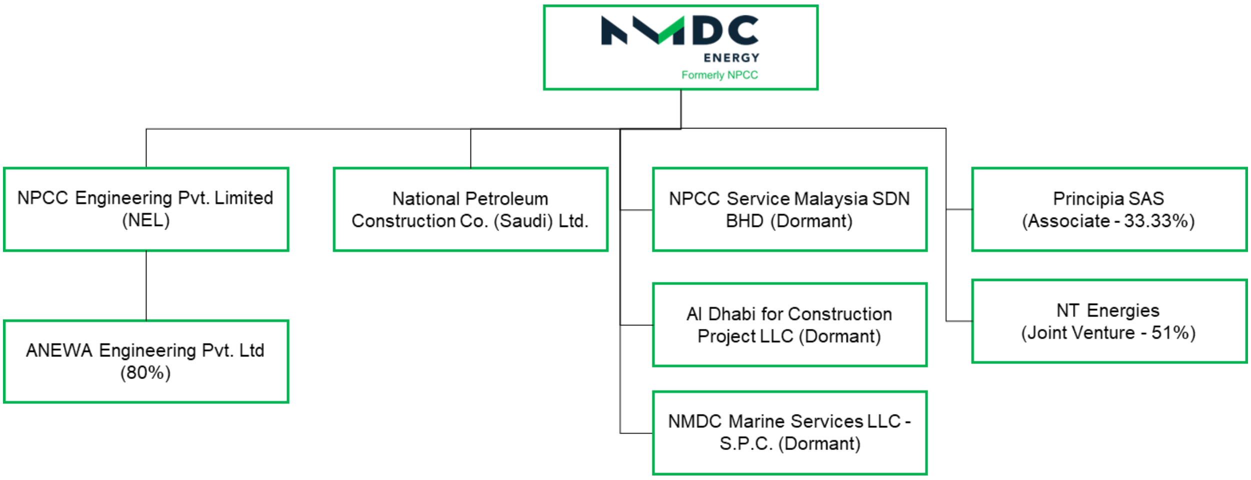
The Company, formerly known as the National Petroleum Construction Company, was established in 1973. The Company, together with its subsidiaries, provide engineering, procurement, and construction services to both offshore and onshore clients in the energy industry. The Company's main clients include industry leaders such as Abu Dhabi National Oil Company ("ADNOC") and Saudi Arabia Oil Company ("Aramco").

The Company has historically executed over 1,200+ projects which comprise approximately 1,360 installed structures, approximately 8,000 kilometers of laid pipelines both onshore and offshore, and approximately 2,000 kilometers of marine cables. The Company primarily operates in the UAE, Saudi Arabia, Kuwait, and Taiwan. Additionally, it owns a 33% stake in Principia SAS, France, 100% in NPCC Engineering Private Limited, India and 80% in ANEWA Engineering Private Limited, India which provide core engineering services. The Company also has procurement and client interface offices in Spain, Italy, China and Malaysia.

The Company operates four (4) fabrication yards namely: Mussafah Yard, ICAD4 Yard, Modular Fabrication Yard and KSA Yard. Mussafah Yard is considered one of the largest fabrication yard in the GCC region. The Company has eighteen (18) offshore vessels comprising of heavy lift and pipelay vessels, pipelay barges, jack up barges, cable laying barges, anchor handling tugs, and transportation cargo barges.

The Company currently has a project backlog that underpins its future performance and growth prospects. As of 30 June 2024, the Company has a secured backlog of approximately AED 54 billion (fifty-four billion Dirhams), reflecting its strong market position and the sustained demand for its services. This backlog encompasses a diverse portfolio of high-value onshore and offshore projects in the market it operates.

Corporate structure



The Company has six (6) Subsidiaries as of 30 June 2024 and has not acquired any new entity prior to the date of this Prospectus. Set out below are the Subsidiaries which are directly or indirectly controlled by the Company as of the date of this Prospectus.

Subsidiary	Group Shareholders	Share Capital (AED)	Ownership	Status
National Petroleum Construction Co. (Saudi) Ltd	NMDC Energy – P.J.S.C.	2,448,463	100%	Active
NPCC Engineering Private Limited	NMDC Energy – P.J.S.C.	13,830,716[(i)]	100%	Active
ANEWA Engineering Private Limited	NPCC Engineering Private Limited	3,254,286[(i)]	80%	Active
NPCC Services Malaysia SDN BHD	NMDC Energy – P.J.S.C.	-	100%	Dormant
Al Dhabi Construction Project LLC	NMDC Energy – P.J.S.C.	-	100%	Dormant
NMDC Marine Services L.L.C. – S.P.C.	NMDC Energy – P.J.S.C.	300,000	100%	Dormant

(i) Exchange rate for conversion from INR to AED applied as 1 AED = Indian Rupees 12.29.

The Company has also established a joint venture, NT Energies LLC, with Technip Energies. NT Energies LLC specialises in blue and green hydrogen production, decarbonization projects, advanced carbon capture technologies, and a range of industrial initiatives, including waste-to-energy, biorefining, and biochemistry. The Company has a 51% interest in the NT Energies LLC.

The Company, together with Artelia Global and Naval Company SA, own Principia SAS, a company based in La Ciotat and Nantes (France), with a subsidiary in Kuala Lumpur (Malaysia). Principia SAS offers engineering expertise in the offshore, maritime and nuclear industries. The Company has a 33.33% interest in Principia SAS.

Business strategy

The Company's strategy focuses on resilience and sustainable growth in the dynamic energy landscape.
In particular:

- The Company's strategic roadmap involves a robust organic growth plan, a dynamic merger and acquisition strategy, and creating synergies that drive growth and innovation.

- Potential expansion into Africa, India, and South East Asia to open new avenues for business, fostering a truly global presence. As part of its commitment to sustainability, the Company intends to venture into renewable energy in collaboration with NT Energies and its long-term wind project in Taiwan.

- Optimising the strategic advantage provided by the new yard in KSA and the recently acquired yard in the UAE for modular fabrication to enhance the Company's operational efficiency and capacity, with the aim of solidifying the Company's position as a leading force in the industry.

The Company is also committed to continually seeking avenues for growth and expansion. The Company invests in new areas for growth to diversify revenue streams and mitigate market volatility, align with global sustainability trends, and comply with increasing environmental regulations. The Company pursues a diverse range of strategic initiatives that foster innovation, enhances competitiveness and opens up long-term growth opportunities in existing markets, renewable energy, digital solutions and carbon capture. By identifying and responding to these demands the Company can attract new clients whilst retaining existing ones, ensuring its relevance and profitability in the evolving energy landscape. As at the date of this Prospectus, the Company's strategic initiatives for growth include:

Strategic initiative	Description
Energy transition: **NT Energies**	- The joint venture is poised to bolster the Company's financial outlook, particularly in light of the abundant market opportunities in the GCC, estimated to exceed AED 50 billion (fifty billion Dirhams) over the next five years.
Renewables: **Taiwan Wind**	- Strategic move to increase its revenue from wind projects by acquiring a DP vessel is poised to be a transformative step, propelling the company towards an annual revenue exceeding AED 1 billion (one billion Dirhams) and solidifying its position as a key player in the rapidly expanding renewable energy sector.
International expansion **KSA**	- The establishment of the Company's new yard in KSA with an investment exceeding AED 200 million (two hundred million Dirhams) reflects a significant commitment to enhancing the Company's capabilities, enabling it to handle a greater volume of projects and ultimately leading to increased revenues.
International expansion **Southeast Asia**	- The Company's strategic entry into the Southeast Asian market through potential partnerships with a number of existing players heralds a new era, unlocking promising avenues for projects in that dynamic region and broadening the Company's global footprint.
International expansion **Africa**	- The Company's strategic move to enter the African oil market signals a pivotal expansion, with the continent offering immense potential with total project values in the African market estimated to surpass more than AED 100 billion (eight hundred and fifty billion Dirhams) in the next five years.
Sector expansion **Decommissioning**	- The Company is aiming to enter the decommissioning sector either through building its own in-house capabilities or inorganically through acquisitions. Total expected global decommissioning expenditure out to 2050 is around USD 500 billion of which USD 128 billion between 2022 and 2030.
Sector expansion **Onshore**	- Six ongoing onshore projects with a value of approximately AED 29.05 billion (twenty-nine billion and fifty million Dirhams) o Belbazem – Onshore o Estidama Package 3 o EPC for Hail & Ghasha o MERAM project o KOC- installation of new Desalter Train o Al Ruwais LNG gas project

Sector expansion **O&M**	- The Company is exploring opportunities to expand its coverage along the upstream oil and gas value chain and diversify revenue streams into Operations and Maintenance activities (O&M) which are typically more consistent and predictable in nature and performed via long-term contracts. The Company aims to target potential suitable businesses to expand its coverage into O&M services within the energy sector.
M&A **Strategic acquisitions**	- The Company's strategic plan for the acquisition of companies signifies enhancement of the Company's capabilities, unlocking additional project capacity and paving the way for increased revenue.
Enhancing capabilities **Module fabrication**	- An additional yard has been identified in Musaffah with an area of 183,000 squares meter to focus on module fabrication.
Enhancing capabilities **India**	- The Company is currently expanding the capabilities of its engineering office in India to undertake small and medium-sized EPC projects, ensuring a diversified portfolio and guaranteeing additional revenue streams for the Company.

10. OPERATING PERFORMANCE OF THE COMPANY

The Company has delivered strong financial performance supported by strong growth in revenue, EBITDA and net profit and robust cash flow generation in recent years.

The Company's revenue has grown at a compounded annual growth rate of 42% from approximately AED 3,942 million in 2021 to AED 7,941 million in 2023. This revenue growth trend has continued into the first half of 2024, with revenue having grown at a compound annual growth rate of 88% as compared to the first half of 2023. While the Company's gross margin has remained broadly stable, the Company experienced a decline in the first half of 2023 and 2024 largely due to offshore projects being impacted by unprecedented weather conditions.

The Company has also demonstrated strong EBITDA growth, achieving a compound annual growth rate of 62% from approximately AED 361 million in 2021 to AED 953 million in 2023. EBITDA has grown by a compound annual growth rate of 94% between the first half of 2023 and the same corresponding period in 2024. This performance underpins the Company's operational efficiency and ability to capitalise on its increasing backlog.

The Company's net profit has grown at a compound annual growth rate of 144% from approximately AED 131 million in 2021 to AED 780 million in 2023. This demonstrates that the Company has been able to grow whilst improving profitability. The Company launched a number of cost optimization initiatives, which contributed to the significant improvements in net profit in 2023.

The Company's free cash flows (calculated as operating cash flows less capital expenditure) have grown from approximately AED 372 million in 2021 to AED 1,578 million in 2023. There was an increase in the first half of 2024 of 12% as compared with the same corresponding period in 2023.

To support the growth of the Company's backlog and expansion strategy, the Company has embarked on a capital expenditure program in 2022 and 2023. This has seen investments in property, plant and equipment increase from approximately AED 68 million in 2021 to AED 645 million in 2023.

11. BOARD'S VIEW ON THE PERFORMANCE OF THE COMPANY

The current performance and achievements of the Company are in line with the expectations and forecast of the board of directors of the Company's shareholder.

12. MATERIAL CONTRACTS

The material contracts are summarised as follows with the consideration of the confidentiality obligation of the Company and its subsidiaries towards their customers and suppliers:

Main material customer contracts:

No.	Name of the Project	Client	Short Description (Scope of Work)
1.	Estidama EPC Package 3	Adnoc Onshore	New gas pipelines and associated facilities.
2.	CRPO# 86 - Jafurah Development	ARAMCO	New extension platforms (jacket and topside), submarine and associated works.
3.	Dalma-Package -1 Offshore Works	Adnoc Offshore	Well Head Towers, 6 pipelines, 4 umbilicals, 1 subsea composite cable.
4.	CRPO # 128 -	ARAMCO	EPC for 67 kilometers of 48" Trunkline, 21

	Replacement of Zulf 48" Trunkline ZS-1		kilometers of trenching and backfilling.
5.	LZ LTDP1 - NMGL	Adnoc Offshore	New Riser Platform-2, New Bridge (B15), Bridge Support Tower, 34" pipeline.
6.	EPC of LZ Habshan Upper Recovery & Lekhwair + 20 MBD Project (HURLK)	Adnoc Offshore	Modification of 21 facilities. Major water injection topside modification and gas lift topside modification.
7.	US LTDP Phase-1	Adnoc Offshore	New Alpha/Beta Towers, New Well Head Towers and Riser Platform.
8.	CRPO# 136&137 - Upgrade AM Crude P/Fs - Zulf Pkg. 3 & 4 Subsea Cables&P/Ls	ARAMCO	Upgrade Crude Platforms Zuluf Package including subsea cables and pipelines.
9.	MERAM (Maximizing Ethane Recovery & Monetization Project)	Adnoc Onshore	Ethane Recovery and Monetization (MERAM).
10.	CRPO 82&83 - Zulf (Pkg 4&5) - Combined.	ARAMCO	ZULF Oil Facilities and associated subsea works.
11.	EPC Works For LZ LTDP-1 EPS-2 & PDP	Adnoc Offshore	Well Head Towers and Gas Processing Facilities
12.	EPC For Hail & Ghasha Development Project	Adnoc Onshore	Offshore package – EPC 01 Offshore Drilling Centers (DCs), subsea pipelines, umbilical, power cable connections, seawater Intake structure, bridges, risers, flare, and facilities at Ghasha Offshore

13. RELATED PARTY TRANSACTIONS

The Company, in the ordinary course of business, enters into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of "related parties" as defined in IAS 24 Related Party Disclosures and the SCA Governance Guide.

The following is a summary of the type and value of Related Party Transactions for the financial years ended 31 December 2022 and 31 December 2023, and the six months period ended 30 June 2024:

- Sub-contract costs – approximately AED 1,050,288,000 (one billion, fifty million, two hundred and eighty-eight thousand Dirhams);
- Material and services purchased – approximately AED 512,090,000 (five hundred and twelve million and ninety thousand Dirhams);
- Gain on disposal of a survey and diving division – approximately AED 237,615,000 (two hundred and thirty-seven million, six hundred and fifteen thousand Dirhams); and
- Disposal of property, plant and equipment – approximately AED 48,238,000 (forty-eight million, two hundred and thirty-eight thousand Dirhams).

The following Related Party Transactions are material agreements entered into with Related Parties:

- Safeen Survey and Subsea Services LLC (**Safeen**): In the year 2022, the Company's shareholder, NMDC Group P.J.S.C., incorporated Safeen whereby, the Company transferred its survey and diving related assets (approximately AED 48 million), manpower contracts and revenue contracts to Safeen. 49% of the total shares of Safeen is owned by the Company's shareholder, NMDC Group P.J.S.C., whereas 51% shares of Safeen is acquired by Abu Dhabi Ports. This transaction resulted in a gain of approximately AED 238 million. The Company has subcontracted survey and diving scope of its various EPC contracts to Safeen. The costs charged by Safeen is both on lumpsum or on fixed unit rates. The agreement with Safeen was entered in 2022. Further to above, the Company has chartered a vessel from Safeen on fixed rentals. From the FY2022 until 30 June 2024 overall subcontract costs of approximately AED 1,050 million were incurred.

- Apex Alwataniah Catering Services – Sole Proprietorship LLC (**Apex**): Apex is a related party of the Company by virtue of it being a related party of Alpha Dhabi Holding PJSC (majority shareholder of the Company's shareholder, NMDC Group P.J.S.C.). Apex provide catering services, housekeeping services and allied services to the Company. From FY2022 till 30 June 2024 overall costs of approximately AED 164.5 million were incurred.

- NMDC Group P.J.S.C.: The Company has subcontracted certain scope of its EPC contracts to its shareholder, NMDC Group P.J.S.C. From FY2022 until 30 June 2024 total costs of approximately AED 137 million were incurred.

- Emarat Europe Fast Building Technology System Factory LLC (**Emarat Europe**): Emarat Europe is 100% owned by the Company's shareholder, NMDC Group P.J.S.C. The Company has subcontracted certain works to Emarat Europe for which costs of approximately AED 41 million were incurred from FY2022 until 30 June 2024.

- Al Ataa Investment LLC (**Al Ataa**): Al Ataa is a related party of the Company by virtue of it being a related party of Alpha Dhabi Holding PJSC (majority shareholder of the Company's shareholder, NMDC Group P.J.S.C.). NMDC Group P.J.S.C. intends to enter into an agreement for the acquisition of certain plots of land for commercial use ("**Land Purchase Transaction**") owned by HMR Investment SPV RSC Ltd, in exchange for 142,500,000 (one hundred and forty-two million five hundred thousand) shares in the Company being transferred from NMDC Group P.J.S.C. to Al Ataa (equivalent to AED 399 million) deducted from the shares being offered in the Offering. For the avoidance of doubt, the ownership of the plots of land will be transferred to NMDC Group P.J.S.C. and such plots shall not be considered in-kind shares in the Company.

14. ASSETS, INVESTMENTS AND PROJECTS

The Company's total assets as of 31 December 2023 were approximately AED 13,020 million (thirteen billion and twenty million Dirhams), out of which approximately AED 3,357 million (three billion and three hundred and fifty-seven million Dirhams) comprises of non-current assets with the remainder being current assets. The current assets mostly comprise of trade and other receivables of approximately AED 3,199 million (three billion and one hundred and ninety-nine million), cash and bank balances of approximately AED 3,004 million (three billion and four million Dirhams), contract assets of approximately AED 2,209 million (two billion and two hundred and nine million), and other current assets of approximately AED 1,251 million (one billion and two hundred and fifty-one million). For the year ending 31 December 2023, the Company's return on assets was 5.99%, current ratio of 1.33%, and a quick ratio of1.29%.

The Company has a strong backlog of contracted projects that are yet to be completed. As of 30 June 2024, the secured backlog stood representing 5.1 times its last twelve month revenue reflecting the robust pipeline of upcoming projects, the extent to which revenues are contractually secured and the continued confidence from clients on the Company's capabilities. As of 30 June 2024, some key projects contributing to the Company's current backlog include:

- **Hail & Gasha Project**: Offshore drilling centers, subsea pipelines, umbilicals, power cable connections, seawater intake structure, bridges, risers, flare, and facilities at Ghasha Offshore Processing with an overall project value of approximately AED 15 billion (fifteen billion Dirhams) and an expected completion date of Q3-2028.

- **MERAM Project:** New facilities to recover the ethane from residue gas from various existing NGL Recovery Units with an overall project value of approximately AED 6.4 billion (six billion and four hundred million Dirhams) and an expected completion date of Q3-2027.

- **ZULUF Project:** New ZULUF AH West/East Oil Facilities and associated subsea works with an overall project value of approximately AED 8.2 billion (eight billion and two hundred million Dirhams) and an expected completion date of Q2-2026.

- **HURLK Project**: Lower Zakum HURLK EPC project with an overall project value of approximately AED 2.375 billion (two billion and three hundred seventy-five million Dirhams) and expected completion date of Q1-2027.

- **Lower Zakum LTDP 1 (EPS2)**: EPC works with an overall project value of approximately AED 8.8 billion (eight billion and eight hundred million Dirhams) and expected completion date of Q4-2028.

The Company also remains committed to seeking news avenues for growth and expansion. As at the date of this Prospectus, the Company intends to expand its geographical footprint in the India, Southeast Asia and Africa and embrace long-term growth opportunities in existing markets, renewable energy, digital solutions and carbon capture. By doing so, the Company seeks to diversify its revenue streams and mitigate market volatility, while aligning with global sustainability trends and increasing environmental regulation.

15. DESCRIPTION OF COMPANY'S CASH FLOWS

The Company reported net profit of AED 780 million in 2023, which resulted in net cash generation of AED AED 818 million. Cash generated is primarily from operating activities of the Company in 2023.

16. LOANS

Purpose of Loan	Type	Loan Limit	Installments	Outstanding as at 30 June 2024	Bank
Financing of capital expenses (Vessels)	Secured Loan	AED 1,836,250,000	28 Quarterly Installments	AED 712,503,000	Syndicated loan from First Abu Dhabi Bank, Abu Dhabi Commercial Bank and Abu Dhabi Islamic Bank

17. MORTGAGES AND BURDENS ON THE ASSETS

Five vessels with the net book value of AED 1,431,477,000 (one billion, four hundred and thirty one million four hundred and seventy seven thousand Dirhams) have been mortgaged against the borrowings from a syndicated loan from First Abu Dhabi Bank, Abu Dhabi Commercial Bank and Abu Dhabi Islamic Bank.

18. DEBT SECURITIES OR INSTRUMENTS

There are no debt securities issued or guaranteed by the Company.

19. LAWSUITS AND CLAIMS

The Company has an ongoing tax litigation relating to whether a Permanent Establishment existed in India for works performed substantially for the fiscal years 2006/07 until 2021/22, which is currently being disputed by the tax authorities in India. The Company has already received several decisions supporting its position including at the Delhi High Court where the action of the Indian tax authorities was quashed. However, the tax authorities have escalated the case to the highest appellate forum in India i.e. Supreme Court of India, where it is pending adjudication.

In the opinion of the Company's tax advisors in India, the chances of the Company winning the litigation in the Supreme Court of India is more likely than not. The tax advisors have also estimated the Company's tax liability for this matter, in the probable scenario, to be approximately AED 43 million including a 12% per annum interest up to July 2024. On this basis, and the tax advisors' best estimate of the probable exposure, the Company has recorded a total provision with respect to this litigation at an amount of AED 43 million for the years covering 2006/07 until 2021/22.

Other than the above, the Company has not been involved in any other material legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) as on the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

20. INSOLVENCY

There have been no insolvency or inability to pay events during the last two (2) years in relation to the Company.

21. COMPANY DIVIDEND POLICY

Subject to the risk factors in clause 22, the board of directors of the Company's shareholder, NMDC Group P.J.S.C. intend to declare and pay a dividend of AED 700,000,000 (seven hundred million Dirhams) per annum for the financial years ending 31 December 2024, 2025 and 2026 (**Target Dividend**). Assuming there is no increase in the Company's capital, the Target Dividend will be equivalent to AED 0.14 (fourteen Fils) per Share per annum and represents a yield of 5% on the Offer Price. However, the Company's ability to pay dividends is dependent on a number of factors, including:

- the availability of distributable reserves and our capital expenditure plans and other cash requirements in future periods;
- market conditions and the then current operating environment in our markets;
- the Board's outlook for our business;
- future profits and our business plan (including our ability to perform in accordance with the expectations in our business plan);
- the discretion of our Board; and
- approval of any dividend payment at a general meeting of our Shareholders.

The guidance provided above is based on our current business plan and targets. However, there is no assurance that we will pay any dividends going forward or, if a dividend is paid, what the amount of such dividend will be.

22. RISK FACTORS

An investment in the Shares involves a high degree of risk. Prior to making an investment, prospective investors should carefully consider the following risk factors inherent in and affecting the Company's business. The risks described below are not meant to be exhaustive and are merely included in order to alert investors to the degree of risk involved. Investors should consult with their financial or other advisor before purchasing any Shares. In addition to equity fluctuations, following business risks should be considered.

Sustaining Growth Rate in the Future

While the Financial Statements show strong revenue and profit growth, there can be no assurances that the Company's revenues and profits will continue to grow or will do so at the current rates.

In addition, the following risks should be considered, all of which could have material adverse effects on the Company's business, results of operation, financial condition and prospects:

1. Risks specific to the Company

(a) the Company primarily provides engineering, procurement and construction services in the energy sector which is highly competitive. New entrants and consolidation of existing competitors in the market could increase competition. The energy sector is price sensitive and increased competition may intensify price competition adversely affecting the Company's margins and financial performance and/or the Company's ability to secure bids against, for example, diversified multinational companies which may be able to operate on lower margins than the Company or local, regionally-focused companies that may be favoured in the bidding process;

(b) the Company operates in a capital intensive sector that requires a substantial amount of capital and other long-term expenditure. If the Company is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may not be able to successfully implement its growth strategy;

(c) the Company has not operated with a publicly listed company corporate governance structure. The adoption of the proposed systems, controls and related corporate governance policies and/or a lack of appropriate supervision of the management of the Company may adversely affect the Company's business, prospects, financial condition and results of operations;

(d) the Company may not successfully secure bids to provide services on large-scale projects in the energy sector or negotiate extensions, or variations, to existing contracts executed in anticipation of the scope and in turn the revenue to be generated under the existing contracts being increased;

(e) the Company may not be able to secure or maintain appropriate security arrangements to secure new contracts and maintain existing contracts;

(f) the Company often provides engineering, procurement and construction services under fixed-price contracts therefore if the Company is not successful in estimating costs or executing projects within budget and in a timely manner, this may adversely affect the Company's profitability, liquidity, working capital and reputation, as well as subject the Company to certain financial penalties;

(g) if the Company, its employees and agents and other authorised parties act in non-compliance with ethical business practices and standards in the countries in which the Company operates, the Company may be subject to substantial regulatory fines, penalties and/or reputational damage;

(h) the Company's revenue is highly concentrated among a limited number of significant clients so the loss or deferral of business from any one of the Company's key clients could have a material adverse effect on the Company's business and financial condition;

(i) the Company relies on third-party equipment manufacturers and subcontractors to resource projects and the Company may incur losses, reputational damage and other material adverse effects where these third-party costs exceed the estimated costs in the Company's fixed-price bid for a client contract or the third-party fails to deliver the services or equipment according to the agreed terms;

(j) the Company's projected future revenue may not be realised if there is a reduction or cancellation of an order, delay of acceptance of delivered services, or the suspension or termination of a contract. Additionally, the Company may not be able to recover penalties it may be entitled to under a contract where the counterparty is highly leveraged or insolvent, or where recovery is not pursued as it may adversely affect the Company's relationship with key clients;

(k) the Company conducts a number of its projects through joint venture, joint operation or consortium arrangements and may be jointly and/or severally liable for the acts or omissions of its joint venture, joint operator or consortium partners, and any entitlement to recover compensation from such partners may be limited or otherwise involve delay, management time, costs and expenses;

(l) the operations of the Company rely on attracting and retaining appropriately qualified personnel, including a skilled local workforce;

(m) the Company's insurances may not cover all liabilities that may arise or claims made against the Company in the ordinary course of business;

(n) the Company may in the ordinary course of business become involved in disputes and legal proceedings;

(o) while the Company has implemented measures to identify, prevent and mitigate disruptions to its information technology hardware and software infrastructure, the Company may be subject to cyber-attacks, as well as disruptions from natural disasters, power fluctuations, unauthorised access to data and systems, loss or destruction of data (including confidential client information), human error and other similar disruptions, which the Company's insurance coverage may not cover and could adversely affect the continuity of the Company's businesses;

(p) if the Company fails to adequately protect its intellectual property rights, infringes on the intellectual property rights held by third parties, or certain licenses are withdrawn or not renewed, this could have adversely affect the Company's business, financial position and results of operations;

(q) the Company's expectations as to growth in demand for new energy projects may not be realised, and any substantial or extended decline in the expenditure and activity by and in the energy sector for the exploration and development of, and production from, crude oil and natural gas reserves may materially adversely affect the demand for the Company's services;

(r) the Company is subject to increasingly extensive and complex environmental laws and regulations. Failure to comply with environmental laws and regulations may expose the Company to criminal and civil liabilities, damages, claims, proceedings, fines, penalties, and orders to halt or delay operations, each of which could have a material adverse effect on the Company's business, reputation, financial position and results of operations. Further, the proposal or implementation of new laws or regulations, which have the effect of reducing oil and natural gas exploration and production, may materially adversely affect the demand for the Company's services;

(s) the Company is at risk of major process safety incidents as services are often carried out in hazardous environments and involve operations of onshore and offshore energy services, the construction of drilling platforms and other energy related services in difficult geographies or climate zones, and environmentally sensitive regions, such as maritime environments. A systems failure, explosion or hydrocarbon spill could result in injuries, loss of life, environmental harm, loss of operating licenses, disruption to business activities, and damage to reputation. The Company's insurance and contractual limitations of liabilities may not be adequate to protect the Company against such liabilities. Further, failure to comply with health and safety regimes may expose the Company to fines, penalties, or prosecutions by governmental authorities;

(t) some of the Company's operations are located in areas at risk from the effect of natural disasters and other potentially catastrophic events, such as earthquakes, floods, hurricanes, riots, typhoons and wars. The occurrence of natural disasters, or severe weather conditions or climatic changes, may disrupt the Company's operations, delay project execution, or damage key infrastructure facilities, all of which may have a material adverse effect on the Company's business, financial position and results of operations;

(u) despite having experienced significant historical growth in the past three years, there can be no assurances that the Company's revenues and profitability will continue to grow or remain at current levels. Any failure of the Company to effectively manage its growth plans or improve capacity utilization of its assets could have a material adverse effect on its business, prospects, financial condition and results of operations;

(v) the Company is required to comply with the relevant tax laws, rules and regulations of the jurisdictions in which it operates. Some of the jurisdictions in which the Company operates the tax legislation is not well developed and/or subject to varied or unclear interpretations,

(w) the Company's returns may be adversely affected by changes to tax laws or the interpretation of guidelines, rules and legislation by relevant tax authorities in which it operates, the tax treatment applied by the Company not being accepted by the relevant tax authorities, and increases in the direct or indirect tax rates levied on the Company or its clients. The Company's financial position may also be adversely affected if the value of the Company's deferred tax assets is reduced; and

(x) the Company's global tax profile is subject to various international tax treaties. A change in the application or interpretation of any relevant tax treaties, a challenge by the authorities to such application or interpretation, or a change in the international allocation of the Company's revenue and profits could have a material adverse tax implication for the Company, affecting its financial position.

2. Risk Relating to Geographical, Political and Economic Conditions

(a) the Company generates significant revenue in the GCC region, which is susceptible to political, social and economic instability and civil disturbances, with many of the Company's key clients in the region being state-owned national oil companies. Any instability or unrest where the Company operates, deterioration in the relationship with a state-controlled national oil company, or reduction in government spend in the Middle East and North Africa region on the exploration and extraction of hydrocarbons and/or production of oil products and petrochemicals, may materially adversely affect the Company's business, financial position and results of operations;

(b) deterioration of global market and economic conditions could have a material adverse effect on the business, results of operations, financial condition and cash flows of the Company;

(c) the Company is subject to fluctuations in foreign currency exchange rates and may not be able to hedge or mitigate against such risks; and

(d) the Company may not effectively hedge against increases to interest/profit rates.

3. Risks Relating to the Offering and to the Shares

(a) future issuances of Shares may dilute the holdings of shareholders and may depress the price of the Shares;

(b) the Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline;

(c) following the Offering, the price of the Shares on the ADX may differ from the Offer Price and could be adversely affected by several factors; and

(d) the Company may not pay any cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them.

For and on behalf of:

NMDC Energy – P.J.S.C.

Name: Eng. Yasser Zaghloul

Title: Authorised signatory

Date: 11 September 2024

Signature: ______________________

ANNEX (1) THE FINANCIAL STATEMENTS OF THE COMPANY

Part 1: Consolidated Financial Statements
for the 12 month period ended 31 December 2022

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Reports and consolidated financial statements for the year ended 31 December 2022

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Report and consolidated financial statements
for the year ended 31 December 2022

Directors' report
for the year ended 31 December 2022

The Directors' have the pleasure in submitting this report, together with the audited consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group") for year ended 31 December 2022.

Principal activities

The principal activities of the Company include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

Results

Revenue for the year was AED 5,382 million (2021: AED 3,943 million). Profit for the year was AED 577 million (2021: AED 131 million).

Appropriation of profits

	AED'000
Retained earnings at 1 January 2022	3,086,392
Profit attributable to the shareholders of NPCC	576,661
Retained earnings at 31 December 2022	**3,663,053**

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2022.

Auditors

The Directors propose the re-appointment of Deloitte & Touche (M.E.) as external auditor for the year ending 31 December 2023.

On Behalf of the Board of Directors

Group Chief Executive Officer

Chief Executive Officer

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the report of the Directors is consistent with the books of account of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Company has not purchased or invested in shares during the financial year ended 31 December 2022;
- Note 19 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

Deloitte & Touche (M.E.)

Mohammad Khamees Al Tah
Registration No. 717
5 April 2023
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position
at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,547,238	2,590,875
Right-of-use assets	23	294,262	287,385
Investment in an associate	6	23,667	23,806
Goodwill	7	5,057	5,057
Total non-current assets		2,870,224	2,907,123
Current assets			
Inventories	8	241,138	143,996
Trade and other receivables	9	2,978,200	1,856,709
Due from a related party	19	785,829	-
Contract assets	10	1,017,527	1,499,557
Cash and bank balances	11	1,681,864	579,378
Total current assets		6,704,558	4,079,640
Total assets		9,574,782	6,986,763
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000	100,000
Statutory reserve	13	50,000	50,000
Restricted reserve	13	1,291	1,291
Currency translation reserve		(12,399)	(9,894)
Hedging reserve		(5,489)	764
Retained earnings		3,663,053	3,086,392
Equity attributable to the shareholders of the Company		3,796,456	3,228,553
Non-controlling interests		3,080	2,876
Total equity		3,799,536	3,231,429
Liabilities			
Non-current liabilities			
Term loans - non-current portion	14	844,721	1,109,155
Provision for employees' end of service benefits	15	239,393	254,090
Lease liabilities	23	304,304	295,335
Total non-current liabilities		1,388,418	1,658,580
Current liabilities			
Trade and other payables	16	3,785,095	1,766,953
Term loans - current portion	14	264,434	264,434
Lease liabilities	23	7,414	5,847
Contract liabilities	17	263,120	13,975
Income tax payable	18	66,765	45,545
Total current liabilities		4,386,828	2,096,754
Total liabilities		5,775,246	3,755,334
Total equity and liabilities		9,574,782	6,986,763

Mr. Yasser Zaghloul	Mr. Ahmed Al Dhaheri	Mr. Sreemont Prasad Barua
Group Chief Executive Officer	Chief Executive Officer	Group Chief Financial Officer

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

Consolidated statement of profit or loss
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Contract revenue	20	5,381,605	3,942,527
Direct costs		(4,738,584)	(3,466,119)
Gross profit		643,021	476,408
Other operating expenses		(250,971)	(310,601)
General and administrative expenses		(22,398)	(43,087)
Other income, net		34,429	35,494
Finance cost, net	21	(30,840)	(32,642)
Depreciation of right-of-use assets	23	(10,612)	(10,612)
Profit before tax from continuing operations		362,629	114,960
Income tax (expense)/credit, net	18	(23,379)	16,426
Profit for the year from continuing operations		339,250	131,386
Discontinued operations			
Gain on partial disposal of a division	19	237,615	-
Profit for the year	22	576,865	131,386
Non-controlling interests		(204)	(155)
Profit for the year – attributable to the Shareholders of NPCC		576,661	131,231

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

Consolidated statement of comprehensive income
for the year ended 31 December 2022

	2022 AED'000	2021 AED'000
Profit for the year	**576,865**	131,386
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (gain)/loss arising on hedging instruments during the year	**(6,253)**	5,125
Foreign exchange difference on translation of foreign operations	**(2,505)**	(496)
Total comprehensive income for the year	**568,107**	136,015
Non-controlling interests	**(204)**	(155)
Total comprehensive income for the year - attributable to the Shareholders of NPCC	**567,903**	135,860

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

Consolidated statement of changes in equity
for the year ended 31 December 2022

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the shareholders of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2021	100,000	50,000	1,291	(9,398)	(4,361)	2,955,161	3,092,693	2,746	3,095,439
Profit for the year	-	-	-	-	-	131,231	131,231	155	131,386
Other comprehensive (loss)/income for the year	-	-	-	(496)	5,125	-	4,629	-	4,629
Total comprehensive (loss)/income for the year	-	-	-	(496)	5,125	131,231	135,860	155	136,015
Dividend paid	-	-	-	-	-	-	-	(25)	(25)
Balance at 1 January 2022	100,000	50,000	1,291	(9,894)	764	3,086,392	3,228,553	2,876	3,231,429
Profit for the year	-	-	-	-	-	576,661	576,661	204	576,865
Other comprehensive loss for the year	-	-	-	(2,505)	(6,253)	-	(8,758)	-	(8,758)
Total comprehensive (loss)/income for the year	-	-	-	(2,505)	(6,253)	576,661	567,903	204	568,107
Balance at 31 December 2022	**100,000**	**50,000**	**1,291**	**(12,399)**	**(5,489)**	**3,663,053**	**3,796,456**	**3,080**	**3,799,536**

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

Consolidated statement of cash flows
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from operating activities			
Profit before tax from continuing operations		**362,629**	114,960
Profit before tax from discontinuing operations		**237,615**	-
Adjustments for:			
Depreciation of property and equipment	5	**202,496**	229,155
Depreciation of right-of-use assets, net of other movement	23	**10,612**	10,612
Loss on disposal of property, plant and equipment		**17,523**	25
Gain on disposal of a division		**(237,615)**	-
(Reversal)/Allowance for expected credit loss on trade receivables	9	**(683)**	971
Allowance for expected credit loss on contract assets	10	**55**	428
Allowance for slow moving and obsolete inventories	8	**3,237**	2,311
Interest expenses, net		**19,458**	21,015
Finance cost on lease liabilities	23	**11,382**	11,627
Employees' end of service benefit charge	15	**31,577**	32,741
Share of profit of investment in associate	6	**(1,091)**	(1,257)
Operating cash flows before movements in working capital changes		**657,195**	422,588
(Increase)/decrease in inventories		**(100,379)**	6,366
Decrease/(increase) in contract assets		**481,975**	(104,457)
(Increase)/decrease in trade and other receivables		**(1,085,464)**	403,322
Increase in due from a related party		**(64,845)**	-
Increase/(decrease) in trade and other payables		**1,976,545**	(118,194)
Increase/(decrease) in contract liabilities		**249,145**	(57,109)
Cash generated from operating activities		**2,114,172**	552,516
Employees' end of service benefit paid	15	**(29,667)**	(87,427)
Income tax paid	18	**(29,153)**	(24,635)
Income tax refund	18	**26,994**	-
Net cash generated from operating activities		**2,082,346**	440,454
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(216,019)**	(68,006)
Proceeds on disposal of property, plant and equipment		**39,475**	-
Dividend received from investment in an associate	6	**1,230**	1,464
Net cash used in investing activities		**(175,314)**	(66,542)
Cash flows from financing activities			
Dividend paid to non-controlling interest		-	(25)
Interest paid		**(19,458)**	(21,015)
Repayment of lease liabilities		**(6,953)**	(5,659)
Interest paid on lease liabilities	21	**(11,382)**	(11,627)
Repayments of term loans	14	**(264,434)**	(264,435)
Funds transferred to a related party		**(499,976)**	-
Net cash used in financing activities		**(802,203)**	(302,761)
Net increase in cash and cash equivalents		**1,104,829**	71,151
Cash and cash equivalents at the beginning of the year		**579,378**	508,692
Net foreign exchange difference		**(2,343)**	(465)
Cash and cash equivalents at the end of the year	11	**1,681,864**	579,378
Non-cash transactions			
Transfer of end of service benefits		**16,607**	-

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

Notes to the consolidated financial statements
for the year ended 31 December 2022

1 General information

National Petroleum Construction Company (NPCC) (the "Company") was established on 2 April 1973 as a limited liability Company in the Emirate of Abu Dhabi, UAE. In 1987, the legal status of the Company was changed to a Public Joint Stock Company by the application of the Abu Dhabi Law No. (2) of 1987. The Company was owned by General Holding Corporation PJSC ("SENAAT") and Chimera Investments LLC.

In 2021, National Marine Dredging Company ("NMDC") acquired all the share of NPCC and became the sole shareholder of the Company. National Marine Dredging Company is a public shareholding company incorporated in the Emirate of Abu Dhabi by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi.

These consolidated financial statements include the financial performance and position of the Company, its subsidiaries and joint ventures (collectively referred to as the "Group').

The principal activities of the Group include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2022.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Reference to the Conceptual Framework	The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use	The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use (continued)	The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards. *IFRS 1 First-time Adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a). *IFRS 9 Financial Instruments* The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle (continued)	*IAS 41 Agriculture* The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 *Insurance Contracts*	1 January 2023
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.	
The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.	

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 *Insurance Contracts (continued)*	1 January 2023

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.	Effective date not yet decided
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively.	1 January 2023

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies	1 January 2023

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

    - Right-of-use assets and lease liabilities;
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 January 2023
The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	

The above stated new standards and amendments are not expected to have any significant impact on financial statement of the Group.

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

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable provision of the UAE Federal Decree Law no. (32) of 2021.

The UAE Federal Decree Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law"). The Company has applied the requirements New Companies Law during the year ended 31 December 2022.

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The principal accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

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

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

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

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

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

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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

The Company has these subsidiaries over which it exercises effective control:

Name of subsidiaries	**Country of incorporation and operations**	**Beneficial ownership interest (%)**		**Principal activity**
		2022	2021	
National Petroleum Construction Co. (Saudi) LTD.	Kingdom of Saudi Arabia	100	100	Engineering Procurement Construction
NPCC Engineering Limited	India	100	100	Engineering
ANEWA Engineering Pvt. Ltd	India	80	80	Engineering
NPCC Service Malaysia SDN. BHD *	Malaysia	100	100	Engineering Procurement Construction
Al Dhabi For Construction Project LLC *	Iraq	100	100	Engineering Procurement Construction

*dormant entities

3 Summary of significant accounting policies (continued)

3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3.5 Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

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

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

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

3 Summary of significant accounting policies (continued)

3.6 Interests in joint operations

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.

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.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply Engineering, Procurement & Construction (EPC) revenues from fixed-price lump sum contracts are recognised using the percentage-of-completion method, by reference to the progress towards completion method, based on entity's efforts or inputs to the satisfaction of performance obligation (e.g. resources consumed, labour hours expended, cost incurred, time elapsed or machine hours used) relative to the total expected inputs required in order to satisfy the performance obligation. In the early stages of contract completion, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Provision is made for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Incentive payments are included in revenue when the contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and the amount of the incentive payments can be measured reliably.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.7 Revenue recognition (continued)

Revenue recognition on construction contracts

The Group provides lump-sum engineering, procurement and construction project services to the oil and gas production and processing industry.

Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation. The Group recognises revenue from its lump-sum engineering, procurement and 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.

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Contract modifications, e.g. approved variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue.

Liquidated damages, penalties and similar payments, price concession (discounts) or deductions are accounted for as variable considerations. When management concludes on the existence of variable consideration, the Group estimates the amount of variable consideration at contract inception by using either (i) the expected value approach or (ii) the most likely amount. The Group use the method that best predicts the amount of consideration to which it will be entitled based on the terms of the contract. This would also apply to contractual incentive payments or early completion bonuses, if any.

Variable consideration is recognised to the extent it is 'highly probable' that a significant revenue reversal will not occur in future periods, when the related uncertainty associated with the variable consideration is subsequently resolved.

If there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income.

3 Summary of significant accounting policies (continued)

3.7 Revenue recognition (continued)

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

3.7.1 Other income

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

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

3.8 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the ssdates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

3 Summary of significant accounting policies (continued)

3.9 Employees' benefits

Accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of each reporting period.

A provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of each reporting period. An accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Agency in accordance with the Abu Dhabi Retirement Pensions and the Benefit Funds and covered by Pension and Leaving Benefits Law No. 2/2000 for Pension and Social Security. Such contributions are charged to the statement of financial performance during the employees' period of service.

3.10 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3 Summary of significant accounting policies (continued)

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment is their purchase cost, together with any incidental expense of acquisition.

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

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, 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
Buildings	25
Plant, barges and vehicles	4-40
Furniture and office equipment	3-5

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.11 Property, plant and equipment (continued)

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.12 Impairment of tangible excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When 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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving weighted average method.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

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

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

Classification of financial assets

(i) Debt instruments designated at amortised cost

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

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

Amortised cost and effective interest rate method

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

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

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

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

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

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

Impairment of financial assets

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

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment cf financial assets (continuea)

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

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

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

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

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

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

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

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

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

Hedge accounting

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

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Hedge accounting (continue)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

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

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

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

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges (continuea)

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

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.15 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 that 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Onerous contracts

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

3 Summary of significant accounting policies (continued)

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Cash and cash equivalents

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

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 15. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash

3.17 Leases

The Group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

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

3 Summary of significant accounting policies (continued)

3.17 Leases (continued)

The Group as lessee (continuea)

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

- the lease term has changed or there is a 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 revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

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

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

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

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

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

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

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

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has not recognised any loss allowance against all receivables.

Determining the lease term

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

Key sources of estimation uncertainty

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

Percentage-of-completion

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts. The Group uses its commercial teams together with project managers to estimate the costs to complete of construction contracts. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

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

Taxation provisions

The Group's current tax provision of AED 67 million (2021: AED 46 million) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with Central Board of Direct Taxes, India and General Authority of Zakat and Tax, Saudi Arabia.

Calculation of loss allowance

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

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

Impairment of trade and other receivables and contract assets at 31 December 2022 are AED 288 thousand (2021: AED 971 thousand) and AED 483 thousand (2021: AED 428 thousand), respectively.

Allowance for inventory obsolescence

Management has estimated the recoverability of inventory balances and has considered the allowance required for inventory obsolescence based on the current economic environment. Accordingly, allowance for inventory obsolescence as at 31 December 2022 is AED 52 million (2021: AED 49 million).

Useful lives and residual values of property and equipment

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

Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment. In determining whether an impairment loss should be recorded in profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows attributable to property, plant and equipment.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Warranty provision

Management has estimated contract warranty costs expected to arise on projects, based on management's best estimates, past experience and expected future maintenance costs.

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

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Legal claims and contingencies

When assessing the possible outcomes of legal claims and contingencies, the Group rely on the opinions of the legal counsel. The opinions of the Group's legal counsel are based on their professional judgment and take into consideration the current stage of proceedings and legal experience accumulated with respect to various matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from such estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Management is satisfied that there is no impairment on goodwill as at 31 December 2022 and 31 December 2021.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

5 Property, plant and equipment

	Buildings AED'000	Plant, barges and vehicles AED'000	Furniture and office equipment AED'000	Capital work in progress AED'000	Total AED'000
Cost					
1 January 2021	537,705	5,791,855	113,017	18,526	6,461,103
Additions	1,319	18,879	1,876	45,932	68,006
Transfers	4,261	2,409	48	(6,718)	-
Disposal/write-offs	-	(45,208)	(18)	-	(45,226)
Exchange difference	-	-	(195)	-	(195)
1 January 2022	543,285	5,767,935	114,728	57,740	6,483,688
Additions	-	7,024	4,124	204,871	216,019
Transfers	4,181	34,120	-	(38,301)	-
Disposal/write-offs	-	(466,737)	(737)	-	(467,474)
Transfer to a related party	(4,701)	(170,502)	(483)	-	(175,686)
Exchange difference	-	-	(1,275)	-	(1,275)
31 December 2022	**542,765**	**5,171,840**	**116,357**	**224,310**	**6,055,272**
Accumulated depreciation					
1 January 2021	356,564	3,262,292	90,167	-	3,709,023
Charge for the year	12,306	209,621	7,228	-	229,155
Disposal/write-offs	-	(45,188)	(13)	-	(45,201)
Exchange difference	-	-	(164)	-	(164)
1 January 2022	368,870	3,426,725	97,218	-	3,892,813
Charge for the year	12,189	183,340	6,967	-	202,496
Disposal/write-offs	-	(457,996)	(719)	-	(458,715)
Transfer to a related party	(2,540)	(124,527)	(380)	-	(127,447)
Exchange difference	-	-	(1,113)	-	(1,113)
31 December 2022	**378,519**	**3,027,542**	**101,973**	-	**3,508,034**
Carrying amount					
At 31 December 2022	**164,246**	**2,144,298**	**14,384**	**224,310**	**2,547,238**
At 31 December 2021	174,415	2,341,210	17,510	57,740	2,590,875

As at 31 December 2022, property, plant and equipment include fully depreciated assets amounting to AED 2,074 million (2021: AED 2,431 million).
Certain property, plant and equipment (five barges) have been pledged as security against a borrowing facility (Note 14).
The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 22).

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

6 Investment in an associate

The Group acquired 33% shares of the Principia SAS ("Principia") a Company registered in Marseille, France from IGEN SARL (which owns 16.67% of the share capital of Principia) and GRENERGY SARL (which owns 16.67 % of the share capital of Principia) (together, referred to as "Sellers") in the sale purchase agreement dated 23 June 2016 with effect from 27 July 2016.

The following table summarises the financial information of Principia as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Principia.

Movements in investment in associate is as follows:

	2022	2021
	AED'000	AED'000
Balance at 1 January	**23,806**	24,013
Share of profit for the year	**1,091**	1,257
Dividend received during the year (note 19)	**(1,230)**	(1,464)
Balance at 31 December	**23,667**	23,806

Summarised financial information in respect of the Group's associates is set out below:

	2022	2021
	AED'000	AED'000
Total assets	**49,657**	55,157
Total liabilities	**(26,682)**	(29,478)
Net assets	**22,975**	25,679
Group's share of net assets of associate	**7,658**	8,560
Total revenue	**41,637**	53,888
Total profit for the year	**3,274**	3,772
Group's share in profit	**1,091**	1,257

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

7 Goodwill

Acquisition of subsidiaries

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

Acquisition date fair values of the identifiable assets and liabilities of the subsidiaries were determined as follows:

	AED'000
Fair value of net assets acquired	**12,749**
Goodwill arising on acquisition	**5,057**
Consideration	**7,692**

Impairment testing of goodwill

Goodwill acquired through business combination of AED 5,057 thousand is allocated to individual cash generating units for impairment testing.

The recoverable amount for impairment testing has been determined based on a value in use calculation using discounted cash flows projections based on financial budgets approved by management covering a period of 5 years. The weighted average capital cost rate applied to cash flow projections is 15.38%.

8 Inventories

	2022 AED'000	2021 AED'000
Materials, fuel and spare parts	**293,103**	192,724
Less: allowance for slow and obsolete inventories	**(51,965)**	(48,728)
	241,138	143,996

Movement in the allowance for slow moving inventories

	2022 AED'000	2021 AED'000
At 1 January	**48,728**	46,417
Charge for the year	**3,237**	2,311
	51,965	48,728

9 Trade and other receivables

	2022 AED'000	2021 AED'000
Trade receivables	**1,605,747**	1,293,261
Less: allowance for expected credit losses	**(288)**	(971)
	1,605,459	1,292,290
Advances paid to foreign supplier	**645,919**	328,631
Prepayments and advances	**441,332**	110,513
Contract retentions	**123,708**	9,024
Derivative financial asset	**41,747**	6,403
VAT and GST receivables	**34,687**	37,760
Advances paid to employees	**18,369**	16,279
Other receivables	**66,979**	55,809
	2,978,200	1,856,709

Included in trade receivables is an amount of AED nil million (2021: AED 240 million) due from parties disclosed in note 19 to the consolidated financial statements. Revenue generated from those related parties during the year amounting to AED 19 million (2021: AED 197 million).

The average credit period on contract revenue is 45 days. No interest is charged on outstanding trade receivables.

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

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

Movement in the allowance for expected credit losses

	2022 AED'000	2021 AED'000
At 1 January	**971**	-
(Reversal)/charge for the year	**(683)**	971
At 31 December	**288**	971

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

9 Trade and other receivables (continued)

Ageing of trade receivables

	2022 AED'000	2021 AED'000
1 to 90 days	**1,557,383**	1,068,684
More than 91 days	**48,364**	224,577
	1,605,747	1,293,261

10 Contract assets

	2022 AED'000	2021 AED'000
Construction contracts	**1,018,010**	1,499,985
Less: allowance for expected credit losses	**(483)**	(428)
	1,017,527	1,499,557

Significant changes in contract assets balance during the year:

	2022 AED'000	2021 AED'000
As at 1 January	**1,499,985**	1,395,528
Add: Revenue recognised during the year from contract	**5,381,605**	3,942,527
Less: Transfer of contract assets recognised to trade receivables	**(5,863,580)**	(3,838,070)
As at 31 December	**1,018,010**	1,499,985

Included in contract assets is an amount of AED nil million (2021: AED 280 million) due from parties disclosed in note 19 to the consolidated financial statements.

Invoicing to the client for fixed-price contracts is based on milestones defined in the contracts and therefore, the timing of revenue recognition is different from the timing of invoicing of the contract. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

10 Contract assets (continued)

Contract assets are analysed as follows:

	31 December 2022 AED'000	31 December 2021 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**367,923**	299,830
Other entities	**650,087**	1,200,155
Contract assets	**1,018,010**	1,499,985

11 Cash and bank balances

	2022 AED'000	2021 AED'000
Cash in hand	**592**	636
Cash at banks	**505,917**	578,742
Term deposits	**1,175,355**	-
Cash and cash equivalents	**1,681,864**	579,378

Term deposits represent deposits placed at local banks and have effective interest rates between 3.7% to 4.2% per annum (31 December 2021: AED Nil). Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period is not material to the overall consolidated financial statements.

12 Share capital

The capital of the Company as of 31 December was made up of 100,000 shares of AED 1,000 each and was distributed as follows:

	2022 AED'000	2021 AED'000
National Marine Dredging Company PJSC	**100,000**	100,000

During the year 2021, National Marine Dredging Company ("NMDC") acquired all the share of National Petroleum Construction Company (NPCC) and became the sole shareholder in the Company.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

13 Statutory reserve and restricted reserve

In accordance with the provisions of the UAE Federal Law No. (32) of 2021, 10% of profit for the year is to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. This reserve is not available for distribution.

The statutory reserves of the subsidiaries have been transferred to the restricted reserve as these amounts are not available for distribution.

14 Term loans

	2022 AED'000	2021 AED'000
Non-current portion	**844,721**	1,109,155
Current portion	**264,434**	264,434
	1,109,155	1,373,589

On Feb 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of LIBOR plus 0.90 %. The total syndicated loan agreement consists of two portions: Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. The outstanding amount of this loan as at 31 December 2022 is USD 302 million which is equivalent to AED 1,109 million. In accordance with the terms of the agreement between the two parties, the loan is repayable in quarterly installments starting from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of 5 vessels of the Company.

The contractual repayment schedule of the term loan is as follow:

	2022 AED'000	2021 AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**528,869**	528,869
3 to 5 years	**315,852**	528,869
5 years and above	**-**	51,417
	1,109,155	1,373,589

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

14 Term loans (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2022 AED'000	2021 AED'000
Balance at 1 January	**1,373,589**	1,638,024
Loan repayment	**(264,434)**	(264,435)
Balance at 31 December	**1,109,155**	1,373,589

15 Provision for employees' end of service benefits

The movement in the provision for employees' end of service benefits is as follows:

	2022 AED'000	2021 AED'000
At 1 January	**254,090**	308,776
Charge for the year	**31,577**	32,741
Paid during the year	**(29,667)**	(87,427)
Transferred to a related party (note 19)	**(16,607)**	-
At 31 December	**239,393**	254,090

16 Trade and other payables

	2022 AED'000	2021 AED'000
Job and other accruals	**2,119,511**	1,176,808
Advances received on contracts	**1,011,789**	142,352
Trade payables	**373,360**	297,949
VAT payables	**106,736**	25,781
Derivative financial liability	**47,235**	5,638
Provision for employees leave salary	**38,017**	30,247
Provision for board remuneration and employee bonus	**30,000**	35,143
Provision for air fare	**25,325**	15,990
Warranty provision	**10,364**	16,046
Retentions payable	**8,612**	4,389
Other accruals	**6,777**	6,908
Provision for future losses	**2,280**	733
Other payables	**5,089**	8,969
	3,785,095	1,766,953

The average credit period on purchase of goods is 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit terms. Included in advances received on contracts is an amount of AED nil million (2021: AED 36 million) received from entities disclosed in note 19 to the consolidated financial statements.

Included in trade and other payables are amounts of AED 99.2 million (2021: AED 38.5 million) due to entities disclosed in note 19 to the consolidated financial statements.

17 Contract liabilities

	2022 AED'000	2021 AED'000
Construction contracts	**263,120**	13,975

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

18 Income tax

	2022 AED'000	2021 AED'000
Opening balance	**45,545**	86,606
Charge for the year	**33,296**	23,574
Reversals during the year	**(9,917)**	(40,000)
Refund during the year	**26,994**	-
Payments during the year	**(29,153)**	(24,635)
	66,765	45,545

The tax payable results from operations in India, Kuwait and Saudi Arabia is calculated in accordance with taxation laws in the respective countries.

As of year-end, the Group is liable to pay tax in India, Kuwait and Saudi Arabia. The income tax assessments for certain periods are pending finalisation in some countries in which the Group operates. The Group had no significant deferred tax assets or liabilities at the end of the year.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

19 Related parties

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of "related parties" as defined in IAS 24 *Related Party Disclosures*. Related parties comprise the Shareholders, key management staff and business entities related to them, companies under common ownership and/or common management and control, their Directors and key management personnel.

Related balances and transactions are disclosed in note 5, 6, 9, 10, 15, 16 and 17 to the consolidated financial statements.

	2022 AED'000	2021 AED'000
Other related party transactions		
Contract revenues	**19,000**	197,000
Material and services purchased	**222,864**	7,869

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

19 Related parties (continued)

	2022 AED'000	2021 AED'000
Gain on partial disposal of a division*	**237,615**	-
Disposal of property, plant and equipment-net*	**48,238**	-
Transfer of end of service benefits*	**16,607**	-
Dividend received from an associate	**1,230**	1,464

At the reporting date, balances with related parties were as follows:

Due from related parties

National Marine Dredging Company PJSC (NMDC) **	**785,829**	-
Trade receivables (note 9)	-	240,000
Contract assets (note 10)	-	280,000

*During the year, the Company's parent company incorporated an entity, Safeen Survey and Subsea Services LLC (Safeen), where, as part of the agreement, the Company made an in-kind contribution to Safeen by transferring its Division and Subsea division's property, plant and equipment, employees and revenue contracts, resulting in a gain of AED 237,615 thousand.

** The balance due from a related party represents an amount of AED 285,731 thousand pertaining to the sale of Safeen Survey and Subsea Services to the parent Company and the remaining amount of AED 500,000 thousand resulted from its cash pooling arrangement with its parent company.

Due to related parties

	2022 AED'000	2021 AED'000
Trade payables and other payables (note 16)	**99,200**	38,500
Advances received on contracts (note 16)	-	36,000

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

20 Contracts revenue

	2022 AED'000	2021 AED'000
Revenue by project type		
Energy	**5,381,605**	3,942,527
Revenue by activity		
Engineering, procurement and construction	**5,381,605**	3,942,527
Timing of revenue recognition		
Revenue recognised over the period	**5,381,605**	3,942,527
Revenue by customer segments		
Governmental companies	**4,707,338**	2,557,465
Non-Governmental companies	**674,267**	1,385,062
	5,381,605	3,942,527

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2022 AED'000	2021 AED'000
Engineering, procurement and construction		
Customer 1	**2,387,209**	2,569,437
Customer 2	**2,184,681**	776,882

21 Finance costs, net

	2022 AED'000	2021 AED'000
Interest expense on term loans – net	**19,458**	21,015
Interest expense on lease liabilities (note 23)	**11,382**	11,627
	30,840	32,642

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

22 Profit for the year

	2022 AED'000	2021 AED'000
Profit for the year is stated after:		
Staff costs	**1,061,854**	903,560
Depreciation of property, plant and equipment	**202,496**	229,155

23 Group as a Lessee

The Group leases several assets including land, premises, vessels, equipment. The average lease term is 1 to 26 years. Interest rate on the leases ranges from 4% - 5.6%.

Right-of-use assets

	2022 AED'000	2021 AED'000
1 January	**287,385**	297,997
Additions during the year	**17,489**	-
Depreciation expense	**(10,612)**	(10,612)
31 December	**294,262**	287,385

Lease liabilities

	2022 AED'000	2021 AED'000
1 January	**301,182**	306,841
Additions during the year	**17,489**	-
Interest expense (note 21)	**11,382**	11,627
Payments	**(18,335)**	(17,286)
31 December	**311,718**	301,182

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

23 Group as a Lessee (continued)

	2022 AED'000	2021 AED'000
Maturity analysis		
Not later than 1 year	**7,414**	5,847
Later than 1 year and not later than 5 years	**35,538**	35,835
Later than 5 years	**268,766**	259,500
	311,718	301,182

24 Interest in joint operations

The Group has share of assets, liabilities and results of operations of the following joint operations:

	Percentage of share	
	2022	2021
Joint operations		
Technip – NPCC – Satah Full Field	**50%**	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	**40%**	40%
NPCC – TECHNIP UL-2	**50%**	50%
NPCC – TECHNIP AGFA	**50%**	50%
NPCC - Technip JV - US GAS CAP Feed	**50%**	50%

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

	2022 AED'000	2021 AED'000
Total assets	**60,008**	118,198
Total liabilities	**(48,316)**	(25,852)
Net assets	**11,692**	92,346
Total revenue	**11,033**	2,225
Profit for the year	**11,693**	45,461

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

25 Contingent liabilities and commitments

	2022 AED'000	2021 AED'000
Letters of guarantee	**6,415,076**	5,350,537
Letters of credit	**345,003**	89,494
Capital commitments	**58,602**	31,608
Purchase commitments	**4,537,862**	1,672,312

26 Capital management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes long term debts, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The gearing ratio, determined as net debt to equity, at the yearend was as follows:

	2022 AED'000	2021 AED'000
Debt (note 14)	**1,109,155**	1,373,589
Cash and cash at bank (note 11)	**(1,681,864)**	(579,378)
Net debt	**(572,709)**	794,211
Equity	**3,799,536**	3,231,429
Net debt to equity ratio	**-**	25%

27 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes significant number of transactions denominated in foreign currencies including US Dollar, Sterling Pound, Euro, Indian Rupees and Saudi Riyal. Hence, exposures to exchange rate fluctuations arise.

The Group is primarily exposed to exchange rate fluctuations related to the Euro and Sterling Pound denominated as assets and liabilities. Other currencies are pegged to AED, and hence no currency fluctuation risks exist for them.

The carrying amounts of the Group's Euro and Sterling Pound denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2022	2021	**2022**	2021
	AED'000	AED'000	**AED'000**	AED'000
Euro	**5,663**	11,298	**71,528**	2,677
Sterling pound	**749**	1,315	**13,888**	26

Based on the sensitivity analysis to a 5% increase/decrease in the AED against the relevant foreign currencies (assumed outstanding for the full year):

(a) there is AED 3,293 thousand (2021: AED 431 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 657 thousand (2021: AED 64 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates on loans had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would decrease/increase by AED 5.5 million (2021: decrease/increase by AED 6.8 million).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable interest-bearing deposits and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months USD LIBOR rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate swap contracts (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year of AED 554,578 thousand (31 December 2021: AED 686,795 thousand):

2022			**USD'000**	**AED'000**
Instrument I: outstanding pay floating pay fixed	USD LIBOR 3M	0.8%	**11,367**	**41,747**
2021				
Instrument I: outstanding pay floating pay fixed	USD LIBOR 3M	0.8%	1,665	6,115

Fair value represents the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book value under the historical cost method and fair value estimates.

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) the carrying amounts approximate to their fair value. This applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Forward foreign exchange contracts

The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	Notional value AED'000	Fair value AED'000	Fair value changes AED'000
2022				
Forward contract	**USD**	**171,002**	**158,141**	**12,861**
2021				
Forward contract	USD	72,422	67,071	5,351

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 9.

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

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables.

27 Financial instruments (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on contractual repayment arrangements were as follows:

	Less than 1 year AED'000	1 – 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2022				
Trade and other payables*	**2,653,926**	-	-	**2,653,926**
Term loans	**264,434**	**844,721**	-	**1,109,155**
	2,918,360	**844,721**	-	**3,763,081**
At 31 December 2021				
Trade and other payables*	1,582,041	-	-	1,582,041
Term loans	264,434	1,057,738	51,417	1,373,589
	1,846,475	1,057,738	51,417	2,955,630

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

Fair value of financial instruments

Management considers that the fair values of financial assets and financial liabilities in the consolidated financial statements approximate their carrying amounts.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

28 Financial instruments by category

	2022 AED'000	2021 AED'000
Financial assets		
Cash and bank balances	**1,681,864**	579,378
Contract assets	**1,017,527**	1,499,557
Trade and other receivables (excluding prepaid expenses)	**2,846,274**	1,807,107
	5,545,665	3,886,042
Financial liabilities		
Trade and other payables*	**2,653,926**	1,582,041
Term loans	**1,109,155**	1,373,589
	3,763,081	2,955,630

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

29 Subsequent events.

Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Company for the financial year beginning 1 January 2024.

30 Approval of the consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 5 April 2023.

Part 2: Consolidated Financial Statements
for the 12 month period ended 31 December 2023

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Reports and consolidated financial statements for the year ended 31 December 2023

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Report and consolidated financial statements
for the year ended 31 December 2023

Directors' report
for the year ended 31 December 2023

The Directors' have the pleasure in submitting this report, together with the audited consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group") for year ended 31 December 2023.

Principal activities

The principal activities of the Group include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

Results

Revenue for the year was AED 7,941 million (2022: AED 5,382 million). Profit for the year was AED 780 million (2022: AED 577 million).

Appropriation of profits

	AED'000
Retained earnings at 1 January 2023	3,663,053
Profit attributable to the shareholder of NPCC	779,589
Retained earnings at 31 December 2023	**4,442,642**

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2023.

Auditors

The Directors propose the re-appointment of Deloitte & Touche (M.E.) as external auditor for the year ending 31 December 2024.

On Behalf of the Board of Directors

Group Chief Executive Officer

Chief Executive Officer

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and their preparation in compliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the report of the Directors is consistent with the books of account of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Company has made investments during the financial year ended 31 December 2023;
- Note 19 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023.

Deloitte & Touche (M.E.)

F. Sohawon

Faeza Sohawon
Registration No. 5508
28 March 2024
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position at 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,041,366	2,547,238
Right-of-use assets	23	286,599	294,262
Investment in equity accounted investees	6	24,134	23,667
Goodwill	7	5,057	5,057
Total non-current assets		3,357,156	2,870,224
Current assets			
Inventories	8	235,889	241,138
Trade and other receivables	9	3,199,319	2,978,200
Due from a related party	19	1,015,829	785,829
Contract assets	10	2,208,519	1,017,527
Cash and bank balances	11	3,003,586	1,681,864
Total current assets		9,663,142	6,704,558
Total assets		13,020,298	9,574,782
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000	100,000
Statutory reserve	13	50,000	50,000
Restricted reserve	13	1,291	1,291
Currency translation reserve		(14,059)	(12,399)
Hedging reserve		14,812	(5,489)
Retained earnings		4,442,642	3,663,053
Equity attributable to the shareholder of the Company		4,594,686	3,796,456
Non-controlling interest		3,915	3,080
Total equity		4,598,601	3,799,536
Liabilities			
Non-current liabilities			
Term loans - non-current portion	14	580,287	844,721
Provision for employees' end of service benefits	15	260,343	239,393
Lease liabilities	23	297,866	304,304
Total non-current liabilities		1,138,496	1,388,418
Current liabilities			
Trade and other payables	16	6,795,129	3,785,095
Term loans - current portion	14	264,434	264,434
Lease liabilities	23	9,733	7,414
Contract liabilities	17	141,287	263,120
Income tax payable	18	72,618	66,765
Total current liabilities		7,283,201	4,386,828
Total liabilities		8,421,697	5,775,246
Total equity and liabilities		13,020,298	9,574,782

Mr. Yasser Zaghloul	**Mr. Ahmed Al Dhaheri**	**Mr. Sreemont Prasad Barua**
Group Chief Executive Officer	Chief Executive Officer	Group Chief Financial Officer

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

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

	Notes	2023 AED'000	2022 AED'000
Continuing operations			
Contract revenue	20	7,940,568	5,381,605
Direct costs		(6,795,192)	(4,738,584)
Gross profit		1,145,376	643,021
Other operating expenses		(199,876)	(250,971)
General and administrative expenses		(121,408)	(22,398)
Other income, net		(21,624)	34,429
Finance cost, net	21	15,042	(30,840)
Depreciation of right-of-use assets	23	(12,305)	(10,612)
Profit before tax from continuing operations		805,205	362,629
Income tax expense, net	18	(24,781)	(23,379)
Profit for the year from continuing operations		780,424	339,250
Discontinued operations			
Gain on partial disposal of a division	19	-	237,615
Profit for the year	22	780,424	576,865
Non-controlling interests		(835)	(204)
Profit for the year - attributable to the Shareholder of the Company		779,589	576,661

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

Consolidated statement of comprehensive income
for the year ended 31 December 2023

	2023 AED'000	2022 AED'000
Profit for the year	**780,424**	576,865
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) arising on hedging instruments during the year	**20,301**	(6,253)
Foreign exchange difference on translation of foreign operations	**(1,660)**	(2,505)
Total comprehensive income for the year	**799,065**	568,107
Non-controlling interests	**(835)**	(204)
Total comprehensive income for the year - attributable to the Shareholder of the Company	**798,230**	567,903

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

Consolidated statement of changes in equity
for the year ended 31 December 2023

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the shareholder of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2022	100,000	50,000	1,291	(9,894)	764	3,086,392	3,228,553	2,876	3,231,429
Profit for the year	-	-	-	-	-	576,661	576,661	204	576,865
Other comprehensive loss for the year	-	-	-	(2,505)	(6,253)	-	(8,758)	-	(8,758)
Total comprehensive (loss)/income for the year	-	-	-	(2,505)	(6,253)	576,661	567,903	204	568,107
Balance at 1 January 2023	100,000	50,000	1,291	(12,399)	(5,489)	3,663,053	3,796,456	3,080	3,799,536
Profit for the year	-	-	-	-	-	779,589	779,589	835	780,424
Other comprehensive (loss)/income for the year	-	-	-	(1,660)	20,301	-	18,641	-	18,641
Total comprehensive (loss)/income for the year	-	-	-	(1,660)	20,301	779,589	798,230	835	799,065
Balance at 31 December 2023	**100,000**	**50,000**	**1,291**	**(14,059)**	**14,812**	**4,442,642**	**4,594,686**	**3,915**	**4,598,601**

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

Consolidated statement of cash flows
for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Cash flows from operating activities			
Profit before tax from continuing operations		**805,205**	362,629
Profit before tax from discontinuing operations		-	237,615
Adjustments for:			
Depreciation of property and equipment	5	**150,087**	202,496
Depreciation of right-of-use assets, net of other movement	23	**12,305**	10,612
Loss on disposal of property, plant and equipment		**(958)**	17,523
Gain on disposal of a division		-	(237,615)
Allowance /(reversal) for expected credit loss on trade receivables	9	**2,000**	(683)
Allowance for expected credit loss on contract assets	10	**208**	55
Allowance for slow moving and obsolete inventories	8	**1,439**	3,237
Interest expenses, net	21	**(27,444)**	19,458
Finance cost on lease liabilities	23	**12,402**	11,382
Employees' end of service benefit charge	15	**40,490**	31,577
Share of profit of investment in associate	6	**(1,727)**	(1,091)
Operating cash flows before movements in working capital changes		**994,007**	657,195
Decrease/(increase) in inventories		**3,810**	(100,379)
(Increase)/decrease in contract assets		**(1,191,200)**	481,975
Increase in trade and other receivables		**(240,269)**	(1,085,464)
Increase in due from a related party		**(230,000)**	(64,845)
Increase in trade and other payables		**3,047,481**	1,976,545
(Decrease) / increase in contract liabilities		**(121,833)**	249,145
Cash generated from operating activities		**2,261,996**	2,114,172
Employees' end of service benefit paid	15	**(19,540)**	(29,667)
Income tax paid	18	**(30,767)**	(29,153)
Income tax refund	18	**11,839**	26,994
Net cash generated from operating activities		**2,223,528**	2,082,346
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(644,849)**	(216,019)
Proceeds on disposal of property, plant and equipment		**1,568**	39,475
Investment in equity accounted investee	6	**(77)**	-
Short-term deposits placed with bank	11	**(505,517)**	-
Dividend received from equity accounted investee	6	**1,337**	1,230
Net cash used in investing activities		**(1,147,538)**	(175,314)
Cash flows from financing activities			
Interest received/(paid)	21	**27,444**	(19,458)
Repayment of lease liabilities		**(8,756)**	(6,953)
Interest paid on lease liabilities	21	**(12,402)**	(11,382)
Repayments of term loans	14	**(264,434)**	(264,434)
Funds transferred to a related party		-	(499,976)
Net cash used in financing activities		**(258,148)**	(802,203)
Net increase in cash and cash equivalents		**817,842**	1,104,829
Cash and cash equivalents at the beginning of the year		**1,681,864**	579,378
Net foreign exchange difference		**(1,637)**	(2,343)
Cash and cash equivalents at the end of the year	11	**2,498,069**	1,681,864
Non-cash transaction			
Transfer of end of service benefits		-	16,607

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

Notes to the consolidated financial statements
for the year ended 31 December 2023

1 General information

National Petroleum Construction Company (NPCC) (the "Company") was established on 2 April 1973 as a limited liability Company in the Emirate of Abu Dhabi, UAE. In 1987, the legal status of the Company was changed to a Public Joint Stock Company by the application of the Abu Dhabi Law No. (2) of 1987. The Company was owned by General Holding Corporation PJSC ("SENAAT") and Chimera Investments LLC.

In 2021, National Marine Dredging Company ("NMDC") acquired all the share of NPCC and became the sole shareholder of the Company. National Marine Dredging Company is a public shareholding company incorporated in the Emirate of Abu Dhabi by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi.

These consolidated financial statements include the financial performance and position of the Company, its subsidiaries and joint ventures (collectively referred to as the "Group').

The principal activities of the Group include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

The Group has made investments as disclosed in note 6 and note 24 as of the reporting period 31 December 2023.

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these consolidated financial statements. The application of these revised IFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements (continued)

Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	1 January 2024
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.	
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	1 January 2024
The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.	
The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.	
As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024, subject to adoption by the jurisdiction
IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	**Effective for annual periods beginning on or after**
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024, subject to adoption by the jurisdiction
Amendment to IAS 21— Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group.

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

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and applicable provision of the UAE Federal Decree Law no. (32) of 2021.

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The principal accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

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

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

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

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

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

3 Material accounting policy information (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

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

The Company has these subsidiaries over which it exercises effective control:

Name of subsidiaries	**Country of incorporation and operations**	**Beneficial ownership interest (%)**		**Principal activity**
		2023	2022	
National Petroleum Construction Co. (Saudi) LTD.	Kingdom of Saudi Arabia	100	100	Engineering Procurement Construction
NPCC Engineering Limited	India	100	100	Engineering
ANEWA Engineering Pvt. Ltd	India	80	80	Engineering
NPCC Service Malaysia SDN. BHD *	Malaysia	100	100	Engineering Procurement Construction
Al Dhabi For Construction Project LLC *	Iraq	100	100	Engineering Procurement Construction

*dormant entities

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3.5 Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5.

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

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

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.5 Investments in associates and joint ventures (continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in consolidated statement of comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in consolidated statement of comprehensive income by that associate or joint venture would be reclassified to consolidated statement of profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

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

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

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee.

Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

3 Material accounting policy information (continued)

3.6 Interests in joint operations

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.

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.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply Engineering, Procurement & Construction (EPC) revenues from fixed-price lump sum contracts are recognised using the percentage-of-completion method, by reference to the progress towards completion method, based on entity's efforts or inputs to the satisfaction of performance obligation (e.g. resources consumed, labour hours expended, cost incurred, time elapsed or machine hours used) relative to the total expected inputs required in order to satisfy the performance obligation. In the early stages of contract completion, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Provision is made for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Incentive payments are included in revenue when the contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and the amount of the incentive payments can be measured reliably.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

Revenue recognition on construction contracts

The Group provides lump-sum engineering, procurement and construction project services to the oil and gas production and processing industry.

Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation. The Group recognises revenue from its lump-sum engineering, procurement and 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.

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Contract modifications, e.g. approved variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue.

Liquidated damages, penalties and similar payments, price concession (discounts) or deductions are accounted for as variable considerations. When management concludes on the existence of variable consideration, the Group estimates the amount of variable consideration at contract inception by using either (i) the expected value approach or (ii) the most likely amount. The Group use the method that best predicts the amount of consideration to which it will be entitled based on the terms of the contract. This would also apply to contractual incentive payments or early completion bonuses, if any.

Variable consideration is recognised to the extent it is 'highly probable' that a significant revenue reversal will not occur in future periods, when the related uncertainty associated with the variable consideration is subsequently resolved.

If there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income.

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

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

3.7.1 Other income

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

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

3.8 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the ssdates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

3 Material accounting policy information (continued)

3.9 Employees' benefits

Accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of each reporting period.

A provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of each reporting period. An accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Agency in accordance with the Abu Dhabi Retirement Pensions and the Benefit Funds and covered by Pension and Leaving Benefits Law No. 2/2000 for Pension and Social Security. Such contributions are charged to the statement of financial performance during the employees' period of service.

3.10 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment is their purchase cost, together with any incidental expense of acquisition.

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

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, 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
Buildings	25
Plant, barges and vehicles	4-40
Furniture and office equipment	3-5

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

Depreciation methods, useful lives and residual values are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. Management has reviewed the estimated useful lives of property, plant and equipment in accordance with IAS 16 Property, and has adjusted the useful lives of certain plant, barges and vehicles based on the expected usage / future economic benefit (effective from 1 January, 2023).

This reassessment has resulted in reduction of depreciation charge for the current year by AED 39.2 million and an increase in the carrying amount of property, plant and equipment by the same amount.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.11 Property, plant and equipment (continued)

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.12 Impairment of tangible excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When 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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving weighted average method.

3 Material accounting policy information (continued)

3.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

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

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

Classification of financial assets

(i) Debt instruments designated at amortised cost

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

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

Amortised cost and effective interest rate method

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

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

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

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

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

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

Impairment of financial assets

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

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

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

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

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

<u>(ii) Definition of default</u>

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

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

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

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

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

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

Hedge accounting

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

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Hedge accounting (continue)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

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

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

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

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges (continued)

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

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.15 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 that 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Onerous contracts

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

3 Material accounting policy information (continued)

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Cash and cash equivalents

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

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 14. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash.

3.17 Leases

The Group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

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

3 Material accounting policy information (continued)

3.17 Leases (continued)

The Group as lessee (continued)

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

- the lease term has changed or there is a 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 revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

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

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

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

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

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

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

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

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has not recognised any loss allowance against all receivables.

Determining the lease term

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

Joint arrangement
For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Key sources of estimation uncertainty

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

Percentage-of-completion

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

Percentage-of-completion (continued)

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts. The Group uses its commercial teams together with project managers to estimate the costs to complete of construction contracts. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

Taxation provisions

The Group's current tax provision of AED 73 million (2022: AED 67 million) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with Central Board of Direct Taxes, India and General Authority of Zakat and Tax, Saudi Arabia.

Calculation of loss allowance

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

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

Impairment of trade and other receivables and contract assets at 31 December 2023 are AED 2,288 thousand (2022: AED 288 thousand) and AED 691 thousand (2022: AED 483 thousand), respectively.

Allowance for inventory obsolescence

Management has estimated the recoverability of inventory balances and has considered the allowance required for inventory obsolescence based on the current economic environment. Accordingly, allowance for inventory obsolescence as at 31 December 2023 is AED 53 million (2022: AED 52 million).

Useful lives and residual values of property and equipment

The useful lives and residual values of the property and equipment are based on management's judgement of the historical pattern of useful live and the general standards in the industry. Management has reviewed the estimated useful lives of property and equipment in accordance with IAS 16 Property, and has adjusted the useful lives of certain Plant, barges and vehicles based on the expected usage / future economic benefit (effective from 1 January, 2023).

This reassessment has resulted in reduction of depreciation charge for the current year by AED 39.2 million and an increase in the net book value of property, plant and equipment by the same amount.

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

Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment. In determining whether an impairment loss should be recorded in profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows attributable to property, plant and equipment.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Warranty provision

Management has estimated contract warranty costs expected to arise on projects, based on management's best estimates, past experience and expected future maintenance costs.

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Legal claims and contingencies

When assessing the possible outcomes of legal claims and contingencies, the Group rely on the opinions of the legal counsel. The opinions of the Group's legal counsel are based on their professional judgment and take into consideration the current stage of proceedings and legal experience accumulated with respect to various matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from such estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Management is satisfied that there is no impairment on goodwill as at 31 December 2023 and 31 December 2022.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

5 Property, plant and equipment

	Buildings AED'000	Plant, barges and vehicles AED'000	Furniture and office equipment AED'000	Capital work in progress AED'000	Total AED'000
Cost					
1 January 2022	543,285	5,767,935	114,728	57,740	6,483,688
Additions	-	7,024	4,124	204,871	216,019
Transfers	4,181	34,120	-	(38,301)	-
Disposal/write-offs	-	(466,737)	(737)	-	(467,474)
Transfer to a related party	(4,701)	(170,502)	(483)	-	(175,686)
Exchange difference	-	-	(1,275)	-	(1,275)
1 January 2023	542,765	5,171,840	116,357	224,310	6,055,272
Additions	67	39,365	10,746	594,671	644,849
Transfers	34,262	550,016	333	(584,611)	-
Disposal/write-offs	-	(10,392)	-	-	(10,392)
Exchange difference	-	-	(100)	-	(100)
31 December 2023	**577,094**	**5,750,829**	**127,336**	**234,370**	**6,689,629**
Accumulated depreciation					
1 January 2022	368,870	3,426,725	97,218	-	3,892,813
Charge for the year	12,189	183,340	6,967	-	202,496
Disposal/write-offs	-	(457,996)	(719)	-	(458,715)
Transfer to a related party	(2,540)	(124,527)	(380)	-	(127,447)
Exchange difference	-	-	(1,113)		(1,113)
1 January 2023	378,519	3,027,542	101,973	-	3,508,034
Charge for the year	12,864	129,456	7,767	-	150,087
Disposal/write-offs	-	(9,782)	-	-	(9,782)
Exchange difference	-	-	(76)	-	(76)
31 December 2023	**391,383**	**3,147,216**	**109,664**	-	**3,648,263**
Carrying amount					
At 31 December 2023	**185,711**	**2,603,613**	**17,672**	**234,370**	**3,041,366**
At 31 December 2022	164,246	2,144,298	14,384	224,310	2,547,238

As at 31 December 2023, property, plant and equipment include fully depreciated assets amounting to AED 2,169 million (2022: AED 2,074 million).
Certain property, plant and equipment (five barges) have been pledged as security against a borrowing facility (Note 14).
The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 23).

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

6 Investment in equity accounted investees

The carrying amounts of the Group's investments in equity accounted investees at 31 December are as follows:

	2023 AED'000	2022 AED'000
NT Energies*	**77**	-
Principia SAS	**24,057**	23,667
	24,134	23,667

The movements in investment in equity accounted investees are as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	**23,667**	23,806
Acquisition during the year	77	-
Share of profit for the year	**1,727**	1,091
Dividend received during the year	**(1,337)**	(1,230)
Balance at 31 December	**24,134**	23,667

During the year 2023, the Group signed an agreement with France-based company Technip Energies to establish a Joint Venture, NT Energies. The Group owns 51% share in the Joint Venture.

The Group acquired 33% shares of the Principia SAS ("Principia") a Company registered in Marseille, France from IGEN SARL (which owns 16.67% of the share capital of Principia) and GRENERGY SARL (which owns 16.67 % of the share capital of Principia) (together, referred to as "Sellers") in the sale purchase agreement dated 23 June 2016 with effect from 27 July 2016.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

6 Investment in equity accounted investees (continued)

Summarised financial information in respect of the Group's equity accounted investees is set out below:

	2023 AED'000	2022 AED'000
Total assets	**50,424**	49,657
Total liabilities	**(28,310)**	(26,682)
Net assets	**22,114**	22,975
Group's share of net assets of associate	**7,371**	7,658
Total revenue	**63,272**	41,637
Total profit for the year	**5,442**	3,274
Group's share in profit	**1,727**	1,091

* **NT Energies**: The entity was incorporated in the current year and operations have not yet commenced.

** **Principia SAS**: the revenue and the profit shown in above table are related to the latest available financial information.

7 Goodwill

Acquisition of subsidiaries

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

7 Goodwill (continued)

Acquisition date fair values of the identifiable assets and liabilities of the subsidiaries were determined as follows:

	AED'000
Fair value of net assets acquired	**12,749**
Goodwill arising on acquisition	**5,057**
Consideration	**7,692**

Impairment testing of goodwill

Goodwill acquired through business combination of AED 5,057 thousand is allocated to individual cash generating units for impairment testing.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. During the year no impairment was noted and recorded on Goodwill.

8 Inventories

	2023 AED'000	2022 AED'000
Materials, fuel and spare parts	**289,295**	293,103
Less: allowance for slow and obsolete inventories	**(53,404)**	(51,965)
	235,889	241,138

Movement in the allowance for slow moving inventories

At 1 January	**51,965**	48,728
Charge for the year	**1,439**	3,237
At 31 December	**53,404**	51,965

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

9 Trade and other receivables

	2023 AED'000	2022 AED'000
Trade receivables	**1,201,880**	1,605,747
Less: allowance for expected credit losses	**(2,288)**	(288)
	1,199,592	1,605,459
Prepayments and advances	**949,179**	441,332
Advances paid to foreign supplier	**621,844**	645,919
Contract retentions	**263,288**	123,708
VAT and GST receivables, net	**31,689**	34,687
Derivative financial asset	**24,602**	41,747
Advances paid to employees	**15,067**	18,369
Other receivables	**94,058**	66,979
	3,199,319	2,978,200

Included in trade and other receivables are amounts of AED 354.3 million (2022: AED 146.3 million) due from entities disclosed in note 19 to the consolidated financial statements.

The average credit period on contract revenue is 45 days. No interest is charged on outstanding trade receivables.

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

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

Movement in the allowance for expected credit losses

	2023 AED'000	2022 AED'000
At 1 January	**288**	971
Charge / (reversal) for the year	**2,000**	(683)
At 31 December	**2,288**	288

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

9 Trade and other receivables (continued)

Ageing of trade receivables

	2023 AED'000	2022 AED'000
1 to 90 days	**1,178,338**	1,557,383
More than 91 days	**23,542**	48,364
	1,201,880	1,605,747

10 Contract assets

	2023 AED'000	2022 AED'000
Construction contracts	**2,209,210**	1,018,010
Less: allowance for expected credit losses	**(691)**	(483)
	2,208,519	1,017,527

Significant changes in contract assets balance during the year:

	2023 AED'000	2022 AED'000
As at 1 January	**1,018,010**	1,499,985
Add: Revenue recognised during the year from contract	**7,940,568**	5,381,605
Less: Transfer of contract assets recognised to trade receivables	**(6,749,368)**	(5,863,580)
As at 31 December	**2,209,210**	1,018,010

Invoicing to the client for fixed-price contracts is based on milestones defined in the contracts and therefore, the timing of revenue recognition is different from the timing of invoicing of the contract. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

10 Contract assets (continued)

Contract assets are analysed as follows:

	2023 AED'000	2022 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**1,161,422**	367,923
Other entities	**1,047,788**	650,087
	2,209,210	1,018,010

11 Cash and bank balances

	2023 AED'000	2022 AED'000
Cash in hand	**691**	592
Cash at banks	**427,783**	505,917
Short-term deposits	**2,575,112**	1,175,355
Cash and bank balances	**3,003,586**	1,681,864
Less: short-term deposits with maturity more than three months	**(505,517)**	-
Cash and cash equivalents	**2,498,069**	1,681,864

Cash and cash equivalents comprise of short-term deposits having original maturities of three months or less. The deposits, carry interest in the range of 3.15%-6.20% per annum (31 December 2022: 3.7% to 4.2%). Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of United Arab Emirates. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

12 Share capital

The capital of the Company as of 31 December was made up of 100,000 thousand shares of AED 1 each and was distributed as follows:

	2023 AED'000	2022 AED'000
National Marine Dredging Company PJSC	**100,000**	100,000

During the year 2021, National Marine Dredging Company ("NMDC") acquired all the share of National Petroleum Construction Company (NPCC) and became the sole shareholder in the Company.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

13 Statutory reserve and restricted reserve

In accordance with the provisions of the UAE Federal Law No. (32) of 2021, 10% of profit for the year is to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. This reserve is not available for distribution.

The statutory reserves of the subsidiaries have been transferred to the restricted reserve as these amounts are not available for distribution.

14 Term loans

	2023	2022
	AED'000	AED'000
Non-current portion	**580,287**	844,721
Current portion	**264,434**	264,434
	844,721	1,109,155

On February 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of Term SOFR plus 0.90% (2022: LIBOR plus 0.90 %). The total syndicated loan agreement consists of two portions: Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. The outstanding amount of this loan as at 31 December 2023 is USD 230 million which is equivalent to AED 845 million. In accordance with the terms of the agreement between the two parties, the loan is repayable in quarterly installments starting from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of 5 vessels of the Company.

The contractual repayment schedule of the term loan is as follow:

	2023	2022
	AED'000	AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**528,870**	528,869
3 to 5 years	**51,417**	315,852
	844,721	1,109,155

14 Term loans (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2023	2022
	AED'000	AED'000
Balance at 1 January	**1,109,155**	1,373,589
Loan repayment	**(264,434)**	(264,434)
Balance at 31 December	**844,721**	1,109,155

15 Provision for employees' end of service benefits

The movement in the provision for employees' end of service benefits is as follows:

	2023	2022
	AED'000	AED'000
At 1 January	**239,393**	254,090
Charge for the year	**40,490**	31,577
Paid during the year	**(19,540)**	(29,667)
Transferred to a related party (note 19)	-	(16,607)
At 31 December	**260,343**	239,393

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

16 Trade and other payables

	2023 AED'000	2022 AED'000
Job and other accruals	**3,151,971**	2,119,511
Advances received on contracts	**2,451,068**	1,011,789
Trade payables	**873,921**	373,360
VAT payables	**96,542**	106,736
Provision for employees leave salary	**64,722**	38,017
Provision for board remuneration and employee bonus	**52,850**	30,000
Provision for air fare	**37,319**	25,325
Retentions payable	**20,537**	8,612
Warranty provision	**14,093**	10,364
Derivative financial liabilities	**9,790**	47,235
Provision for future losses	**686**	2,280
Other payables	**13,723**	5,089
Other accruals	**7,907**	6,777
	6,795,129	3,785,095

The average credit period on purchase of goods is 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit terms.

Included in trade and other payables are amounts of AED 1,217 million (2022: AED 346.8 million) due to entities disclosed in note 19 to the consolidated financial statements.

17 Contract liabilities

	2023 AED'000	2022 AED'000
Construction contracts	**141,287**	263,120

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

18 Income tax payable

	2023 AED'000	2022 AED'000
At 1 January	**66,765**	45,545
Charge for the year	**36,178**	33,296
Reversals during the year	**(11,397)**	(9,917)
Refund during the year	**11,839**	26,994
Payments during the year	**(30,767)**	(29,153)
At 31 December	**72,618**	66,765

The tax payable results from operations in India, Kuwait and Saudi Arabia and is calculated in accordance with taxation laws in the respective countries.

As of year-end, the Group is liable to pay tax in India, Kuwait and Saudi Arabia. The income tax assessments for certain periods are pending finalisation in some countries in which the Group operates. The Group had no significant deferred tax assets or liabilities at the end of the year.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

19 Related parties

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with Companies, entities or individuals that fall within the definition of "related parties" as defined in IAS 24 *Related Party Disclosures*. Related parties comprise the Shareholder, key management staff and business entities related to them, companies under common ownership and/or common management and control, their Directors and key management personnel.

Related balances and transactions are disclosed in note 6, 9, 10, 11, 15, 16 and 17 to the consolidated financial statements.

	2023 AED'000	2022 AED'000
Related party transactions		
Contract revenues	**10,103**	19,000
Material and services purchased	**161,394**	222,864
Back-charge of costs	**354,361**	146,364
Sub-contract costs	**429,900**	247,650

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

19 Related parties (continued)

	2023 AED'000	2022 AED'000
Interest income	**33,365**	-
Gain on partial disposal of a division*	-	237,615
Disposal of property, plant and equipment-net*	-	48,238
Transfer of end of service benefits*	-	16,607
Dividend received from an associate	**1,337**	1,230

At the reporting date, balances with related parties were as follows:

Due from related parties

National Marine Dredging Company PJSC (NMDC) **	**1,015,829**	785,829

* In the prior year, the Company's parent company incorporated an entity, Safeen Survey and Subsea Services LLC (Safeen), where, as part of the agreement, the Company made an in-kind contribution to Safeen by transferring its Division and Subsea division's property, plant and equipment, employees and revenue contracts, resulting in a gain of AED 237,615 thousand.

** The balance due from a related party principally represents an amount of AED 285,731 thousand (2022: AED 285,731) pertaining to the sale of Safeen Survey and Subsea Services to the parent Company and an amount of AED 729,976 thousand (2022: AED 500,000) resulted from its cash pooling arrangement with its parent company.

20 Contracts revenue

	2023 AED'000	2022 AED'000
Revenue by project type		
Energy	**7,940,568**	5,381,605
Revenue by activity		
Engineering, procurement and construction	**7,940,568**	5,381,605
Timing of revenue recognition		
Revenue recognised over the period	**7,940,568**	5,381,605
Revenue by customer segments		
Governmental companies	**7,079,835**	4,707,338
Non-Governmental companies	**860,733**	674,267
	7,940,568	5,381,605

Unsatisfied performance obligation

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2023 and 31 December 2022 are as set out below:

	2023 AED'000	2022 AED'000
Within one year	**13,706,313**	8,667,000
More than one year	**29,973,114**	9,655,000
	43,679,427	18,322,000

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2023 AED'000	2022 AED'000
Engineering, procurement and construction		
Customer 1	**3,208,864**	2,387,209
Customer 2	**3,979,917**	2,184,681

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

21 Finance income (costs), net

	2023 AED'000	2022 AED'000
Interest income on deposits/(expense on term loans) – net	**27,444**	(19,458)
Interest expense on lease liabilities (note 23)	**(12,402)**	(11,382)
	15,042	(30,840)

22 Profit for the year

	2023 AED'000	2022 AED'000
Profit for the year is stated after:		
Staff costs	**1,342,321**	1,061,854
Depreciation of property, plant and equipment	**150,087**	202,496

23 Group as a Lessee

The Group leases several assets including land, premises, vessels, equipment. The average lease term is 1 to 26 years. Interest rate on the leases ranges from 4% - 5.6%.

Right-of-use assets

	2023 AED'000	2022 AED'000
1 January	**294,262**	287,385
Additions during the year	**4,642**	17,489
Depreciation expense	**(12,305)**	(10,612)
31 December	**286,599**	294,262

Lease liabilities

	2023 AED'000	2022 AED'000
1 January	**311,718**	301,182
Additions during the year	**4,637**	17,489
Interest expense (note 21)	**12,402**	11,382
Payments	**(21,158)**	(18,335)
31 December	**307,599**	311,718

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

23 Group as a Lessee (continued)

	2023 AED'000	2022 AED'000
Lease liability – classification		
Current	**9,733**	7,414
Non-current	**297,866**	304,304
	307,599	311,718

	2023 AED'000	2022 AED'000
Maturity analysis		
Not later than 1 year	**21,744**	20,544
Later than 1 year and not later than 5 years	**78,575**	80,975
Later than 5 years	**380,013**	399,356
	480,332	500,875
Less: unearned interest	**(172,733)**	(189,157)
	307,599	311,718

24 Interest in joint operations

During the year, the Group has invested in two new joint operations. The Group has share of assets, liabilities and results of operations of the following joint operations:

	Percentage of share	
	2023	2022
Joint operations		
NPCC- Saipem – Hail and Ghasha	**50%**	-
NPCC- Tecnicas-MEERAM	**50%**	-
Technip – NPCC – Satah Full Field	**50%**	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	**40%**	40%
NPCC – TECHNIP UL-2	**50%**	50%
NPCC – TECHNIP AGFA	**50%**	50%
NPCC - Technip JV - US GAS CAP Feed	**50%**	50%

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

24 Interest in joint operations (continued)

	2023 AED'000	2022 AED'000
Total assets	**1,577,073**	60,008
Total liabilities	**(1,540,694)**	(48,316)
Net assets	**36,379**	11,692
Total revenue	**71,049**	11,033
Profit for the year	**36,475**	11,693

25 Contingent liabilities and commitments

	2023 AED'000	2022 AED'000
Letters of guarantee	**11,703,758**	6,415,076
Letters of credit	**147,319**	345,003
Capital commitments	**145,058**	58,602
Purchase commitments	**5,378,558**	4,537,862

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

26 Capital management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes long term debts, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The gearing ratio, determined as net debt to equity, at the yearend was as follows:

	2023	2022
	AED'000	AED'000
Debt (note 14)	**844,721**	1,109,155
Cash and bank balances (note 11)	**(3,003,586)**	(1,681,864)
Net debt	**(2,158,865)**	(572,709)
Equity	**4,598,601**	3,799,536
Net debt to equity ratio	**-**	-

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes significant number of transactions denominated in foreign currencies including US Dollar, Sterling Pound, Euro, Indian Rupees and Saudi Riyal. Hence, exposures to exchange rate fluctuations arise.

The Group is primarily exposed to exchange rate fluctuations related to the Euro and Sterling Pound denominated as assets and liabilities. Other currencies are pegged to AED, and hence no currency fluctuation risks exist for them.

The carrying amounts of the Group's Euro and Sterling Pound denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	2023	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000
Euro	**19,560**	5,663	**212,539**	71,528
Sterling pound	**4,826**	749	**37,962**	13,888

Based on the sensitivity analysis to a 5% increase/decrease in the AED against the relevant foreign currencies (assumed outstanding for the full year):

(a) there is AED 9,649 thousand (2022: AED 3,293 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 1,657 thousand (2022: AED 657 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates on loans had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2023 would decrease/increase by AED 4.2 million (2022: decrease/increase by AED 5.5 million).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable interest-bearing deposits and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months Term SOFR (2022: 3 months USD LIBOR) rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate swap contracts (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year of AED 422,361 thousand (31 December 2022: AED 554,578 thousand):

2023			**USD'000**	**AED'000**
Instrument I: outstanding receive				
Floating, pay fixed	USD SOFR 3M	0.8%	**6,700**	**24,602**
2022				
Instrument I: outstanding receive				
Floating, pay fixed	USD LIBOR 3M	0.8%	11,367	41,747

Fair value represents the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book value under the historical cost method and fair value estimates.

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) the carrying amounts approximate to their fair value. This applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Forward foreign exchange contracts

The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	Notional value AED'000	Fair value AED'000	Fair value changes AED'000
2023				
Forward contract	**USD**	**46,878**	**44,213**	**2,666**
2022				
Forward contract	USD	171,002	158,141	12,861

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks, financial institutions, and its Parent Company and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 9.

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

The Group establishes an allowance for impairment that represents its estimate of probability of default in respect of trade and other receivables.

27 Financial instruments (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on contractual repayment arrangements were as follows:

	Less than 1 year AED'000	1 – 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2023				
Trade and other payables*	**4,232,740**	-	-	**4,232,740**
Lease liabilities	**21,744**	**78,575**	**380,013**	**480,332**
Term loans	**264,434**	**580,287**	-	**844,721**
	4,518,918	**658,862**	**380,013**	**5,557,793**
At 31 December 2022				
Trade and other payables*	2,653,926	-	-	2,653,926
Lease liabilities	20,544	80,975	399,356	500,875
Term loans	264,434	844,721	-	1,109,155
	2,938,904	925,696	399,356	4,263,956

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

Fair value of financial instruments

Management considers that the fair values of financial assets and financial liabilities in the consolidated financial statements approximate their carrying amounts.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

28 Financial instruments by category

	2023 AED'000	2022 AED'000
Financial assets		
Cash and bank balances	**3,003,586**	1,681,864
Contract assets	**2,208,519**	1,017,527
Trade and other receivables (excluding prepaid expenses)	**2,596,009**	2,846,274
	7,808,114	5,545,665
Financial liabilities		
Trade and other payables*	**4,232,740**	2,653,926
Term loans	**844,721**	1,109,155
	5,077,461	3,763,081

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

29 Corporate Income Tax

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

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

During the period, the Group has assessed the impact of deferred tax assets or liabilities as per the requirement of IAS 12 "Income Taxes" and concluded that based on their assessment there are no identifiable temporary differences and therefore no Deferred Tax Assets (DTA) / Deferred Tax Liabilities (DTL) required to be recognised for the year ended 31 December 2023.

30 Subsequent events

Subsequent to the year end, the name of the Company was changed from National Petroleum Construction Company to NMDC Energy P.J.S.C. This change of name was registered with the concerned authority on 6 February 2024.

The shareholders, in their meeting held on 12 February 2024, approved a dividend of AED 750 million for the prior years.

31 Approval of the consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 28 March 2024.

Part 3: Interim Consolidated Financial Statements for the six-month period ended 30 June 2024

NMDC ENERGY PJSC
(formerly National Petroleum Construction Company)

REPORT AND CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2024

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

Reports and condensed consolidated interim financial information
30 June

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of NMDC Energy PJSC (formerly National Petroleum Construction Company) (the "Company") and its subsidiaries (the "Group") as of 30 June 2024, and the related condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 and consequently 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)

F. Sohawon

Faeza Sohawon
Registration Number 5508
6 August 2024
Abu Dhabi
United Arab Emirates

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,147,661	3,041,366
Right-of-use assets	6	421,498	286,599
Investment in equity accounted investees	7	24,134	24,134
Goodwill		5,057	5,057
Total non-current assets		3,598,350	3,357,156
Current assets			
Inventories		185,976	235,889
Trade and other receivables	8	5,745,529	3,174,717
Due from a related party	17	1,217,793	1,015,829
Contract assets	9	3,124,682	2,208,519
Derivative financial assets		20,217	24,602
Cash and bank balances	10	2,577,830	3,003,586
Total current assets		12,872,027	9,663,142
Total assets		16,470,377	13,020,298
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	11	100,000	100,000
Statutory reserve	12	50,000	50,000
Restricted reserve	12	1,291	1,291
Currency translation reserve		(2,199)	(14,059)
Hedging reserve		20,217	14,812
Retained earnings		4,193,543	4,442,642
Equity attributable to the shareholder of the Company		4,362,852	4,594,686
Non-controlling interest		5,439	3,915
Total equity		4,368,291	4,598,601
Liabilities			
Non-current liabilities			
Term loans - non-current portion	13	448,069	580,287
Provision for employees' end of service benefits	14	283,734	260,343
Lease liabilities	6	362,660	297,866
Total non-current liabilities		1,094,463	1,138,496

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Current liabilities			
Trade and other payables	15	10,331,647	6,785,339
Term loans - current portion	13	264,434	264,434
Derivative financial liability		-	9,790
Lease liabilities	6	64,117	9,733
Contract liabilities		265,317	141,287
Income tax payable	16	82,108	72,618
Total current liabilities		11,007,623	7,283,201
Total liabilities		12,102,086	8,421,697
Total equity and liabilities		16,470,377	13,020,298

Mr. Yasser Zaghloul
Group Chief Executive Officer

Mr. Ahmed Al Dhaheri
Chief Executive Officer

Mr. Sreemont Prasad Barua
Group Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
For the six-month period ended 30 June 2024

	Notes	*3 months ended 30 June*		*6 months ended 30 June*	
		2024	*2023*	***2024***	*2023*
		AED'000	*AED'000*	***AED'000***	*AED'000*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Contract revenue	**19**	**3,673,384**	1,598,428	5,808,164	3,090,472
Direct costs		**(3,324,538)**	(1,414,378)	(5,240,720)	(2,812,153)
Gross profit		**348,846**	184,050	**567,444**	278,319
General and administrative expenses		**(34,499)**	(28,955)	**(62,892)**	(43,975)
Other income, net		**36,970**	12,468	**38,931**	22,446
Finance income		**23,324**	24,076	**54,269**	43,420
Finance costs		**(15,779)**	(18,589)	**(34,403)**	(38,975)
Depreciation of right-of-use assets	**6**	**(3,462)**	(2,883)	**(6,925)**	(5,767)
Foreign currency exchange loss		**(6,120)**	(7,428)	**(18,566)**	(12,951)
Profit before tax		**349,280**	162,739	**537,858**	242,517
Income tax (expense)/credit, net	**16**	**(20,823)**	(5,900)	**(35,433)**	559
Profit for the period		**328,457**	156,839	**502,425**	243,076
Profit attributable to:					
Shareholder of the Company		**327,423**	156,242	**500,901**	242,090
Non-controlling interests		**1,034**	597	**1,524**	986
Profit for the period		**328,457**	156,839	**502,425**	243,076

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2024

	3 month ended 30 June		*6 months ended 30 June*	
	2024	*2024*	**2024**	2023
	AED'000	*AED'000*	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Profit for the period	**328,457**	156,839	**502,425**	243,076
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Fair value gain arising on hedging instruments during the period	**(120)**	8,729	**5,405**	17,159
Foreign exchange difference on translation of foreign operations	**15,658**	67	**11,860**	(971)
Total other comprehensive income	**15,538**	8,796	**17,265**	16,188
Total comprehensive income for the period	**343,995**	165,635	**519,690**	259,264
Non-controlling interests	**(1,034)**	(597)	**(1,524)**	(986)
Total comprehensive income for the period - attributable to the Shareholder of the Company	**342,961**	165,038	**518,166**	258,278

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2024

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the shareholder of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2023 (audited)	100,000	50,000	1,291	(12,399)	(5,489)	3,663,053	3,796,456	3,080	3,799,536
Profit for the period	-	-	-	-	-	242,090	242,090	986	243,076
Other comprehensive (loss)/income for the period	-	-	-	(971)	17,159	-	16,188	-	16,188
Total comprehensive (loss) income for the period	-	-	-	(971)	17,159	242,090	258,278	986	259,264
Balance at 30 June 2023 (unaudited)	100,000	50,000	1,291	(13,370)	11,670	3,905,143	4,054,734	4,066	4,058,800
Balance at 1 January 2024 (audited)	**100,000**	**50,000**	**1,291**	**(14,059)**	**14,812**	**4,442,642**	**4,594,686**	**3,915**	**4,598,601**
Profit for the period	-	-	-	-	-	500,901	500,901	1,524	502,425
Other comprehensive income for the period	-	-	-	11,860	5,405	-	17,265	-	17,265
Total comprehensive income for the period	-	-	-	11,860	5,405	500,901	518,166	1,524	519,690
Dividend (notes 17 &18)	-	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Balance at 30 June 2024 (unaudited)	**100,000**	**50,000**	**1,291**	**(2,199)**	**20,217**	**4,193,543**	**4,362,852**	**5,439**	**4,368,291**

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2024

	Notes	**30 June *2024* *AED '000* *(Unaudited)***	30 June *2023* *AED '000* *(Unaudited)*
OPERATING ACTIVITIES			
Profit before tax		**537,858**	242,517
Adjustments for:			
Depreciation of property, plant and equipment	**5**	**98,531**	93,178
Depreciation of right-of-use assets	**6**	**33,557**	5,767
Gain on disposal of property, plant and equipment		**(958)**	(290)
Provision for slow moving and obsolete inventories		**1,230**	599
Provision for expected credit losses on trade receivable and contract assets		**1,109**	159
Finance costs, net		**(16,525)**	(4,445)
Provision for employees' end of service benefits	**14**	**25,966**	18,305
Share of profit of a joint venture		**-**	(490)
		680,768	355,300
Income tax paid, net	**16**	**(25,943)**	(8,731)
Employees' end of service benefit paid	**14**	**(2,575)**	(8,238)
		652,250	338,331
Working capital changes:			
Change in inventories		**48,683**	(13,541)
Change in trade and other receivables		**(2,570,880)**	508,511
Change in due from a related party		**(201,964)**	-
Change in contract assets		**(917,204)**	(659,735)
Change in contract liabilities		**124,030**	267,831
Change in trade and other payables		**3,546,308**	85,347
Net cash generated from operating activities		**681,223**	526,744
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**5**	**(204,831)**	(101,701)
Proceeds from disposal of property, plant and equipment		**958**	900
Movement in deposit with original maturity more than three months	**10**	**296,538**	(490,000)
Interest received		**54,269**	43,420
Net cash generated from/(used in) investing activities		**146,934**	(547,381)
FINANCING ACTIVITIES			
Repayment of term loans	**13**	**(132,218)**	(132,217)
Repayment of lease liabilities	**6**	**(58,864)**	(20,498)
Dividend paid	**18**	**(750,000)**	-
Interest paid		**(28,158)**	(32,794)
Net cash used in financing activities		**(969,240)**	(185,509)
Net decrease in cash and cash equivalents		**(141,083)**	(206,146)
Cash and cash equivalents at the beginning of the period		**2,498,069**	1,681,864
Net foreign exchange difference		**11,865**	(996)
Cash and cash equivalents at the end of the period	**10**	**2,368,851**	1,474,722

The accompanying notes form an integral part of these condensed consolidated interim financial information.

1 GENERAL INFORMATION

NMDC Energy PJSC (Formerly "National Petroleum Construction Company") (the "Company") ("NPCC") was established on 2 April 1973 as a limited liability Company in the Emirate of Abu Dhabi, UAE. In 1987, the legal status of the Company was changed to a Public Joint Stock Company by the application of the Abu Dhabi Law No. (2) of 1987. The Company was owned by General Holding Corporation PJSC ("SENAAT") and Chimera Investments LLC.

In 2021, National Marine Dredging Company ("NMDC" or "Parent Company") acquired all the share of the Company and became the sole shareholder of the Company. National Marine Dredging Company is a public shareholding company incorporated in the Emirate of Abu Dhabi by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi.

During the current period, the name of the Company was changed from National Petroleum Construction Company to NMDC Energy PJSC. This change of name was registered with the concerned authority on 6 February 2024.

These condensed consolidated interim financial statements include the financial performance and position of the Company, its subsidiaries and joint ventures (collectively referred to as the "Group').

The principal activities of the Group include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

2 Basis of preparation

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

These interim condensed consolidated financial statements are presented in UAE Dirham ("AED") which is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the six-months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 Application of new and revised International Financial Reporting Standards (IFRS)

3.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

3.2 New and revised IFRS in issue but not yet effective

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IAS 27 - Lack of Exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates)
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates)

The above stated new standards and amendments are not expected to have any significant impact on these condensed consolidated interim financial statements of the Group.

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

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim condensed 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.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements for the year ended 31 December 2023.

5 PROPERTY, PLANT AND EQUIPMENT

	Buildings AED'000	Plant, barges and vehicles AED'000	Furniture and office equipment AED'000	Capital work in progress AED'000	Total AED'000
2024 (Unaudited)					
Cost					
1 January 2024 (audited)	577,094	5,750,829	127,336	234,370	6,689,629
Additions	-	16,837	4,397	183,597	204,831
Transfers	-	24,398	-	(24,398)	-
Disposal/write-offs	-	(3,795)	-	-	(3,795)
Exchange difference	-	-	(13)	-	(13)
30 June 2024	**577,094**	**5,788,269**	**131,720**	**393,569**	**6,890,652**
Accumulated depreciation					
1 January 2024 (audited)	391,383	3,147,216	109,664	-	3,648,263
Charge for the period	7,749	86,986	3,796	-	98,531
Disposal/write-offs	-	(3,795)	-	-	(3,795)
Exchange difference	-	-	(8)	-	(8)
30 June 2024	**399,132**	**3,230,407**	**113,452**	**-**	**3,742,991**
Carrying amount					
At 30 June 2024	**177,962**	**2,557,862**	**18,268**	**393,569**	**3,147,661**
2023 (Audited)					
Cost					
1 January 2023	542,765	5,171,840	116,357	224,310	6,055,272
Additions	67	39,365	10,746	594,671	644,849
Transfers	34,262	550,016	333	(584,611)	-
Disposal/write-offs	-	(10,392)	-	-	(10,392)
Exchange difference	-	-	(100)	-	(100)
31 December 2023	577,094	5,750,829	127,336	234,370	6,689,629
Accumulated depreciation					
1 January 2023	378,519	3,027,542	101,973	-	3,508,034
Charge for the year	12,864	129,456	7,767	-	150,087
Disposal/write-offs	-	(9,782)	-	-	(9,782)
Exchange difference	-	-	(76)	-	(76)
31 December 2023	391,383	3,147,216	109,664	-	3,648,263
Carrying amount					
At 31 December 2023	185,711	2,603,613	17,672	234,370	3,041,366

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Balance at the beginning of the period/year	**286,599**	294,262
Additions during the period/year	**168,456**	4,642
Depreciation expense	**(33,557)**	(12,305)
Balance at the end of the period/year	**421,498**	286,599

Lease liabilities

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Balance at the beginning of the period/year	**307,599**	311,718
Additions during the period/year	**168,456**	4,637
Interest expense	**9,586**	12,402
Payments	**(58,864)**	(21,158)
Balance at the end of the period/year	**426,777**	307,599

The interest and depreciation are charged to profit and loss for the period ended 30 June 2024 as follows:

	Depreciation expense AED'000	**Interest expense AED'000**
Direct costs	**26,632**	**3,341**
General and administrative expenses	**6,925**	**6,245**
	33,557	**9,586**

The interest and depreciation are charged to profit and loss for the period ended 30 June 2023 as follows:

	Depreciation expense AED'000	Interest expense AED'000
General and administrative expenses	5,767	6,181

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Lease liabilities– classification		
Current	**64,117**	9,733
Non-current	**362,660**	297,866
	426,777	307,599

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

The carrying amounts of the Group's investments in equity accounted investees are as follows:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
NT Energies	77	77
Principia SAS	**24,057**	24,057
	24,134	24,134

The movements in investment in equity accounted investees are as follows:

	30 June AED'000 *(Unaudited)*	31 December AED'000 *(Audited)*
At 1 January	**24,134**	23,667
Acquisition during the period/year	-	77
Share of profit for the period/year	-	1,727
Dividend received during the period/year	-	(1,337)
Balance at the end of the period/year	**24,134**	24,134

During the year 2023, the Group signed an agreement with France-based company Technip Energies to establish a Joint Venture, NT Energies. The Group owns 51% share in the Joint Venture.

The Group acquired 33% shares of the Principia SAS ("Principia") a Company registered in Marseille, France from IGEN SARL (which owns 16.67% of the share capital of Principia) and GRENERGY SARL (which owns 16.67 % of the share capital of Principia) (together, referred to as "Sellers") in the sale purchase agreement dated 23 June 2016 with effect from 27 July 2016.

8 TRADE AND OTHER RECEIVABLES

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Trade receivables	**2,761,071**	1,201,880
Less: allowance for expected credit losses	**(2,356)**	(2,288)
	2,758,715	1,199,592
Advances to suppliers	**2,189,076**	1,017,951
Prepayments	**370,058**	553,072
Contract retentions	**332,818**	263,288
VAT and GST receivables, net	**19,923**	31,689
Advances paid to employees	**14,088**	15,067
Other receivables	**60,851**	94,058
	5,745,529	3,174,717

Included in trade and other receivables are amounts of AED nil (2023: AED 354.3 million) due from entities disclosed in note 17 to the condensed consolidated interim financial information.

The average credit period on contract revenue is 45 days. No interest is charged on outstanding trade receivables.

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

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

8 TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for expected credit losses:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
At beginning of the period/year	**2,288**	288
Charge for the period/year	**68**	2,000
At end of the period/year	**2,356**	2,288

9 CONTRACT ASSETS

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Construction contracts	**3,126,414**	2,209,210
Less: allowance for expected credit losses	**(1,732)**	(691)
	3,124,682	2,208,519

Movement in the allowance for expected credit losses:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
At beginning of the period/year	**691**	483
Charge for the period/year	**1,041**	208
At end of the period/year	**1,732**	691

10 CASH AND BANK BALANCES

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*	30 June 2023 AED'000 *(Unaudited)*
Cash in hand	**498**	691	607
Cash at banks	**707,349**	427,783	906,064
Short-term deposits	**1,869,983**	2,575,112	1,058,051
Cash and bank balances	**2,577,830**	3,003,586	1,964,722
Less: short-term deposits with maturity of more than three months	**(208,979)**	(505,517)	(490,000)
Cash and cash equivalents	**2,368,851**	2,498,069	1,474,722

Short-term deposits carry interest at prevailing market interest rates.

Included in cash and bank balances are amounts of AED 223.4 million (31 December 2023: AED 2,209 million) held with a related party as disclosed in note 17 to the condensed consolidated interim financial information.

11 SHARE CAPITAL

The capital of the Company is made up of 100,000 thousand shares of AED 1 each and are distributed as follows:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
National Marine Dredging Company PJSC	**100,000**	100,000

12 STATUTORY RESERVE AND RESTRICTED RESERVE

In accordance with the provisions of the UAE Federal Decree Law No. (32) of 2021, 10% of profit for the year is to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. This reserve is not available for distribution.

The statutory reserves of the subsidiaries have been transferred to the restricted reserve as these amounts are not available for distribution.

13 TERM LOANS

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Non-current portion	**448,069**	580,287
Current portion	**264,434**	264,434
	712,503	844,721

On February 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of Term SOFR plus 0.90% (2023: Term SOFR plus 0.90 %). The total syndicated loan agreement consists of two portions: Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. The outstanding amount of this loan as at 30 June 2024 is USD 194 million which is equivalent to AED 712.5 million. In accordance with the terms of the agreement between the two parties, the loan is repayable in quarterly installments starting from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of 5 vessels of the Company.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Balance at the beginning of the period/year	**844,721**	1,109,155
Loan repayment	**(132,218)**	(264,434)
Balance at the end of the period/year	**712,503**	844,721

14 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits is as follows:

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Balance at the beginning of the period/year	**260,343**	239,393
Charge for the period/year	**25,966**	40,490
Paid during the period/year	**(2,575)**	(19,540)
Balance at the end of the period/year	**283,734**	260,343

15 TRADE AND OTHER PAYABLES

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Job and other accruals	**3,903,860**	3,151,971
Advances received on contracts	**3,805,564**	2,451,068
Trade payables	**2,196,823**	873,921
VAT payables	**161,777**	96,542
Provision for employees leave salary	**76,390**	64,722
Provision for board remuneration and employee bonus	**47,844**	52,850
Provision for air fare	**36,821**	37,319
Retentions payable	**76,190**	20,537
Warranty provision	**14,093**	14,093
Provision for future losses	**592**	686
Other payables	**5,862**	13,723
Other accruals	**5,831**	7,907
	10,331,647	6,785,339

Included in trade and other payables are amounts of AED 189.5 million (31 December 2023: AED 1,217 million) due to entities disclosed in note 17 to the condensed consolidated interim financial statements.

16 INCOME TAX PAYABLE

	30 June 2024 AED'000 *(Unaudited)*	31 December 2023 AED'000 *(Audited)*
Balance at the beginning of the period/year	**72,618**	66,765
Charge for the period/year	**48,815**	36,178
Reversals during the period/year	**(13,382)**	(11,397)
Refund received during the period/year	-	11,839
Payments during the period/year	**(25,943)**	(30,767)
Balance at the end of the period/year	**82,108**	72,618

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The application of the Global Minimum Tax rate of 15% in FY2024 is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The tax charge for the period ended 30 June 2024 is AED 38.3 million (30 June 2023: AED nil), representing an Effective Tax Rate ("ETR") of 7% (30 June 2023: nil).

The tax payable resulting from foreign operations in India, Kuwait and Saudi Arabia is calculated in accordance with the taxation laws in the respective countries.

17 RELATED PARTY TRANSACTIONS AND BALANCES

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with Companies, entities or individuals that fall within the definition of "related parties" as defined in IAS 24 *Related Party Disclosures*. Related parties comprise the Shareholder, key management staff and business entities related to them, companies under common ownership and/or common management and control, their Directors and key management personnel.

Related party balances are disclosed in notes 8, 10 & 15 to the condensed consolidated interim financial statements.

	3 months ended 30 June		**6 months ended 30 June**	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Related party transactions				
Contract revenues	-	3,772	-	7,655
Material and services purchased	**60,181**	39,379	**127,832**	58,330
Sub-contract costs	**220,485**	81,165	**372,738**	219,165
Interest income	**25,097**	9,224	**45,885**	18,826
Dividend paid (note 18)	**-**	-	**750,000**	-
Share of profit from an associate	-	490	-	490

At the reporting date, balances with related parties were as follows:

Due from a related party

	30 June 2024	31 December 2023
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
National Marine Dredging Company PJSC (NMDC)	**1,217,793**	1,015,829

The balance due from a related party principally represents an amount of AED 285,731 thousand (2023: AED 285,731 thousand) pertaining to the sale of Safeen Survey and Subsea Services to the parent company and an amount of AED 932,062 thousand (2023: AED 729,976 thousand) resulted from its cash pooling arrangement and certain other transactions with its parent company.

18 DIVIDEND

At the National Marine Dredging Company's Board meeting held on 12 February 2024, the Board approved a dividend of AED 750,000 thousand (and paid in full during the period), relating to the year ended 31 December 2023 (2022: AED nil).

19 CONTRACTS REVENUE

	3 months ended 30 June		6 months ended 30 June	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue by project type				
Energy	**3,673,384**	1,598,428	**5,808,164**	3,090,472
Revenue by activity				
Engineering, procurement and construction	**3,673,384**	1,598,428	**5,808,164**	3,090,472
Timing of revenue recognition				
Revenue recognised over the period	**3,673,384**	1,598,428	**5,808,164**	3,090,472
Revenue by geography				
UAE	**2,311,672**	935,266	**3,582,722**	1,924,066
International	**1,361,712**	663,162	**2,225,442**	1,166,406
	3,673,384	1,598,428	**5,808,164**	3,090,472

19.2 UNSATISFIED PERFORMANCE OBLIGATION

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2024 amounted to AED 53,963 million (30 June 2023: AED 18,309 million).

20 PROFIT FOR THE PERIOD

Profit for the period is stated after:

	3 months ended 30 June		6 months ended 30 June	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Salaries and other benefits	**387,724**	209,002	**808,670**	517,090
Depreciation of property, plant and equipment (note 5)	**48,562**	46,405	**98,531**	93,178
Depreciation of right-of-use assets (note 6)	**30,094**	2,883	**33,557**	5,767

21 CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2024	31 December 2023
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
Letters of guarantee	**12,819,872**	11,703,758
Letters of credit	**87,075**	147,319
Capital commitments	**174,696**	145,058
Purchase commitments	**4,960,726**	5,378,558

22 SEASONABILITY OF RESULTS

No income of seasonal nature was recorded in the condensed consolidated interim statement of comprehensive income for the six-month period ended 30 June 2024 (30 June 2023: nil).

23 SUBSEQUENT EVENTS

The Board of Directors of the National Marine Dredging Company PJSC, in their meeting held on 24th July 2024, approved the following:

I. the nominal value of the shares to be reduced to AED 0.50 per share from AED 1 per share;
II. the share capital of the Company to be increased to AED 2,500,000,000 from AED 100,000,000, by transferring AED 2,400,000,000 from retained earnings to the share capital;
III. number of shares increased to 5,000,000,000 shares from 100,000,000 shares;
IV. all the Company's shares, including the new shares, shall be of equal ranking to one another in rights and obligations.

24 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the management and authorised for issue on 5 August 2024.

ANNEX (2) ARTICLES OF ASSOCIATION OF THE COMPANY

Articles of Association of
NMDC Energy – P.J.S.C.
A Public Joint-Stock Company

النظام الأساسي
إن إم دي سي إنيرجي - ش.م.ع.
شركة مساهمة عامة

Preamble

(a) NMDC Energy – P.J.S.C. (“**Company**”) (then known as National Petroleum Construction Company P.J.S.C.) was established by virtue of its memorandum of association as a public joint stock on 2 April 1973 in the Emirate of Abu Dhabi, United Arab Emirates (“**UAE**”).

(b) In 1987, the Company was reorganised pursuant to Law No. (2) of 1987 Concerning the Incorporation of National Petroleum Construction Company.

(c) In 2004, the Company was transferred to the General Holding Corporation P.J.S.C. (“**SENAAT**”) pursuant to Law No. (9) of 2004 Concerning the Transfer of National Petroleum Construction Company to the General Holding Corporation P.J.S.C..

(d) The shareholders of the Company issued on 3 October 2016 articles of association for the Company and registered these articles at the Securities and Commodities Authority.

(e) Pursuant to Law No. (02) of 2018 and Executive Council Resolution No. (33) of 2020 issued on 2 March 2020, the SENAAT became wholly owned by the Abu Dhabi Developmental Holding Company P.J.S.C. and pursuant to a share purchase agreement dated 30 April 2020, SENAAT became on that date the sole shareholder in the Company.

تمهيد

(أ) تأسست شركة إن إم دي سي إنيرجي - ش.م.ع ("**الشركة**") (المعروفة آنذاك/سابقاً بشركة الإنشاءات البترولية الوطنية ش.م.ع.) بموجب عقد تأسيسها كشركة مساهمة عامة بتاريخ 2 أبريل 1973 في إمارة أبو ظبي، الإمارات العربية المتحدة ("**دولة الإمارات**").

(ب) وفي عام 1987 تم إعادة تنظيم الشركة بموجب القانون رقم (2) لسنة 1987 في شأن تأسيس شركة الإنشاءات البترولية الوطنية.

(ج) وفي عام 2004, تم نقل الشركة إلى الشركة القابضة العامة ش.م.ع ("**صناعات**") وذلك بموجب أحكام القانون رقم (9) لسنة 2004 بشأن نقل شركة الانشاءات البترولية الوطنية إلى الشركة القابضة العامة ش.م.ع.

(د) وحيث أصدر المساهمون في الشركة نظاماً أساسياً للشركة بتاريخ 3 أكتوبر 2016 وتم قيده لدى هيئة الأوراق المالية.

(ه) واستناداً للقانون رقم (2) لسنة 2018 وقرار المجلس التنفيذي رقم (33) لسنة 2020 الصادر بتاريخ 2 مارس 2020، أصبحت صناعات مملوكة بالكامل من شركة أبوظبي التنموية القابضة ش.م.ع. وبموجب اتفاقية شراء أسهم في 30 أبريل 2020، أصبحت صناعات في ذلك التاريخ المساهم الوحيد في الشركة.

(f) SENAAT sold 30% of its shares in the Company to Chimera Investments LLC. The two shareholders issued a new set of articles of association on 28 September 2020.

(و) وحيث قامت صناعات ببيع نسبة 30% من أسهمها في الشركة لشركة شيميرا للاستثمارات ذ.م.م. أصدرت الشركتان نظاماً أساسياً جديداً للشركة في 28 سبتمبر 2020.

(g) Following this, National Marine Dredging Company P.J.S.C. acquired the entire share capital of the Company and consequently amended its articles of association.

(ز) ولاحقاً لذلك استحوذت شركة الجرافات البحرية الوطنية ش.م.ع على كامل رأس مال الشركة وقامت بتعديل نظامها الأساسي تبعاً لذلك.

(h) The Federal Law by Decree No. (32) of 2021 concerning Commercial Companies ("**CCL**"), which repealed Law No. (2) of 2015, required public joint stock companies to conform with the provisions of the CCL.

(ح) ولما كان المرسوم بقانون اتحادي رقم (32) لسنة 2021 بشأن الشركات التجارية ("**قانون الشركات التجارية**") قد نص على إلغاء القانون الاتحادي رقم (2) لسنة 2015 بشأن الشركات التجارية والقوانين المعدلة له، وأوجب على الشركات المساهمة العامة القائمة توفيق أوضاعها بما يتوافق مع أحكامه.

(i) On 19 October 2023, National Marine Dredging Company P.J.S.C., in its capacity as the sole shareholder of the Company, resolved to amend the name of the Company to "**NMDC Energy – P.J.S.C**", and to amend the Company's articles of association in line with the CCL.

(ط) وقررت شركة الجرافات البحرية الوطنية ش.م.ع، بعد ذلك بصفتها المساهم الوحيد في الشركة، بتاريخ 19 أكتوبر 2023 تغيير اسم الشركة ليصبح **"إن إم دي سي إنيرجي – ش.م.ع"**، وتعديل أحكام النظام الأساسي للشركة ليتوافق مع قانون الشركات التجارية.

(j) On 23 August 2024, the Board of Directors of the sole shareholder, resolved to (i) replace the Company's current Articles of Association with these Articles and (ii) approve an initial public offering of the sole shareholder's shares and listing of the Company's shares on the Abu Dhabi Securities Exchange.

(ي) بتاريخ 23 أغسطس 2024 قرر مجلس إدارة المساهم الوحيد في الشركة (1) استبدال النظام الأساسي للشركة بالنظام الماثل؛ و(2) الموافقة على طرح جزء من أسهم المساهم الوحيد في اكتتاب عام وإدراج أسهم الشركة في سوق أبوظبي للأوراق المالية.

It has been agreed as follows:

تم الاتفاق على ما يلي:

CHAPTER ONE

الباب الأول

Article (1)

المادة (1)

Definitions	التعاريف
1.1 In these articles of association, the following expressions shall have the meanings opposite thereto, unless nothing in the context indicates otherwise:	1- 1 فـي هـذا النظـام الأساسـي، يكـون للتعـابير التاليـة، المعـاني المحـددة قـرين كـل منهـا مـا لـم يوجـد فـي سـياق النص ما يدل على غير ذلك:
• "**Authority**" means the UAE Securities and Commodities Authority;	• "**الهيئة**" هيئة الأوراق المالية والسـلع بدولة الإمارات العربيّة المتحدة؛
• "**Board or Board of Directors**" means the Board of Directors of the Company;	• "**المجلس أو مجلس الإدارة**" مجلس إدارة الشركة؛
• "**Chairman**" means the chairman of the Board of Directors;	• "**رئـيس المجلـس**" يعنـي رئـيس مجلس الإدارة؛
• "**Commercial Register**" means the Commercial Register of Companies retained with the Competent Authority;	• "**السـجل التجـاري**" السـجل التجـاري للشـركات المحفـوظ لـدى السـلطة المختصة؛
• "**Companies Law**" means the Federal Decree Law No. (32) of (2021) concerning Commercial Companies, as amended, supplemented, substituted or wholly re-enacted by subsequent laws and any other law amending or subrogating thereto in the future;	• "**قـانون الشـركات**" المرسـوم بقـانون اتحـادي رقـم (32) لسـنة 2021 بشـأن الشـركات التجاريـة وأي تعـديل يطـرأ عليـه وأي قـانون آخـر يكـون معـدلاً لـه أو يحل محله في المستقبل؛
• "**Company**" means NMDC Energy PJSC;	• **الشركة** تعني إن إم دي سي إنيرجي ش.م.ع.؛
• "**Competent Authority**" means the Department of Economic Development in the emirate of Abu Dhabi;	• "**السـلطة المختصـة**" دائـرة التنميـة الاقتصادية في إمارة أبوظبي؛
• "**General Assembly**" means a meeting of the shareholders of the Company duly convened and held in accordance with the Companies Law and these Articles of	• "**الجمعيّـة العموميّـة**" تعنـي اجتمـاع المسـاهمين فـي الشـركة الـذي تـتم الـدعوة إليـه ويعقـد أصـولاً بموجـب قـانون الشـركات التجاريـة وهـذا

Association;	النظام؛
• “**Governance Controls**” means the other set of controls and rules which achieve the corporate discipline of the Company's relations and management in accordance with the international standards and manners through the identification of duties and responsibilities of the members of the Board of Directors and the senior executive management, taking into account protecting the rights of the shareholders and stakeholders as issued by the Authority from time to time;	• "**ضوابط الحوكمة**" مجموعة الضوابط والقواعد الأخرى التي تحقق الانضباط المؤسسي في العلاقات والإدارة في الشركة وفقاً للمعايير والأساليب العالمية وذلك من خلال تحديد مسؤوليات وواجبات أعضاء مجلس الإدارة والإدارة التنفيذية العليا للشركة وتأخذ في الاعتبار حماية حقوق المساهمين وأصحاب المصالح حسبما تصدره الهيئة من حين لآخر؛
• “**Market**” means the Abu Dhabi Securities Exchange licensed in the UAE by the Authority, in which the name of the Company has been listed therein;	• "**السوق**" سوق أبوظبي للأوراق المالية والمرخص في الدولة من قبل الهيئة والتي تم إدراج أسهم الشركة به؛
• “**Special Resolution**” means the resolution issued by a majority of votes of shareholders who own at least not less than three quarters (3/4) of the shares represented in the meeting of the General Assembly;	• "**القرار الخاص**" القرار الصادر بأغلبية أصوات المساهمين الذين يملكون ما لا يقل عن ثلاثة أرباع الأسهم الممثلة في اجتماع الجمعيّة العموميّة للشركة؛
• “**Related Parties**” means the entities and persons classified as such pursuant to the resolutions or regulations issued by the Authority; and	• "**الأطراف ذات العلاقة**" الأشخاص والجهات التي يتم تحديدها كأطراف ذات علاقة وفقاً للقرارات أو الأنظمة الصادرة عن الهيئة؛
• “**UAE**” means United Arab Emirates.	• "**الدولة**" تعني الإمارات العربية المتحدة.
1.2 Capitalised terms shall have the meaning given to them in these articles of association, and if they are not stated herein shall have the meaning given to them in the governance regulations issued by the Authority (as amended or replaced from time to time).	1-2 يكون للمصطلحات المعرفة المعاني الواردة في هذا النظام الأساسي وإن لم ترد به يكون لها المعاني الواردة في ضوابط الحوكمة الصادرة عن الهيئّة (كما يتم تعديلها أو استبدالها من وقت لآخر).

Article (2)	**المادة (2)**
Name of the Company	**اسم الشركة**
The name of the Company is "**NMDC Energy – P.J.S.C**", a public joint-stock company.	اسم الشركة هو "**إن إم دي سي إنيرجي ش.م.ع**"، وهي شركة مساهمة عامة.
Article (3)	**المادة (3)**
Head Office	**المركز الرئيس**
The Company's head office and its legal seat shall be in the Emirate of Abu Dhabi, and the Board of Directors may constitute branches and offices thereto inside and outside the UAE.	مركز الشركة الرئيس ومحلها القانوني في إمارة أبوظبي، ويجوز لمجلس الإدارة أن ينشئ لها فروعاً ومكاتب داخل الدولة وخارجها.
Article (4)	**المادة (4)**
Term of the Company	**مدة الشركة**
The term determined for the Company is (99) ninety nine Gregorian years, started from the date of its registration at the Commercial Register with the Competent Authority, and thereafter this term shall be renewed automatically for similar and successive periods, unless a Special Resolution by the General Assembly is issued for amending or terminating the Company's term.	المدة المحددة لهذه الشركة هي (99) تسعة وتسعون سنة ميلادية بدأت من تاريخ قيدها بالسجل التجاري لدى السلطة المختصة، وتجدد هذه المدة بعد ذلك تلقائيا لمدد متعاقبة ومماثلة ما لم يصدر قرار خاص من الجمعيّة العموميّة بتعديل مدة الشركة أو إنهائها.
Article (5)	**المادة (5)**
Objects of the Company	**أغراض الشركة**
5.1 The objectives of the Company shall be consistent with the laws and regulation in force within the UAE.	5 -1 تكون أغراض الشركة متفقة مع أحكام القوانين والقرارات المعمول بها داخل الدولة.
5.2 The Company's objects are:	5 -2 أغراض الشركة هي:-
(a) manufacturing, assembling, transporting, installing, repairing and maintaining offshore platforms and oil and gas exploration, extraction and transport facilities;	(أ) تصنيع وتجميع ونقل وتركيب وإصلاح وصيانة المنصات البحرية ومنشآت تنقيب واستكشاف واستخراج النفط والغاز.

(b) manufacturing, assembling, transporting, installing, repairing and maintaining any installations, pipelines or facilities related to or supplementing offshore platforms;

(ب) تصنيع وتجميع ونقل وتركيب وإصلاح وصيانة أي منشآت أو خطوط نقل أو مرافق مرتبطة بالمنصات البحرية أو مكملة لها.

(c) manufacturing, installing and operating of ferries and ships transporting offshore platforms, associated facilities and facilities used for their installation, removal or maintenance;

(ج) تصنيع وتركيب وتشغيل العبارات والبوارج والسفن الناقلة للمنصات البحرية والمنشآت والمرافق المرتبطة بها أو المستعملة في تركيبها أو تثبيتها أو إزالتها أو صيانتها.

(d) supplying, preparing, installing and maintaining of oil and gas facilities and pipelines; and

(د) أعمال توريد وتجهيز وتركيب وصيانة مرافق وأنابيب النفط والغاز.

(e) carrying out the business and the activity of engineering, installation, procurement, construction, contracting, and building of all kinds including but not limited to design work, civil, mechanical and electrical works and engineering in all sectors including the energy sector, onshore and offshore gas and oil fields; and general maintenance works, management of projects and facilities.

(ه) ممارسة وتوفير أعمال الهندسة والمقاولات والبناء والتركيب والانشاءات بكافة أنواعها بما في ذلك دون الحصر أعمال التصميم والمقاولات المدنية والميكانيكية والكهربائية في قطاع الطاقة والنفط والغاز البري والبحري وجميع القطاعات الأخرى وأعمال الصيانة العامة وإدارة المشاريع والمنشآت.

5.3 The Company may, seeking to achieve its abovementioned objectives, take up the following activities, whether inside the UAE or abroad:

5 -3 يجوز للشركة في سبيل تحقيق أغراضها الرئيسة المذكورة أعلاه القيام بالنشاطات التالية سواء داخل أو خارج الدولة:

(a) acquire, subscribe or own other shares, interests or rights in companies, or projects operating in a field pertaining to the Company's objects or to any expansion to the Company or its other business; or engage in business similar to the one it undertakes, or those which help the

(أ) اكتساب، أو الاشتراك في، أو امتلاك أسهم، أو حصص أو حقوق أخرى في شركات أو مشاريع تعمل في مجال يرتبط بأغراض الشركة، أو بأي توسعة لها أو بأعمالها الأخرى؛ أو تزاول أعمالاً مماثلة للأعمال التي تقوم بها الشركة، أو

Company, and to finance those companies, or projects;

التي قد تساعد الشركة، وتمويل تلك الشركات والمشروعات؛

(b) establish Affiliated Companies inside and outside the UAE and authorize thereto the powers and authorities that the Company deems appropriate or necessary for any purposes in connection with its objects or any expansion or business thereof;

(ب)تأسيس شركات تابعة داخل وخارج الدولة وتخويلها السلطة والصلاحيّة التي تعتبرها الشركة مناسبة أو ضروريّة لأيّة أغراض تتعلق بأغراض الشركة أو بأيّة توسعة لها أو لأعمال الشركة؛

(c) participate with others in establishing other companies, partnerships or entities;

(ج) الاشتراك مع الغير في تأسيس شركات أو شراكات أو كيانات أخرى؛

(d) engage in any business or activity, or take up anything of whatsoever nature which may connect or relate to any of the Company's objects or enhance directly or indirectly the value of all or any of the Company's projects, properties or assets, or otherwise increase its profitability or promote its interests;

(د) مزاولة أيّ عمل أو نشاط، أو القيام بأيّ شيء مهما كانت طبيعته، من شأنه أن يتصل أو يتبع أيّ من أغراض الشركة، أو يعزز بصورة مباشرة أو غير مباشرة قيمة كافة أو أيّ من مشاريع الشركة، أو ممتلكاتها، أو أصولها، أو يزيد على نحو آخر من ربحيّة الشركة، أو يعزز مصالحها؛

(e) enter into agreements with banks, financial institutions and credit agencies in connection with financing the Company's business and activities, including, without limitation, issuing guarantees and granting collaterals on its assets, including its shares or stock, or the shares, interests or assets of its affiliate companies, and concluding contracts in favour of third parties in connection with the Company's objects or any expansion thereto, including, without limitation, issuing guarantees or granting indemnity bonds, or working as a guarantor, or other than what is stated above, to guarantee the obligations of the Company's Subsidiaries, with or without a charge, mortgage or otherwise, create a lien over the whole or any part of the Company, its assets, or the shares, interests, or assets of its Affiliated

(ه) إبرام اتفاقيّات مع بنوك ومؤسسات ماليّة ووكالات ائتمان فيما يتعلق بتمويل نشاطات وأعمال الشركة، بما في ذلك دونما حصر، إصدار الضمانات ومنح الضمانات على أصولها، بما فيها أسهمها أو أصولها، أو حصص أو أسهم أو أصول شركاتها التابعة، وإبرام اتفاقيّات لصالح الغير فيما يتعلق بأغراض الشركة أو بأيّ توسعة لها، بما في ذلك، دونما حصر، إصدار ضمانات أو منح ضمانات عوض، أو العمل بصفة كفيل أو بخلاف ما جاء أعلاه ضمان التزامات أيّ من الشركات التابعة للشركة، مع أو بدون مقابل، ورهن أو بخلاف ذلك إنشاء رهن على كامل أو أيّ جزء من الشركة أو أصولها أو حصص أو

Companies for the purpose of guaranteeing its obligations or the obligations of its Affiliated Companies in any way;

أسهم أو أصول الشركات التابعة لها بغرض ضمان التزاماتها أو التزامات الشركات التابعة لها بأيّ طريقة كانت؛

(f) conclude any contracts or agreements required to implement the objectives of the Company, including the conclusion of construction, operation, management, maintenance, purchase and sale contracts (including contracts to buy and sell shares and interests), or agreements related to the management of companies involved in the creation, development, operation, or maintenance of any of the Company's facilities, or in the field of any associated dependency services, or agreements related to the establishment, development, operation, and maintenance of facilities owned by those companies in addition to the money borrowing agreements;

(و) إبرام أيّ عقود أو اتفاقيّات مطلوبة لتنفيذ أغراض الشركة، بما في ذلك إبرام عقود الإنشاء والتشغيل والإدارة والصيانة والشراء والبيع (بما في ذلك عقود بيع وشراء الأسهم والحصص)، أو الاتفاقيات المتعلقة بإدارة شركات تعمل في مجال إنشاء أو تطوير أو تشغيل أو صيانة أيّ من مرافق الشركة، أو في مجال أيّ خدمات تبعية ترتبط بذلك، أو الاتفاقيّات المتعلقة بإنشاء وتطوير وتشغيل وصيانة المرافق التي تمتلكها تلك الشركات بالإضافة إلى اتفاقيّات اقتراض الأموال؛

(g) issue and sale of new shares in the Company or any shares or in interests in any Subsidiary or Affiliated Company;

(ز) إصدار وبيع أسهم جديدة في الشركة أو حصص أو أسهم في أيّ شركة تابعة أو حليفة؛

(h) appoint any attorney or attorneys, in any part of the world, at the Company's expense and payment of their fees, whether they are lawyers, bankers, accountants, consultants, engineers, managers or otherwise, to do any act or work required to be made or done to achieve the Company's objects, including the receipt and payment of any amount or signing any documents; and

(ح) استخدام أيّ وكيل أو وكلاء في أيّ جزء من العالم على نفقة الشركة ودفع أتعابهم، سواءً محامين أو مصرفيين أو محاسبين أو استشاريين أو مهندسين أو مديرين، أو غيرهم، وذلك للقيام بأيّ تصرف أو عمل مطلوب إجراؤه أو القيام به تحقيقاً لأغراض الشركة، بما في ذلك استلام ودفع أيّ مبلغ وتوقيع المستندات؛ و

(i) engage in any business or activity, or take up anything of whatsoever nature which the Board may find achievable and may connect or relate to any of the Company's business

(ط) مزاولة أيّ عمل أو نشاط أو القيام بأيّ شيء من أيّ طبيعة مما يراه المجلس قابلاً للإنجاز ومن شأنه أن يكون متصلا بأيّ من أعمال الشركة أو تابعاً لتلك الأعمال، أو يعزز بصورة مباشرة أو

or enhance directly or indirectly the value of all or any of the Company's projects, properties or assets, or otherwise increase its profitability or promote its interests or the interests of its shareholders.

غير مباشـــرة قيمة كافة أو أيّ من مشـــاريع الشـركة أو ممتلكاتها أو أصـولها أو غيرها، أو يزيد بطريقة أخرى من ربحيّة الشـــركة، أو يعزز مصـالح الشـركة أو مصـالح المساهمين فيها.

5.4 In addition to the powers described hereinabove, the Company shall have absolute and total authority to take all the suitable and required procedures to achieve and implement its objects, and to contribute or cooperate, in any way to, with other companies, organizations or authorities as long as they are engaged in similar business, in the UAE or abroad.

5 -4 بالإضـــافة إلى صـــلاحيات الشـــركة الموضحة أعلاه، يكون للشركة صلاحية تـامـة وســـلطـة مطلقـة في اتخـاذ كـافـة الإجراءات الضـرورية والملائمة لتحقيق وتنفيذ أغراضـــها وأن تشـــترك أو أن تتعاون بأي وجه مع غيرها من الشركات والمؤســـســـات والجهات داخل الدولة أو خارجها مادامت تزاول أعمالا شـــبيهة بأعمالها.

5.5 The Company may not practice its activities except through its affiliate companies, nor is it permitted to perform any activity for which a license is required from the supervisory authority overseeing the activity inside or outside the UAE except after obtaining the license from that authority.

5 -5 ولا يجـــوز للشـــركة أن تمـــارس أنشـــطتها إلا مـــن خـــلال شـــركاتها التابعـة كمـا لا يجـوز لهـا القيـام بأيـة نشـــاط يُشـــترط لمزاولتـــه صـــدور تـرخيص مـن الجهـة الرقابيـة المشـرفة علـى النشـاط بالدولـة أو خـارج الدولـة إلا بعـد الحصـول علـى التـرخيص مـن تلك الجهة.

Chapter Two
Company's Capital
Article (6)
<u>Issued Capital</u>

الباب الثاني
رأسمال الشركة
المادة (6)
<u>رأس المال المصدر</u>

6.1 The issued capital of the Company was determined at the amount of two billion and five hundred million (2,500,000,000) UAE Dirhams, divided into five billion (5,000,000,000) shares of nominal value of fifty (50) UAE Fils for each fully paid share, and all the Company's shares shall be of equal ranking to one another in the rights and obligations.

6 -1 حـدد رأس مـال الشـــركـة المصـــدر بمبلغ مليـارين وخمســمـائـة مليون (2,500,000,000) درهـم إمـاراتـي مـوزعـين عـلى خمســـة مـلـيـارات (5,000,000,000) سـهم بقيمة اسـميّة قدرها خمســـون (50) فلس إماراتي لكل ســـهم مدفوع بالكامل، وجميع أســـهم الشركة من ذات الفئة متساوية مع بعضها البعض في الحقوق والالتزامات.

Article (7) **Shareholding Percentage**	**المادة (7)** **نسبة الملكية**
All of the Company's shares shall be nominal and, there is no constraint or cap on the percentage of shareholding by non-UAE nationals.	جميع أسهم الشركة اسميّة، ولا يوجد أي قيد أو حد أعلى على نسبة المساهمة من غير مواطني الدولة.
Article (8) **Shareholders Obligation Towards the Company**	**المادة (8)** **التزام المساهم من قبل الشركة**
The Shareholders are not bound by any obligations or losses on the Company except within the limits of their shareholding in the Company.	لا يلتزم المساهمون بأية التزامات أو خسائر على الشركة إلا في حدد مساهمتهم في رأس مال الشركة.
Article (9) **Commitment to Articles of Association and the Resolutions of the General Assembly**	**المادة (9)** **الالتزام بالنظام الأساسي وقرارات الجمعيّة العموميّة**
Shareholding shall require acceptance by the Shareholder of the Company's Articles of Association and the resolutions of its General Assembly, and he may not request to recover back his shareholding in the capital.	يترتب على ملكية السهم قبول المساهم النظام الأساسي للشركة وقرارات جمعياتها العموميّة ولا يجوز للمساهم أن يطلب استرداد مساهمته في رأس المال.
Article (10) **Shares are Indivisible**	**المادة (10)** **عدم تجزئة السهم**
10.1 A share shall be indivisible (except for the nominal dividing), however, should the share ownership descend to a number of heirs, or became owned by several persons, they must choose from amongst themselves someone who will represent them towards the Company, and those persons shall be jointly responsible for the obligations arising from the share ownership. In case of non-agreement to	10 -1 السهم غير قابل للتجزئة (عدا تجزئة القيمة الاسمية للسهم) ومع ذلك إذا آلت ملكية السهم إلى عدة ورثة أو تملكه أشخاص متعددون وجب أن يختاروا من بينهم من سينوب عنهم تجاه الشركة، ويكون هؤلاء الأشخاص مسؤولين بالتضامن عن الالتزامات الناشئة عن ملكية السهم، وفي حال عدم اتفاقهم

choose a representative, anyone of them may resort to the competent court to appoint him, and the Company and the Market will be notified with the court decision in this regard.

على اختيار من ينوب عنهم يجوز لأي منهم اللجوء للمحكمة المختصة لتعيينه ويتم إخطار الشركة والسوق بقرار المحكمة بهذا الشأن.

10.2 The Company may, by a Special Resolution, divide the nominal value of the share, after obtaining the Authority's approval.

10 -2 يجوز للشركة الحق بموجب قرار خاص في تجزئة القيمة الاسمية للسهم على أن تكون تجزئة القيمة الاسمية بعد الحصول على موافقة الهيئة.

Article (11)

Share ownership

المادة (11)

ملكية السهم

Each share grants its owner the right to a share equal to the share of others without discrimination in the ownership of the Company's assets upon liquidation and in the profit distribution, attending the General Assembly sessions and voting on its resolutions.

كل سهم يخول مالكه الحق في حصة معادلة لحصة غيره بلا تمييز في ملكية موجودات الشركة عند تصفيتها وفي الحصول على توزيعات الأرباح وحضور جلسات الجمعيات العموميّة والتصويت على قراراتها.

Article (12)

Disposition of shares

المادة (12)

التصرف بالأسهم

The Company shall follow the laws, regulations, and decisions in force in the Market regarding the Company's shares issuing, registering, trading, transferring their ownership and mortgaging, and arranging any rights thereon. No assignment, disposal, or mortgaging of the Company's shares may in any way be registered, if the assignment, disposal, or mortgage would violate the provisions of this Articles of Association.

تتبع الشركة القوانين والأنظمة والقرارات المعمول بها في السوق بشأن إصدار وتسجيل أسهم الشركة وتداولها ونقل ملكيتها ورهنها وترتيب أي حقوق عليها، ولا يجوز تسجيل أي تنازل عن أسهم الشركة أو التصرف فيها أو رهنها على أي وجه، إذا كان من شأن التنازل أو التصرف او الرهن مخالفة أحكام هذا النظام الأساسي.

Article (13)

Heirs or Creditors to the Shareholder

المادة (13)

ورثة أو دائني المساهم

13.1 In the event of death of a natural **shareholder**, his heir shall be the only person who the Company agrees for him to

13 -1 في حالة وفاة أحد المساهمين الطبيعيين يكون وريثه هو الشخص الوحيد الذي توافق

have property rights or interest in the shares of the deceased, and he has the right to profits and other privileges which the deceased had a right therein. The heir, after registering him in the Company in accordance with the provisions of this Articles of Association, shall have the same rights that the deceased enjoyed with respect to these shares. The estate of the deceased shareholder shall not be exempt from any obligation in respect of any share he possessed at the time of death.

الشركة بأن له حقوق ملكية أو مصلحة في أسهم المتوفي ويكون له الحق في الأرباح والامتيازات الأخرى التي كان للمتوفي حق فيها. ويكون للوريث بعد تسجيله في الشركة وفقاً لأحكام هذا النظام الأساسي، ذات الحقوق التي كان يتمتع بها المتوفي فيما يخص هذه الأسهم، ولا تُعفى تركة المساهم المتوفي من أي التزام فيما يختص بأي سهم كان يملكه وقت الوفاة.

13.2 Any person who becomes entitled to any shares in the Company, as a result of the death or bankruptcy of any shareholder, or by a seizure order issued by any competent court, must, within (30) thirty days:

13-2 يجب على أي شخص يصبح له الحق في أية أسهم في الشركة نتيجة لوفاة أو إفلاس أي مساهم أو بمقتضى أمر حجز صادر عن أية محكمة مختصة أن يقوم خلال (30) ثلاثين يوماً:

(a) provide the Board of Directors with the evidence of such right; and

(أ) بتقديم البينة على هذا الحق إلى مجلس الإدارة؛ و

(b) choose whether to be registered as a shareholder, or to nominate a person to be registered as a shareholder with regards to that share, without prejudice to the regulation in force at the Market at the time of death, bankruptcy or issuance of the seizure order.

(ب) أن يختار إما أن يتم تسجيله كمساهم أو أن يسمي شخصاً ليتم تسجيله كمساهم فيما يختص بذلك السهم، وذلك دون إخلال بأحكام الأنظمة المرعية لدى السوق وقت الوفاة أو الإفلاس أو صدور قرار الحجز.

13.3 The heirs of the shareholder or his creditors may not, in any pretext, request that the seals be placed on the books of the Company or its properties, nor to require them to be divided or sold altogether due to the inability to divide, nor to interfere in any way whatsoever in the management of the Company, and when using their rights, they must rely on the Company's inventory lists, its final accounts and the resolutions of its

13-3 لا يجوز لورثة المساهم أو لدائنيه بأية حجة كانت أن يطلبوا وضع الأختام على دفاتر الشركة أو ممتلكاتها ولا أن يطلبوا قسمتها أو بيعها جملة لعدم إمكان القسمة ولا أن يتدخلوا بأية طريقة كانت في إدارة الشركة ويجب عليهم لدى استعمال حقوقهم التعويل على قوائم جرد الشركة وحساباتها الختامية وعلى قرارات

General Assemblies.

جمعياتها العمومية.

Article (14)

Capital Increase or Reduction

المادة (14)

زيادة أو تخفيض رأس المال

14.1 The Company may, after having its issued share capital fully paid, by a Special Resolution increase its issued share capital. The Board must implement the resolution of capital increase within (3) three years from the date on which the resolution is passed otherwise such resolution shall be deemed null and void in respect of the amount of increase that has not been completed within such period. The resolution to increase the issued share capital shall determine the amount of capital increase and the price at which new shares are issued. In the event that the issued share capital is increased by way of in-kind contribution, the valuation of such in-kind contribution must be in line with the provisions of the Companies Law and the requirements issued by the Authority in respect of the valuation.

14-1 يجوز للشركة بعد استيفاء كامل رأس مالها المصدر أن تقرر بموجب قرار خاص زيادة رأس مالها المصدر. ويجب على مجلس الإدارة تنفيذ قرار زيادة رأس المال خلال (3) ثلاث سنوات من تاريخ صدوره وإلا اعتبر القرار كأن لم يكن بالنسبة لمقدار الزيادة التي لم يتم تنفيذها خلال تلك المدة. ويبين قرار زيادة رأس المال المصدر مقدار الزيادة في رأس المال وسعر إصدار الأسهم الجديدة. إذا كانت زيادة رأس المال المصدر تتضمن حصصاً عينية فيجب أن يتبع بشأنها الأحكام الواردة في قانون الشركات والضوابط الصادرة عن الهيئة فيما يتعلق بالتقييم.

14.2 Capital increase shares shall be issued at nominal value of the existing shares. However, the Company may, by Special Resolution and after obtaining the approval of the Authority, resolve to:

14-2 تصدر أسهم زيادة رأس مال الشركة بقيمة اسمية معادلة للقيمة الاسمية للأسهم الأصلية، ومع ذلك يجوز للشركة بقرار خاص وبعد الحصول على موافقة الهيئة أن تقرر ما يلي:

(a) add a premium to the nominal value of the shares and determine such in the event where the market value of the shares is more than the nominal value. The premium will be added to the legal reserve even if such addition results in the legal reserve amount exceeding half of the amount of shares capital;

(أ) إضافة علاوة إصدار إلى القيمة الاسمية للسهم وأن تحدد مقدارها وذلك في حالة زيادة القيمة السوقية عن القيمة الاسمية للسهم وتضاف علاوة الإصدار إلى الاحتياطي القانوني ولو جاوز بذلك نصف رأس المال.

(b) grant a discount to the nominal value of shares and determine the amount of such discount in the event that the market value of the shares is less than the nominal value. In such event, there shall be a negative reserve recorded on the equity in the financial statements and such negative reserve shall be financed through deductions from the future profits of the Company and such deductions shall be made before approving any payment of dividends.

(ب) منح خصم إصدار على القيمة الاسمية للسهم وأن تحدد مقداره وذلك في حالة انخفاض القيمة السوقية عن القيمة الاسمية للسهم، وينشأ مقابل خصم الإصدار احتياطي سالب في حقوق الملكية بالميزانية ويسدد خصماً من الأرباح المستقبلية للشركة قبل إقرار أي توزيعات للأرباح.

14.3 The Company must provide the Authority with a report issued by an independent financial advisor approved by the Authority wherein such advisor determines the methods of calculation of the premium or discount as the case may be.

14 -3 ويجب على الشركة موافاة الهيئة بتقرير صادر من مستشار مالي مستقل معتمد لدى الهيئة يحدد فيه كيفية احتساب علاوة أو خصم الإصدار.

14.4 The shareholders shall have the priority right to subscribe to the new shares, and the rules for subscription to the original shares shall apply to subscribing to these shares. The following shall be excluded from the priority right to subscribe to the new shares subject to the provisions of the Companies Law and the regulation issued by the Authority:

14 -4 يكون للمساهمين حق الأولوية في الاكتتاب بالأسهم الجديدة ويسري على الاكتتاب في هذه الأسهم القواعد الخاصة بالاكتتاب في الأسهم الأصلية. يُستثنى من حق الأولوية في الاكتتاب بالأسهم الجديدة الحالات التالية مع مراعاة أحكام قانون الشركات والضوابط الصادرة عن الهيئة:

(a) the entering of a strategic partner;

(أ) مساهمة الشريك الاستراتيجي.

(b) the converting of bonds or Sukok issued by the Company into shares therein;

(ب) تحويل السندات أو الصكوك المصدرة من قبل الشركة إلى أسهم فيها.

(c) issuing shares in accordance with the Company's employee motivation program;

(ج) إصدار أسهم بموجب نظام تحفيز الموظفين.

(d) converting cash debts into shares in the

Company's capital;	(د) تحويـــل الـــديون النقديـــة إلـــى أســـهم في رأس مال الشركة.
(e) merging with other company; and	(ه) حالات الاندماج مع شركة أخرى.
(f) increasing the Company's capital as a result of acquiring existing companies.	(و) زيـــادة رأس المـــال نتيجـــة الاســـتحواذ على شركات قائمة.
In all the above mentioned cases, it is necessary to:	وفـــي جميـــع الاحـــوال المـــذكورة أعـــلاه يتعين الحصول على:
(a) obtain the approval of the Authority; and	(أ) موافقة الهيئة؛ و
(b) issue a Special Resolution by the General Assembly.	(ب) استصـــــدار قـــرار خـــاص مـــن الجمعية العمومية.
Article (15) **<u>Shareholders Right to Inspect the Company's Books and Documents</u>**	**المادة (15)** **<u>حق المساهم في الاطلاع على دفاتر ومستندات الشركة</u>**
The **shareholder** has the right to view the Company's books and documents, as well as any documents or instruments related to a deal that the Company has concluded with one of the Related Parties, by permission of the Board of Directors or by a resolution of the General Assembly.	للمســـاهم الحـــق فـــي الاطـــلاع علـــى دفـــاتر الشـــركة ووثائقهـــا وكـــذلك علـــى أيـــة مســـتندات أو وثـــائق تتعلـــق بصـــفقة قامـــت الشـــركة بإبرامهـــا مـــع أحـــد الأطـــراف ذات العلاقـــة بـــإذن مـــن مجلـــس الإدارة أو بموجـــب قـــرار مـــن الجمعيّـــة العموميّة.
CHAPTER THREE **Sukuk or Bonds** **Article (16)** **<u>Issuance of Sukuk or Bonds</u>**	**الباب الثالث** **سندات القرض أو الصكوك** **المادة (16)** **<u>إصدار سندات القرض أو الصكوك</u>**
The Company may, according to a Special Resolution issued by its General Assembly, after the approval of the Authority, resolve to issue any type of bonds or Sukuk. The resolution shall indicate the value of the Sukuk or bonds, the terms of their issuance and the extent of their	يكـــون للشـــركة بموجـــب قـــرار خـــاص صـــادر مـــن جمعيتهـــا العموميّـــة بعـــد موافقـــة الهيئـــة أن تقـــرر إصـــدار ســـندات قـــرض مـــن أي نـــوع أو صـــكوك إســـلامية، ويبـــين القـــرار قيمـــة الســـندات أو الصـــكوك وشـــروط إصـــدارها ومـــدى

convertibility into shares, and it may issue a resolution authorizing the Board of Directors to determine the date of issuance of the deeds or the bonds.

قابليتها للتحويل إلى أسهم، ولها أن تصدر قرارا بتفويض مجلس الإدارة في تحديد موعد إصدار السندات أو الصكوك.

Article (17)

Bonds and Sukuk Trading

المادة (17)

تداول السندات أو الصكوك

17.1 The Company may, according to a special resolution issued by its General Assembly, after the approval of the Authority, issue negotiable Sukuk or bonds, whether or not they were convertible to shares of equal value in the Company for each issuance, and the Company may issue a resolution authorizing the Board of Directors to determine the date of issuance of the Sukuk or the bonds. Bonds or Sukuk may not be issued in the form of holder bonds.

17 -1 يجوز للشركة بموجب قرار خاص صادر من جمعيتها العمومية بعد موافقة الهيئة أن تصدر سندات أو صكوك قابلة للتداول سواء كانت قابلة أو غير قابلة للتحول إلى أسهم في الشركة بقيم متساوية لكل إصدار، ولها أن تصدر قرارا بتفويض مجلس الإدارة في تحديد موعد إصدار السندات أو الصكوك ويكون السند أو الصك إسمياً ولا يجوز إصدار السندات أو الصكوك لحاملها.

17.2 The Sukuk or bonds issued on the occasion of a single loan shall give their owners equal rights, and every condition contradictory thereof shall be null and void.

17 -2 تعطي السندات أو الصكوك التي تصدر بمناسبة قرض واحد لأصحابها حقوقاً متساوية ويقع باطلاً كل شرط يخالف ذلك.

Article (18)

Sukuk or Bonds Convertible into Shares

المادة (18)

السندات أو الصكوك القابلة للتحول لأسهم

Sukuk or bonds may not be converted into shares unless so stipulated in the agreements, documents or issuance prospectus, and if the conversion is decided, the owner of the bond or Sukuk alone has the right to accept the conversion or receive the nominal value of the bond or Sukuk unless agreements, documents or issuance prospectus contains mandatory conversion of shares. In this case, the bonds or Sukuk should be converted to shares based on the prior approval of both parties upon issuance.

لا يجوز تحويل السندات أو الصكوك إلى أسهم إلا إذا نُص على ذلك في اتفاقيات أو وثائق أو نشرة الإصدار، فإذا تقرر التحويل كان لمالك السند أو الصك وحده الحق في قبول التحويل أو قبض القيمة الاسميّة للسند أو الصك ما لم تتضمن اتفاقيات أو وثائق أو نشرة الإصدار إلزامية التحويل لأسهم ففي هذه الحالة يتعين تحويل السندات أو الصكوك لأسهم بناء على الموافقة المسبقة من الطرفين عند الإصدار.

CHAPTER FOUR

The Company Board of Directors

Article (19)

Company Management

الباب الرابع

مجلس إدارة الشركة

المادة (19)

إدارة الشركة

19.1 The Company shall be managed by a Board of Directors comprising of five (5) members to be elected by the General Assembly of the shareholders through the accumulative secret voting.

1- 19 يتولى إدارة الشركة مجلس إدارة من خمسة (5) أعضاء تنتخبهم الجمعية العمومية للمساهمين بالتصويت السري التراكمي.

Article (20)

Term of Membership of the Board of Directors

المادة (20)

مدة العضوية بمجلس الإدارة

20.1 The Term of the Board of shall be three (3) calendar years starting from the date of appointment or election. At the end of that period the Board is reconstituted, and members whose membership term has expired may be re-elected for new periods.

1- 20 تكون مدة مجلس الإدارة لمدة ثلاث (3) سنوات ميلادية تبدأ من الانتخاب او التعيين، وفي نهاية هذه المدة يعاد تشكيل المجلس، ويجوز إعادة انتخاب العضو لأكثر من مرة.

20.2 If the position becomes vacant, the Board of Directors may appoint a member to fill the vacant position within (30) thirty days, provided that it presents such appointment to the General Assembly in its first meeting to approve their appointment, or the appointment of other members and the member shall complete the term of his predecessor.

2- 20 إذا شغر مركز أحد أعضاء مجلس الإدارة يجوز لمجلس الإدارة أن يعين عضواً في المركز الشاغر خلال مدة أقصاها (30) ثلاثين يوماً على أن يعرض هذا التعيين على الجمعيّة العموميّة في أول اجتماع لها لإقرار تعيينه أو تعيين غيره ويكمل العضو الجديد مدة سلفه.

20.3 If the vacant positions equal a quarter, or more of the total number of board members, the Board must invite the General Assembly to convene within (30) thirty days from the date of vacancy of the last vacancy to elect who fill those positions, and in all cases, the new member shall complete the term of his predecessor.

3- 20 إذا بلغت المراكز الشاغرة ربع عدد أعضاء المجلس أو أكثر وجب على المجلس دعوة الجمعيّة العموميّة للاجتماع خلال ثلاثين يوماً من تاريخ شغر آخر مركز لانتخاب من يملأ المراكز الشاغرة، وفي جميع الأحوال يكمل العضو الجديد مدة سلفه.

20.4 The Company shall have a Secretary for the Board of Directors, and the Secretary may not be a board member.	20 -4 يجب أن يكون للشركة مقرر لمجلس الإدارة، ولا يجوز أن يكون مقرر المجلس من بين أعضائه.
20.5 The position of member of the Board of Directors becomes vacant in the event of the following cases:	20 -5 يشغر منصب عضو المجلس في الحالات التالية:
(a) the member dies or becomes incapacitated or if the member becomes otherwise unable to perform his duties as a member of the Board of Directors;	(أ) توفي أو أصيب العضو بعارض من عوارض الأهلية أو أصبح عاجزاً بصورة أخرى عن أداء مهامه كعضو في مجلس الإدارة.
(b) the member is convicted with a crime against honor or honesty by a final court ruling;	(ب) أدين العضو بأية جريمة مخلة بالشرف أو الأمانة بموجب حكم قضائي بات.
(c) the member declares bankruptcy or ceases payment of his commercial debts, even if this is not accompanied by declaring bankruptcy;	(ج) أعلن العضو إفلاسه أو توقف عن دفع ديونه التجارية حتى لو لم يقترن ذلك بإشهار إفلاسه.
(d) the membership is in violation of the Commercial Companies Law;	(د) كانت عضويته مخالفة لأحكام قانون الشركات.
(e) the member resigns from his position by a written notification sent to the Company in this regard;	(ه) استقال العضو من منصبه بموجب إشعار خطي أرسله للشركة بهذا المعنى.
(f) the term of his membership expires, and the member has not been re-elected; or	(و) انتهت مدة عضويته ولم يعد انتخابه.
(g) the member fails to attend three consecutive or five intermittent sessions, during the term of the Board of Directors without an excuse acceptable to the Board.	(ز) تغيب عن حضور اجتماع المجلس ثلاث جلسات متتالية أو خمس جلسات متقطعة خلال مدة مجلس الإدارة دون عذر يقبله المجلس.
20.6 If it is resolved to remove a member of the Board of Directors, it is not permissible to re-nominate him for membership in the	20 -6 إذا تقرر عزل عضو مجلس الإدارة فلا يجوز إعادة ترشيحه لعضوية المجلس قبل

Board before the lapse of three years from the date of his removal.	مضـــي ثـــلاث ســـنوات مـــن تـــاريخ عزله.
Article (21) **Board Membership Nomination Requirements**	**المادة (21)** **متطلبات الترشح لعضوية المجلس**
21.1 A nominee for the membership of the Board of Directors shall meet the requirements and submit the necessary documents in accordance with the governance controls issued by the Authority.	21 -1 يتعـــين علـــى المرشـــح لعضـــوية مجلــــــس الإدارة أن يســـــــتوفى المتطلبـــات وأن يقـــدم المســـتندات الازمـــة حســـب قـــرارات الحوكمـــة الصادرة عن الهيئة.
Article (22) **Election of the Board Chairman and Vice-Chairman**	**المادة (22)** **انتخاب رئيس المجلس ونائبه**
22.1 The Board of Directors shall elect from among its members a Chairman and a Vice-Chairman, and the latter takes place of Chairman in case of his absence or anything preventing him from acting.	22 -1 ينتخـــب مجلـــس الإدارة مـــن بـــين أعضـــائه رئيســـا ونائبـــا للـــرئيس ويقـــوم نائـــب الـــرئيس مقـــام الـــرئيس عنـــد غيابـــه أو قيـــام مـــانع لديه.
22.2 The Board of Directors has the right to elect from among its members a Managing Director, and the Board shall determine its powers and remunerations. It may also constitute, from among its members, one or more committees that are entrusted with monitoring the work progress of the Company and implementing the resolutions of the Board of Directors.	22 -2 يحـــق لمجلـــس الإدارة أن ينتخـــب مـــن بـــين أعضـــائه عضـــوا منتـــدباً لـــلإدارة، ويحـــدد المجلـــس اختصاصـــاته ومكافآتـــه، كمـــا يكـــون لـــه أن يشـــكل مـــن بـــين أعضـــائه لجنـــة أو أكثـــر ويعهـــد إليهـــا بمراقبـــة ســـير العمـــل بالشـــركة وتنفيـــذ قـــرارات مجلـــس الإدارة.
Article (23) **Powers of the Board of Directors**	**المادة (23)** **صلاحيات مجلس الإدارة**
23.1 The Board of Directors shall have all the powers to manage the Company and to do all acts on its behalf as authorized to be done thereby, and to exercise all powers	23 -1 لمجلـس الإدارة كافـة السـلطات فـي إدارة الشـركة والقيـام بكافـة الأعمـال والتصـرفات نيابـة عـن الشـركة حسـبما هـو مصـرح للشـركة القيـام بـه،

requested to achieve its objects, and such powers and authorities shall only be restricted by what has been reserved by the Companies Law; the Articles of Association; or of the Governance Rules, to the General Assembly. The Board of Directors has been expressly authorized, for the purposes of Article (154) of the Companies Law, to enter into loan agreements for any period including a period in excess of 3 (three) years, to grant and obtain financial facilities and to invest in all avenues which are set forth in Article (5) of these Articles of Association and other avenues as the Board sees fit. The Board of Directors shall further be authorised to sell, lease, pledge and mortgage the Company's movable and immovable assets of the Company, to sell properties and assets to release the liability of the Company's debtors and to enter into settlements and conciliations and to agree arbitration.

وممارسة كافة الصلاحيات المطلوبة لتحقيق أغراضها، ولا يحد من هذه السلطات والصلاحيات إلا ما احتفظ به قانون الشركات أو النظام الأساسي أو ضوابط الحوكمة للجمعية العمومية. كما تم تفويض مجلس الإدارة صراحة ولأغراض المادة (154) من قانون الشركات بإبرام الاتفاقيات الخاصة بالقروض لأية مدة حتى ولو تجاوزت مُدتها الثلاث (3) سنوات ولمجلس الإدارة تقديم والحصول على التسهيلات المالية والاستثمار في جميع المجالات المبينة في أغراض الشركة والمحددة في (5) ةداملا من هذا النظام وأية مجالات أخرى يراها، ولمجلس الإدارة رهن أموال وأصول الشركة العقارية والمنقولة وبيع عقاراتها وأصولها وإبراء ذمة مديني الشركة من مسؤولياتهم وإجراء المصالحات والتسويات والموافقة على التحكيم.

23.2 The Board of Directors puts in place the regulations pertaining to financial and administrative affairs, and the policies regarding employees and their financial entitlements. It shall also set regulations for organizing its work and meetings and distribution of powers and responsibilities.

23 -2 يضع مجلس الإدارة اللوائح المتعلقة بالشؤون الإدارية والمالية وشؤون الموظفين ومستحقاتهم المالية، كما يضع المجلس لائحة خاصة بتنظيم أعماله واجتماعاته وتوزيع الاختصاصات والمسؤوليات.

Article (24)
Representation of the Company

المادة (24)
تمثيل الشركة

24.1 Each of the Chairman and any other member delegated by the Board shall have the right to solely sign on behalf of the Company.

24 -1 يملك حق التوقيع عن الشركة على انفراد كل من رئيس مجلس الإدارة أو أي عضو آخر يفوضه المجلس في حدود قرارات مجلس الإدارة.

24.2 The Chairman of the Board of Directors shall be the legal representative of the Company in front of the judiciary and in its relations with others.	24 -2 يكون رئيس مجلس الإدارة الممثل القانوني للشركة أمام القضاء وفي علاقتها بالغير.
24.3 The Chairman of the Board of Directors may delegate others to some of his powers.	24 -3 يجوز لرئيس مجلس الإدارة أن يفوض الغير في بعض صلاحياته.
24.4 The Board of Directors may not authorize the Chairman absolutely with all its capacities.	24 -4 لا يجوز لمجلس الإدارة أن يفوض رئيس المجلس في جميع اختصاصاته بشكل مطلق.
24.5 The Board of Directors may delegate third parties other than the members of the Board of Directors, to some of its powers.	24 -5 يجوز لمجلس الإدارة أن يفوض الغير من غير أعضاء مجلس الإدارة في بعض صلاحياته.
Article (25) **Venue for the Board Meetings**	**المادة (25)** **مكان اجتماعات المجلس**
The Board of Directors holds its meetings at the Company's head office or in any other venue approved by the members of the Board of Directors.	يعقد مجلس الإدارة اجتماعاته في المركز الرئيسي للشركة أو في أي مكان آخر يوافق عليه أعضاء مجلس الإدارة.
Article (26) **Quorum for the Board Meetings and Voting on its Resolutions**	**المادة (26)** **النصاب القانوني لاجتماعات المجلس والتصويت على قراراته**
26.1 A meeting of the Board of Directors shall only be valid with the attendance of the majority of its members in person. Attendance in person shall be satisfied if a Director is physically present or is present through video-conferencing or over the telephone or any other method as may be permitted by the Authority. A member of the Board of Directors may delegate another Board Member to attend and vote for him, in which case a Board Member may not be substituted by more than one member and	26 -1 لا يكون اجتماع مجلس الإدارة صحيحا إلا بحضور أغلبية أعضائه شخصياً، ويكون الحضور شخصياً من خلال التواجد الفعلي أو التواجد من خلال التقنية الصوتية أو تقنية الصوت والفيديو أو أي وسيلة أخرى تسمح بها الهيئة. ويجوز لعضو مجلس الإدارة أن ينيب عنه غيره من أعضاء المجلس في الحضور والتصويت، وفي هذه الحالة لا يجوز أن ينوب عضو مجلس الإدارة عن

the number of Board Members present in person shall not be less than half the number of members of the Board and this member shall have two votes.	أكثر من عضو واحد وألا يقل عدد أعضاء مجلس الإدارة الحاضرين بأنفسهم عن نصف عدد أعضاء المجلس ويكون لهذا العضو صوتان.
26.2 It is not permissible to vote by correspondence, and the proxy member must vote for the absent member according to what was specified in the mandate.	26 -2 لا يجوز التصويت بالمراسلة، وعلى العضو النائب الإدلاء بصوتهِ عن العضو الغائب وفقاً لما تم تحديده في سند الإنابة.
26.3 The resolutions of the Board of Directors shall be issued by a majority of the votes of the present and represented members, and if the votes are equal, the side from which the Chairman or whoever replaces him shall prevail.	26 -3 تصدر قرارات مجلس الإدارة بأغلبية أصوات الأعضاء الحاضرين والممثلين وإذا تساوت الأصوات رجح الجانب الذي منه الرئيس أو من يقوم مقامه.
26.4 Details of the matters considered, and the resolutions taken, including any reservations or dissenting opinions expressed by the members, shall be recorded in the minutes of meetings of the Board of Directors or its committees. All the members attending the meeting shall sign the minutes prior to their approval by the Board. Copies of the minutes of the meeting must be sent to the members of the Board of Directors for retention after being approved, and the minutes shall be kept by the Board Secretary, and in case any of the members refrained from signing, his objection is to be fixed in the minutes, and the reasons to such objection shall be mentioned. Each of the signatories on such minutes shall be responsible for the validity of the information mentioned therein, and the Company shall commit to the controls issued by the Authority in this regard.	26 -4 تسجل في محاضر اجتماعات مجلس الإدارة أو لجانه تفاصيل المسائل التي نظر فيها والقرارات التي تم اتخاذها بما في ذلك أية تحفظات للأعضاء أو آراء مخالفة عبروا عنها، ويجب توقيع كافة الأعضاء الحاضرين على محاضر اجتماعات مجلس الإدارة قبل اعتمادها، على أن ترسل نسخ من هذه المحاضر لأعضاء مجلس الإدارة بعد الاعتماد للاحتفاظ بها، وتحفظ محاضر اجتماعات مجلس الإدارة ولجانه من قبل مقرر مجلس الإدارة وفي حالة امتناع أحد الأعضاء عن التوقيع يُثبت اعتراضه في المحضر وتُذكر أسباب الاعتراض ، ويكون الموقعون على هذه المحاضر مسؤولين عن صحة البيانات الواردة فيها، وتلتزم الشركة بالضوابط الصادرة عن الهيئة في هذا الشأن.
26.5 It is permissible to participate in the	26 -5 يجوز المشاركة في اجتماعات

meetings of the Company's Board of Directors through modern technology means in accordance with the procedures and controls issued by the Authority in this regard.

مجلس إدارة الشركة من خلال وسائل التقنية الحديثة وفقاً للإجراءات والضوابط الصادرة عن الهيئة بهذا الشأن.

Article (27)

Board Meeting and the Invitation for Convening

المادة (27)

اجتماعات المجلس والدعوة لانعقاده

27.1 The Board of Directors shall hold meetings at least four (4) times during the fiscal year.

27 -1 يعقد مجلس الإدارة ما لا يقل عن أربع (4) أربعة اجتماعات خلال السنة المالية.

27.2 The meeting shall be upon a written invitation to be sent by electronic mail or any other method of communication by the Chairman of the Board of Directors, or upon a written request submitted by at least two (2) members of the Board and the invitation is addressed at least a week before the specified date along with the agenda.

27 -2 يكون الاجتماع بناءً على دعوة خطية بواسطة البريد الالكتروني او أي وسيلة اخرى من قبل رئيس مجلس الإدارة، أو بناءً على طلب خطي يقدمه عضوين من أعضاء المجلس على الأقل وتوجه الدعوة قبل أسبوع على الأقل من الموعد المحدد مشفوعة بجدول الأعمال.

Article (28)

Board Resolution by Circulation

المادة (28)

قرارات مجلس الادارة بالتمرير

28.1 In addition to the commitment of the Board of Directors to the minimum number of its meetings mentioned in Article (27) of this Articles of Association, the Board of Directors may issue some of its resolutions by circulation in emergency cases and such resolutions shall be considered valid and effective as if they were taken in a meeting that was called for and duly held and may consist of several identical counterparts, each signed or approved by one or more of the Directors, signatures or approval may be made via fax, email, or registered mail, taking into account the following:

28 -1 بالإضافة إلى التزام مجلس الادارة بالحد الأدنى لعدد اجتماعاته الوارد في (27) من هذا النظام، فإنه يجوز لمجلس الإدارة إصدار بعض قراراته بالتمرير في الحالات الطارئة وتُعتبر تلك القرارات صحيحة ونافذة كما لو أنها اتخذت في اجتماع تمت الدعوة اليه وعقد أصولاً ويمكن أن تتكون هذه القرارات من عدة نسخ متطابقة موقع أو موافق عليها من قبل واحد أو أكثر من أعضاء المجلس ويجوز التوقيع أو الموافقة بالفاكس أو البريد الالكتروني أو البريد المسجل مع

مراعاة ما يلي:

(a) approval of the majority of Board Members that the situation entailing the issuance of the resolution by circulation is an emergency situation;

(أ) موافقة أعضاء مجلس الإدارة بالأغلبية على أن الحالة التي تستدعي إصدار القرار بالتمرير حالة طارئة.

(b) submission of the resolution in writing to all the board members for approval, accompanied with all the documents and papers necessary for reviewing hereof;

(ب) تسليم جميع أعضاء مجلس الإدارة القرار مكتوب خطياً للموافقة عليه مصحوباً بكافة المستندات والوثائق اللازمة لمراجعته.

(c) written approval by a majority shall be given to any of the resolutions of the Board issued by circulation, with the necessity of presenting it at the subsequent Board meeting in order to include it in the minutes of its meeting. However, resolutions by circulation are considered effective when a majority of the board members sign them; and

(ج) يجب الموافقة الخطية بالأغلبية على أي من قرارات مجلس الإدارة الصادرة بالتمرير مع ضرورة عرضها في الاجتماع التالي لمجلس الإدارة لتضمينها بمحضر اجتماعه. وتعتبر القرارات بالتمرير نافذة عند توقيع أغلبية أعضاء المجلس عليها.

(d) a resolution by circulation shall not be considered a meeting, and the minimum number of the Board's meetings, which is stipulated in Article (27) of these Articles of Association, shall be adhered to.

(د) لا يعتبر القرار بالتمرير اجتماعاً ويتعين الالتزام بالحد الأدنى لعدد اجتماعات مجلس الإدارة الوراد في (27) ةداملا من هذا النظام.

Article (29)
Participation in a Work Competitive to the Company by a Board Member

المادة (29)
اشتراك عضو المجلس في عمل منافس للشركة

A member of the Board of Directors, without approval to be renewed annually from the General Assembly of the Company, may not participate in any work which would compete with the Company or trade for his account or for the account of others in one of the branches of activity that the Company is engaged in, and he may not disclose any information or data related

لا يجوز لعضو مجلس الإدارة، بغير موافقة من الجمعيّة العموميّة للشركة تجدد سنويا، أن يشترك في أي عمل من شأنه منافسة الشركة أو أن يتاجر لحسابه أو لحساب غيره في أحد فروع النشاط الذي تزاوله الشركة، ولا يجوز له أن يفشي أي معلومات أو بيانات تخص

to the Company, otherwise it may claim compensation or to consider the lucrative operations that he practiced for his account as if it were conducted for the Company.

الشركة وإلا كان لها أن تطالبه بالتعويض أو باعتبار العمليات المربحة التي زاولها لحسابه كأنها أجريت لحساب الشركة.

Article (30)

Conflict of Interests

المادة (30)

تعارض المصالح

30.1 A member of the Board of Directors who has, or the side he represents in the Board has, a common or conflicting interest in a deal or dealing that is presented to the Board of Directors to take a resolution thereabout, he shall inform the Board about it and to evidence his declaration in the minutes of the session, and he may not participate in the special voting for the resolution issued regarding that process.

30 -1 على كل عضو في مجلس إدارة الشركة تكون له أو لجهة التي يمثلها بمجلس الإدارة مصلحة مشتركة أو متعارضة في صفقة أو تعامل تُعرض على مجلس الإدارة لاتخاذ قرار بشأنها أن يبلغ المجلس ذلك وأن يثبت إقراره في محضر الجلسة، ولا يجوز له الاشتراك في التصويت الخاص بالقرار الصادر في شأن هذه العملية.

30.2 If a member of the Board of Directors fails to inform the Board in accordance with the provisions of clause 30.1 of this Article, the Company, or any of its Shareholders, may apply to the competent court to annul the contract or compel the violating member to pay any profit or benefit accrued to him from the contract and return it to the Company.

30 -2 إذا تخلّف عضو مجلس الإدارة عن إبلاغ المجلس وفقاً لحكم البند (1- 30) من هذه المادّة جاز للشركة أو لأي من مساهميها التقدم للمحكمة المختصة لإبطال العقد أو إلزام العضو المخالف بأداء أي ربح أو منفعة تحققت له من التعاقد ورده للشركة.

Article (31)

Granting Loans to the Board Members

المادة (31)

منح القروض لأعضاء مجلس الادارة

31.1 The Company may not provide loans to any of its members of the Board of Directors, hold guarantees, or provide any collaterals related to loans granted to them. and is considered a loan offered to a member of the Board of Directors in accordance with the provisions of the Companies Law, includes every loan offered to his spouse,

31 -1 لا يجوز للشركة تقديم قروض لأي من أعضاء مجلس إدارتها أو عقد كفالات أو تقديم أية ضمانات تتعلق بقروض ممنوحة لهم، ويعتبر قرضاً مقدماً لعضو مجلس الإدارة وفقاً لأحكام قانون الشركات، يشمل كل قرض مقدم إلى زوجه أو

children, or any of his to second degree relatives.

أبنائـــه أو أي قريـــب لـــهُ حتـــى الدرجة الثانية.

31.2 A loan may not be provided to a company in which a Member of Board of Directors, spouse, or any of his up to second degree relatives owns more than (20%) twenty percent of its capital.

31 -2 لا يجوز تقديم قرض إلى شركة يملك عضو مجلس الإدارة أو زوجه أو أبناؤه أو أي من أقاربه حتى الدرجة الثانية أكثر من (%20) عشرين بالمائة من رأس مالها.

Article (32)

Dealing of Related Parties in the Company's Securities

المادة (32)

تعامل الأطراف ذات العلاقة في الأوراق المالية للشركة

It is prohibited for any of the Related Parties to utilize information they obtained by virtue of membership on the Board of Directors or a position in the Company to achieve any other interest for him or for others, whatever the result, by dealing in the Company's securities and other transactions, nor may any of them have a direct or indirect interest with any party that performs operations that are intended to make an impact on the prices of securities issued by the Company.

يحظر على الأطراف ذات العلاقة أن يستغل أي منهم ما تحصل عليه من معلومات بحكم عضويته في مجلس الادارة أو وظيفته في الشركة في تحقيق مصلحة له أو لغيره أيا كانت نتيجة التعامل في الأوراق المالية للشركة وغيرها من المعاملات، كما لا يجوز أن يكون لأي منهم مصلحة مباشرة أو غير مباشرة مع أي جهة تقوم بعمليات يراد بها إحداث تأثير في أسعار الأوراق المالية التي أصدرتها الشركة.

Article (33)

Deals with the Related Parties

المادة (33)

الصفقات مع الأطراف ذات العلاقة

The Company may only conclude deals with the Related Parties by approval of the Board of Directors for deals whose value does not exceed (5%) of the capital of the Company, and with the approval of the General Assembly for deals whose value exceeds such limit. Deals exceeding in its value (5%) of the issued capital may only be concluded with the Related Parties after valuating them as per the requirement set out by the Authority, The auditor of the Company shall include in his report a statement of conflicts of interest and financial dealings that took place

لا يجوز للشركة عقد صفقات مع الأطراف ذات العلاقة إلا بموافقة مجلس الإدارة فيما لا يجاوز (%5) من رأسمال الشركة، وبموافقة الجمعيّة العموميّة للشركة فيما زاد على ذلك ولا يجوز إبرام الصفقات مع الأطراف ذات العلاقة والتي تجاوز قيمتها (%5) من رأس المال المصدر إلا بعد تقييمها وفقاً للضوابط التي تضعها الهيئة، ويتعين على مدقق حسابات الشركة أن يشتمل تقريره على بيان بصفقات تعارض المصالح والتعاملات المالية التي تمت

between the Company and any of the Related Parties and the measures taken in their regard.

بين الشركة وأي من الأطراف ذات العلاقة والإجراءات التي اتُخذت بشأنها.

Article (34)

Appointment of the CEO, General Manager and Committees

المادة (34)

تعيين الرئيس التنفيذي أو المدير العام

34.1 The Board of Directors has the right to appoint a CEO or General Manager of the Company or several authorized directors or agents and determine their powers and conditions of services, salaries and bonuses, and the CEO or General Manager of the Company may not be a CEO or General Manager of another public joint-stock company.

34.2 The Board may from time to time form one or more committees, from amongst the directors and third parties including an executive committee, to which the Board may delegate some of its authorities, and/or which may be entrusted with supervising the conduct of the Company's business, its financials and the execution of the resolutions of the Board.

34 -1 لمجلس الإدارة الحق في أن يعين رئيساً تنفيذياً أو مدير عام للشركة أو عدة مديرين أو وكلاء مفوضين وأن يحدد صلاحياتهم وشروط خدماتهم ورواتبهم ومكافآتهم، ولا يجوز للرئيس التنفيذي أو المدير العام للشركة أن يكون رئيساً تنفيذياً أو مديراً عاماً لشركة مساهمة عامة أخرى.

34 -2 يكون لمجلس الإدارة أن يشكل من وقت لآخر لجنة أو أكثر من بين اعضائه و الغير بما في ذلك لجنة تنفيذية، يمنحها بعض من اختصاصاته و/أو يعهد إليها بمراقبة سير العمل بالشركة وشؤونها المالية وتنفيذ قرارات مجلس الإدارة.

Article (35)

Responsibility of Board Members for the Company's Obligations

المادة (35)

مسؤولية أعضاء المجلس عن التزامات الشركة

35.1 The members of the Board of Directors are not personally responsible in relation to the Company's obligations resulting from the performance of their duties as members of the Board of Directors, to the extent that they do not exceed the limits of their powers.

35.2 The Company shall be bound by the

35 -1 لا يكون أعضاء مجلس الإدارة مسؤولين مسؤولية شخصية فيما يتعلق بالتزامات الشركة الناتجة عن قيامهم بواجباتهم كأعضاء مجلس إدارة وذلك بالقدر الذي لا يتجاوزون فيه حدود سلطاتهم.

35 -2 تلتزم الشركة بالأعمال التي

activities carried out by the Board of Directors within the limits of its powers, and it shall also be accountable for compensation to any harm that arises from the wrongful acts that occur from the Chairman and members of the Board in the management of the Company.

يجريها مجلس الإدارة في حدود اختصاصه، كما تسأل عن تعويض ما ينشأ من الضرر عن الأفعال غير المشروعة التي تقع من رئيس وأعضاء المجلس في إدارة الشركة.

Article (36)

Responsibility of the Board Members Towards the Company, Shareholders and Third Parties

المادة (36)

مسؤولية أعضاء المجلس تجاه الشركة والمساهمين والغير

36.1 The members of the Board of Directors and the executive management are responsible towards the Company, the Shareholders, and third parties for all acts of fraud and abuse of authority, and for every violation of the Companies Law and these Articles of Association, and every condition stipulating otherwise shall be void. The Company's chief executive officer, his deputy, (if any) and everyone at the level of Senior Executive Management who were personally appointed to their positions by the Board of Directors shall represent the Senior Executive Management.

36-1 أعضاء مجلس الإدارة والإدارة التنفيذية مسؤولون تجاه الشركة والمساهمين والغير عن جميع أعمال الغش وإساءة استعمال السلطة، وعن كل مخالفة لقانون الشركات وهذا النظام الأساسي، ويبطل كل شرط يقضي بغير ذلك ويمثل الإدارة التنفيذية كل من الرئيس التنفيذي للشركة ونائبه (إن وجد) وكل من في مستوى الإدارة التنفيذية العليا والذين تم تعيينهم شخصيا في مناصبهم من قبل مجلس الإدارة.

36.2 The responsibility stipulated in clause 36.1 of this Article rests with all members of the Board of Directors if the error results from a resolution issued by consensus, but if the respective resolution in question is issued by a majority, the opponents are not asked thereabout when they have proven their objection in the minutes of the session, If one of the members is absent from the session in which the resolution was issued, his responsibility will not be negated unless it is proven that he is not aware of the

36-2 تقع المسؤولية المنصوص عليها في البند (36 -1) من هذه المادة على جميع أعضاء مجلس الإدارة إذا نشأ الخطأ عن قرار صدر بإجماع الآراء، أما إذا كان القرار محل المساءلة صادراً بالأغلبية فلا يسأل عنه المعارضون متى كانوا قد أثبتوا اعتراضهم بمحضر الجلسة، فإذا تغيب أحد الأعضاء عن الجلسة التي صدر فيها القرار فلا تنتفي مسؤوليته إلا إذا ثبت عدم علمه

resolution or is aware thereof and he is unable to object thereto. The liability stipulated in clause 36.1 of this Article remains with the executive management if the error results from a resolution issued by executive management.

بـــالقرار أو علمـــه بـــه مـــع عـــدم اســـتطاعته الاعتـــراض عليـــه. وتقـــع المســـؤولية المنصـــوص عليهـــا فـــي البنـــد (1- 36) أعـــلاه علـــى الإدارة التنفيذيـــة إذا نشـــأ الخطـــأ بقـــرار صادر عنها.

Article (37)

Remuneration of the Chairman and the Board of Directors

المادة (37)

مكافآت رئيس وأعضاء مجلس الادارة

37.1 Remuneration of the Chairman and the members of the Board of Directors shall comprise a percentage of the net profit, provided that it does not exceed 10% of such profits in a financial year after deducting the depreciations and reserves. The Company may also pay additional expenses, fees, allowances or monthly salary to the Board Members consistent to the polices proposed by the Nomination and Remuneration Committee, reviewed by the Board and approved by the General Assembly, that is where member is working in any committee, exerting special efforts, or undertaking additional works serving the Company over his regular duties as a member of the Board of Directors. No allowance shall be disbursed to the Board Chairman or members for attending the Board meetings.

37 -1 تتكـــون مكافـــأة رئـــيس وأعضـــاء مجلـــس الإدارة مـــن نســـبة مئويـــة مـــن الـــربح الصـــافي علـــى ان لا تتجـــاوز 10% مـــن تلـــك الاربـــاح للسنة المالية بعد خصم الاستهلاكات والاحتياطـــات، كمـــا يجـــوز ان تـــدفع الشـــركة مصـــاريف أو أتعابـــاً أو مكافـــأة إضـــافية أو مرتبـــاً شـــهرياً إلـــى أعضـــاء مجلـــس الإدارة وفقـــاً للسياســـة التـــي تقترحهـــا لجنـــة الترشـــيحات والمكافـــآت ويراجعهـــا مجلـــس الإدارة وتعتمـــدها الجمعيـــة العموميـــة للشـــركة إذا كـــان العضـــو يعمـــل فـــي أي لجنـــة أو يبـــذل جهـــوداً خاصـــة أو يقـــوم بأعمـــال إضـــافية لخدمة الشركة فـوق واجباتـه العاديـة كعضـــو فـــي مجلـــس إدارة الشـــركة. لا يجـوز صـرف بـدل حضـور لـرئيس او عضـو مجلـس الإدارة عـن اجتماعـات المجلس.

37.2 The fines imposed on the Company by the Authority or the Competent Authority as a result of the members of the Board of Directors' violations of the Companies Law or the Company's Articles of Association during the concluded financial year shall be deducted from the remuneration of the members of the Board of Directors. The

37 -2 تخصـــم مـــن مكافـــأة أعضـــاء مجلـــس الإدارة الغرامـــات التـــي تكـــون قـــد وقعـــت علـــى الشـــركة مـــن الهيئـــة أو الســـلطة المختصـــة بســـبب مخالفـــات أعضـــاء مجلـــس الإدارة لقـانون الشـركات أو النظـام الأساسـي للشـركة خـلال السـنة الماليـة المنتهيـة ويجـوز للجمعيـة العموميـة عـدم خصـم

General Assembly may not deduct all or some of the fines if found that such fines were not resulted from defaults or negligence of the Board of Directors.	تلك الغرامات أو بعضها إذا تبين لها أن تلك الغرامات ليست ناتجة عن تقصير أو خطأ من مجلس الإدارة.
37.3 As an exception from the application of the provisions of clause 37.1 above and subject to the regulations issued by the Ministry in this regard, any member of the Board of Directors may be paid a lump sum fee not exceeding AED (200,000) two hundred thousand at the end of the financial year, provided that the General Assembly has approved the payment of such remuneration in the following cases:	37 -3 استثناء مما ورد أعلاه في البند (37 -1) ومع مراعاة الضوابط التي تصدرها الهيئة في هذا الشأن، يجوز أن يصرف لعضو مجلس الإدارة أتعاباً في شكل مبلغ مقطوع لا يتجاوز (200,000) مائتي الف درهم في نهاية السنة المالية على أن توافق الجمعية العمومية على صرف ذلك المبلغ وذلك في الحالتين التاليتين:
(a) If the Company does not make any profit in the expired financial year;	(أ) عدم تحقيق الشركة أرباحاً خلال السنة المالية المنتهية.
(b) If the Company makes a profit and the member's share of those profits is less than AED (200,000) two hundred thousand;	(ب) إذا حققت الشركة أرباحاً وكان نصيب العضو من تلك الأرباح أقل من (200,000) مائتي ألف درهم؛
(c) If clause 37.3 is applied, the board member may not receive both the remuneration and lump sum fee.	(ج) في حالة تطبيق البند (37 -3)، لا يجوز **لعضو المجلس** الجمع بين المكافأة والأتعاب المقطوعة.
Article (38) **<u>Removal of the Chairman and Board Members</u>**	**المادة (38)** **<u>عزل رئيس وأعضاء مجلس الادارة</u>**
The General Assembly shall have the right to remove all or some of the elected members of the Board of Directors and to open door for nomination as per the controls issued by the Authority in this regard and to elect new members to the Board of Directors instead of those who were removed. It is not permissible for a person who has been removed to re-nominate for membership in the Board before the lapse of	يكون للجمعية العمومية حق عزل كل أو بعض أعضاء مجلس الإدارة المنتخبين وفتح باب الترشح وفق الضوابط الصادرة عن الهيئة بهذا الشأن وانتخاب أعضاء جدد بدلا منهم. ولا يحق للعضو الذي تم عزله إعادة ترشيحه لعضوية مجلس الادارة إلا بعد مضي (3) ثلاث

three (3) years of his removal.

سنوات على عزله.

CHAPTER FIVE
General Assembly
Article (39)
Meeting of the General Assembly

الباب الخامس
الجمعيّة العموميّة
المادة (39)
اجتماع الجمعيّة العموميّة

39.1 The General Assembly of the Company shall convene in the Emirate of Abu Dhabi or any other location determined by the Board of Directors in the UAE. Each Shareholder shall have the right to attend the General Assembly meetings, and he shall have the number of votes equivalent to the number of his shares, and whoever has the right to attend the General Assembly may delegate for himself whoever he chooses, other than the members of the Board of Directors. For the validity of the mandate, it must be according to the proxy bond approved by the Company to attend the General Assembly meetings or by a special POA duly authenticated before the notary public. In all cases, the number of shares held by the proxy, for a number of Shareholders, in this capacity may not exceed (5%) five percent of the paid-up capital of the Company, and those who are legally incompetent and their representatives shall be legally represented. General Assembly meetings and shareholders' participation and voting within such meeting may be conducted using electronic means that allow for remote participation, in accordance with the requirements set by the Authority.

39 -1 تنعقد الجمعيّة العموميّة للشركة بإمارة أبوظبي أو أي مكان آخر يقرره مجلس الإدارة في الدولة، ويكون لكل مساهم حق حضور الجمعيّة العموميّة ويكون له من الأصوات ما يعادل عدد أسهمه، ويجوز لمن له حق حضور الجمعيّة العموميّة أن ينيب عنه من يختاره من غير أعضاء مجلس الإدارة ويشترط لصحة الوكالة أن تكون وفقاً لمسودة سند الوكالة الذي تعتمده الشركة لحضور اجتماعات الجمعية العمومية أو بمقتضى سند وكالة خاص موثق أصولاً أمام الكاتب العدل. وفي جميع الأحوال لا يجوز أن يزيد عدد الأسهم التي يحوزها الوكيل عن عدد من المساهمين بهذه الصفة عن (5%) خمسة بالمائة من أسهم رأس مال الشركة المدفوع، ويمثل ناقصي الأهلية وفاقديها النائبين عنهم قانوناً. يجوز عقد اجتماعات الجمعية العمومية واشتراك المساهم في مداولاتها والتصويت على قراراتها بواسطة وسائل التقنية الحديثة للحضور عن بعد، وفقاً للضوابط التي تضعها الهيئة في هذا الشأن.

39.2 The legal person may delegate one of his representatives or his administrators by a

39 -2 للشخص الاعتباري أن يفوض أحد ممثليه أو القائمين على

resolution issued by its Board of Directors or whoever in his place, to represent him in the Company's General Assembly meetings, and the authorized person shall have the powers determined under the mandate resolution.

إدارته بموجب قرار صادر من مجلس إدارته أو من يقوم مقامه، ليمثله في اجتماعات الجمعيّة العموميّة للشركة، ويكون للشخص المفوض الصلاحيات المقررة بموجب قرار التفويض.

Article (40)

Announcement of Invitation to the General Assembly Meeting

المادة (40)

الإعلان عن الدعوة لاجتماع الجمعيّة العموميّة

After obtaining the Authority's approval, invitation for the shareholders to attend the meetings of the General Assembly shall be announced in accordance with the decisions issued by the Authority, or by way of text and phone messages or e-mail (if any) subject to the conditions and regulations issued by the Authority in this regard at least twenty one (21) days before the date set for the meeting after obtaining the Authority approval. The invitation shall include the agenda for that meeting and a copy of the invitation papers shall be sent to the Authority and the Competent Authority on the date of sending the invitation.

توجه الدعوة إلى المساهمين لحضور اجتماعات الجمعيّة العموميّة بعد موافقة الهيئة وذلك بإعلان الدعوة وفقاً للقرارات الصادرة عن الهيئة عن طريق الرسائل النصية الهاتفية أو البريد الالكتروني (إن وجد) مع مراعاة الشروط والضوابط التي تصدرها الهيئة في هذا الشأن وذلك قبل الموعد المحدد للاجتماع بـ(21) واحد وعشرون يوماً على الأقل، ويجب أن تتضمن الدعوة جدول أعمال ذلك الاجتماع وترسل صورة من أوراق الدعوة إلى الهيئة والسلطة المختصة في تاريخ إعلان الدعوة.

Article (41)

Invitation to the General Assembly Meeting

المادة (41)

الدعوة لاجتماع الجمعيّة العموميّة

41.1 The Board of Directors shall call for the General Assembly within the four (4) months following the end of the financial year, and also whenever it sees a need thereto.

41 -1 يجب على مجلس الإدارة دعوة الجمعيّة العموميّة خلال الأشهر الأربعة التالية لنهاية السنة المالية وكذلك كلما رأى وجها لذلك.

41.2 The Authority, the auditor or one or more shareholders, who hold a minimum of at least (10%) of the Company's capital may submit an application to the Board of Directors to hold a General Assembly, in

41 -2 يجوز للهيئة أو لمدقق الحسابات أو لمساهم أو أكثر يملكون (10%) عشرة بالمائة من رأس مال الشركة على الأقل كحد أدنى تقديم طلب لمجلس ادارة الشركة لعقد الجمعيّة

which case, the Board of Directors must invite the General Assembly to convene within five (5) days from the date of submitting the application. The General Assembly shall be convened within thirty (30) days from the date of the meeting invite.	العموميّة ويتعين على مجلس الإدارة في هذه الحالة دعوة الجمعيّة العموميّة خلال (5) خمسة أيام من تاريخ تقديم الطلب. ويتم انعقاد الجمعية خلال مدة لا تجاوز (30) يوماً من تاريخ الدعوة للاجتماع.
Article (42) **<u>Competence of the Annual General Assembly</u>**	**المادة (42)** **<u>اختصاص الجمعيّة العموميّة السنوية</u>**
42.1 The Company's annual General Assembly shall in particular have the Authority to consider and take resolution on the following matters:	42 -1 تختص الجمعيّة العموميّة السنوية للشركة على وجه الخصوص بالنظر واتخاذ قرار في المسائل الآتية:
(a) the Board of Director's report regarding the Company's activity and its financial position during the year and report of the auditors and ratifying thereof;	(أ) تقرير مجلس الإدارة عن نشاط الشركة وعن مركزها المالي خلال السنة وتقرير مدققي الحسابات والتصديق عليهما.
(b) the Company's budget and the profit and loss account;	(ب) ميزانية الشركة وحساب الأرباح والخسائر.
(c) election of the members of the Board of Directors as appropriate;	(ج) انتخاب أعضاء مجلس الإدارة عند الاقتضاء.
(d) appointment of the Company's auditors and setting their remuneration;	(د) تعيين مدققي الحسابات وتحديد أتعابهم.
(e) the Board of Director's proposals regarding profit distributions, whether they were cash distributions or bonus shares;	(ه) مقترحات مجلس الإدارة بشأن توزيع الأرباح سواء كانت توزيعات نقدية أم أسهم منحة.
(f) the proposal of the Board of Directors regarding the board member's remuneration and determining thereof;	(و) مقترح مجلس الإدارة بشأن مكافأة أعضاء مجلس الإدارة وتحديدها.
(g) discharging the members of the Board of	(ز) إبراء ذمة أعضاء مجلس

Directors or dismissing them and filing a liability case against them, as appropriate; and	الإدارة، أو عـــزلهم ورفـــع دعـــوى المســـؤولية علـــيهم حســـب الأحـــوال؛ و
(h) discharging the auditors or dismissing them and filing a liability case against them, as appropriate.	(ح) إبراء ذمة مدققي الحســـابات، أو عزلهم ورفع دعوى المســـؤولية عليهم حســـب الأحوال.

Article (43)

Recording the Shareholders' Attendance of the General Assembly

المادة (43)

تسجيل حضور المساهمين لاجتماع الجمعيّة العموميّة

43.1 The Shareholders who wish to attend the General Assembly shall register their names in the E-record prepared by the Company's management for this purpose at the meeting place sufficiently ahead of the time specified for that meeting, and the record must include the name of the Shareholder and the number of shares he represents and the names of their owners with the presentation of the proxy. The Shareholder or the agent is given a card to attend the meeting stating the number of votes represented by originality and by proxy.	43 -1 يســـجل المســـاهمون الـــذين يرغبـــون فـــي حضـــور الجمعيّـــة العموميّـــة أســـماءهم فـــي الســـجل الإلكترونـــي الـــذي تعـــده إدارة الشـــركة لهـــذا الغـــرض فـــي مكـــان الاجتمـــاع قبـــل الوقـــت المحـــدد لانعقـــاد ذلـــك الاجتمـــاع بوقـــت كـــاف، ويجـــب أن يتضـــمن الســـجل اســـم المســـاهم وعـــدد الأســـهم التـــي يمثلهـــا وأســـماء مالكيهـــا مـــع تقـــديم ســـند الوكالـــة. ويعطـــى المســـاهم أو النائـــب بطاقـــة لحضـــور الاجتمـــاع يـــذكر فيهـــا عـــدد الأصـــوات التـــي يمثلهـــا أصـــالة ووكالة.
43.2 The Shareholders' record must include the name of the Shareholder, or the person on his behalf, the number of shares he owns and the ones he represents, and the names of their owners with the presentation of the proxy. The Shareholder or the agent is given a card to attend the meeting stating the number of votes represented by originality and by proxy.	43 -2 يجـــب أن يتضـــمن ســـجل المســـاهمين اســـم المســـاهم أو مـــن ينـــوب عنـــه وعـــدد الأســـهم التـــي يملكهـــا وعـــدد الأســـهم التـــي يمثلهـــا وأســـماء مالكيهـــا مـــع تقـــديم ســـند الوكالـــة، ويعطـــى المســـاهم أو النائـــب بطاقـــة لحضـــور الاجتمـــاع يـــذكر فيهـــا عـــدد الأصـــوات التـــي يمثلها أصالة أو وكالة.
43.3 A printed extract stating the number of shares represented in the meeting and the percentage of attendance shall be	43 -3 يســـتخرج مـــن ســـجل المســـاهمين خلاصـــة مطبوعـــة بعـــدد الأســـهم التـــي مثلـــت فـــي الاجتمـــاع ونســـبة

extracted from the Shareholders' record and be signed by each of the session Secretary, the chairman of the meeting and the Company's auditor.

الحضور ويتم توقيعها من قبل كل من مقرر الجلسة ورئيس الاجتماع ومدقق حسابات الشركة.

43.4 Registration for attending the meetings of the General Assembly shall be closed when the chairman of the meeting announces that the quorum for that meeting is complete or incomplete, and it is not permissible after that to accept the registration of any Shareholder or agent on his behalf to attend that meeting, and also it is not permissible to take into account his vote or his opinion on the matters raised in that meeting.

43 -4 يغلق باب التسجيل لحضور اجتماعات الجمعيّة العموميّة عندما يعلن رئيس الاجتماع اكتمال النصاب المحدد لذلك الاجتماع أو عدم اكتماله، ولا يجوز بعد ذلك قبول تسجيل أي مساهم أو نائب عنه لحضور ذلك الاجتماع كما لا يجوز الاعتداد بصوته أو برأيه في المسائل التي تطرح في ذلك الاجتماع.

Article (44)
Shareholders Register

المادة (44)
سجل المساهمين

The Company shall have a register of Shareholders who have the right to attend the Company's General Assembly meeting and vote on its decisions in accordance with the system for trading, clearing, settlement, transfer of ownership, custody of securities and relevant rules prevailing in the Market.

يكون سجل المساهمين في الشركة الذين لهم الحق في حضور اجتماع الجمعيّة العموميّة للشركة والتصويت على قراراتها طبقا للنظام الخاص بالتداول والمقاصة والتسويات ونقل الملكية وحفظ الأوراق المالية والقواعد المعنية السائدة في السوق.

Article (45)
Quorum for the General Assembly Meeting And Voting on the Resolution thereof

المادة (45)
النصاب القانوني لاجتماع الجمعيّة العموميّة والتصويت على قراراتها

45.1 The General Assembly shall be competent to consider all matters related to the Company, and the quorum is achieved in a meeting of the General Assembly with the presence of Shareholders who own or represent at least fifty percent (50%) of the Company's capital, and if the quorum is not available at the first meeting, the General

45 -1 تختص الجمعيّة العموميّة بالنظر في جميع المسائل المتعلقة بالشركة، ويتحقق النصاب في اجتماع للجمعيّة العموميّة بحضور مساهمين يملكون أو يمثلون بالوكالة مالا يقل عن (50%) خمسين بالمائة من رأسمال الشركة، فإذا لم يتوافر النصاب في الاجتماع الأول، وجب دعوة

Assembly must be called for a second meeting held after a period of no less than five (5) days and not exceeding fifteen (15) days from the date of the first meeting, and the deferred meeting is be considered valid regardless of the number of those present.

الجمعيّة العموميّة إلى اجتماع ثان يعقد بعد مضي مدة لا تقل عن خمسة (5) أيام ولا تجاوز خمسة عشر (15) يوماً من تاريخ الاجتماع الأول ويُعتبر الاجتماع المؤجل صحيحاً أياً كان عدد الحاضرين.

45.2 Save for resolutions to be issued by a special resolution, in accordance with the provisions of this Articles of Association or the Companies Law, resolutions of the General Assembly shall be issued with a majority of the shares represented in the meeting, and such resolutions shall be binding on all Shareholders, whether they are present in, or absent from the meetings in which the resolutions have been issued, and whether they agree or object thereon. A copy of which shall be communicated to the Authority, the Market and the Competent Authority, in accordance with the controls issued to this regard.

45 -2 فيما عدا القرارات التي يتعين صدورها بقرار خاص وفقاً لأحكام هذا النظام الأساسي أو قانون الشركات، تصدر قرارات الجمعيّة العموميّة للشركة بأغلبية الأسهم الممثلة في الاجتماع، وتكون قرارات الجمعيّة العموميّة ملزمة لجميع المساهمين سواءً كانوا حاضرين في الاجتماع الذي صدرت فيه هذهِ القرارات أو غائبين عنه وسواءً كانوا موافقين عليها أو معارضين لها، ويتم وإبلاغ صورة منها إلى كل من الهيئة والسوق والسلطة المختصة وفقاً للضوابط الصادرة عن الهيئة بهذا الشأن.

Article (46)
Presiding over the General Assembly and Transcribing the Minutes of the Meeting

المادة (46)
رئاسة الجمعيّة العموميّة وتدوين وقائع الاجتماع

46.1 The General Assembly shall be presided by the Chairman of the Company's Board of Directors and in case of his absence, to be presided by his Vice-chairman. In the event of absence of both, it will be presided by any Board Member chosen by the Board of Directors, and in the event the Board of Directors fails to choose a member, the General Assembly shall be presided by anyone to be chosen by the General Assembly by voting by any means determined by the General Assembly, and if the General Assembly is looking into a

46 -1 يرأس الجمعيّة العموميّة رئيس مجلس إدارة الشركة وفي حالة غيابهِ يرأسها نائبه وفي حال غيابهما يرأسها أي عضو من أعضاء مجلس الإدارة يختاره مجلس الإدارة لذلك وفى حال عدم اختيار مجلس الإدارة لعضو يرأسها أي شخص تختاره الجمعية العمومية عن طريق التصويت بأية وسيلة تحددها الجمعيّة العموميّة، وإذا كانت الجمعيّة العمومية

matter related to the chairman of the meeting, whatever it is, the General Assembly must choose from among the Shareholders someone who will preside the meeting during the discussion of this matter, and the chairman shall appoint poll collector, provided that the General Assembly approves his appointment.

تبحث في أمر يتعلق برئيس الاجتماع أيا كان وجب أن تختار الجمعيّة العموميّة من بين المساهمين من يتولى رئاسة الاجتماع خلال مناقشة هذا الأمر، ويعين الرئيس جامعاً للأصوات على أن تقر الجمعيّة العموميّة تعيينه.

46.2 Minutes of the General Assembly meeting must be executed and must include names of the attending Shareholders, or the representatives thereof, the number of shares in their possession by originality or by proxy, the number of votes determined therefor, the issued resolutions, the number of votes approved or rejected thereby, and an adequate summary of the discussions that went on in the meeting.

46 -2 يجب تحرير محضر باجتماع الجمعيّة العموميّة ويجب أن يتضمن أسماء المساهمين الحاضرين أو الممثلين وعدد الأسهم التي في حيازتهم بالأصالة أو بالوكالة وعدد الأصوات المقررة لهم والقرارات الصادرة وعدد الأصوات التي وافقت عليها أو عارضتها وخلاصة وافية للمناقشات التي دارت في الاجتماع.

46.3 Minutes of the General Assembly meetings shall be recorded regularly following every session in a special register for which the controls issued by a resolution from the Authority are to be followed, and every minutes shall be signed by the respective chairman of the meeting, its Secretary, the poll collector and the auditor. All the signatories on the meetings minutes are responsible for the correctness of the data included therein.

46 -3 تدون محاضر اجتماع الجمعيّة العموميّة بصفة منتظمة عقب كل جلسة في سجل خاص يتبع في شأنه الضوابط التي يصدر بها قرار من الهيئة ويوقع كل محضر من رئيس الاجتماع المعني ومقررها وجامع الأصوات ومدقق الحسابات، ويكون الموقعون على محاضر الاجتماعات مسؤولين عن صحة البيانات الواردة فيه.

Article (47)

<u>Manner of Voting in the General Assembly Meeting</u>

المادة (47)

<u>طريقة التصويت باجتماع الجمعيّة العموميّة</u>

Voting in the General Assembly shall be in the manner determined by the chairman of the Assembly, unless the General Assembly has decided on a certain manner for voting. Voting

يكون التصويت في الجمعيّة العموميّة بالطريقة التي يعينها رئيس الجمعيّة إلا إذا قررت الجمعيّة العموميّة طريقة معينة للتصويت، ويجب أن يكون

must be by secret ballot if it relates to the election, dismissal or impeachment of Directors. A shareholder may vote electronically at a meeting of the General Assembly in accordance with the mechanism followed by the Market and as approved by the Authority.	التصويت سرياً إذا تعلق بانتخاب مجلس الإدارة أو بعزلهم أو بمساءلتهم. ويجوز للمساهم التصويت الإلكتروني في اجتماعات الجمعية العمومية وفقاً للآلية المتبعة لدى السوق والمعتمدة من الهيئة.
Article (48) **Voting of the Board Members on the Resolutions of the General Assembly**	**المادة (48)** **تصويت أعضاء مجلس الإدارة على قرارات الجمعيّة العموميّة**
48.1 Members of the Board of Directors are not allowed to participate in voting on the General Assembly resolutions that discharge them from responsibility for their management, or that which is relevant to a special benefit thereto, or connected with conflict of interests existing between them and the Company.	48 -1 لا يجوز لأعضاء مجلس الإدارة الاشتراك في التصويت على قرارات الجمعيّة العموميّة الخاصة بإبراء ذمتهم من المسؤولية عن إدارتهم أو التي تتعلق بمنفعة خاصة لهم أو المتعلقة بتعارض المصالح أو بخلاف قائم بينهم وبين الشركة.
48.2 One who has the right to attend the meetings of the General Assembly may not participate in voting for himself or for whoever he represents in matters related to a special benefit or a disagreement existing between him and the Company.	48 -2 لا يجوز لمن له حق حضور اجتماعات الجمعيّة العموميّة أن يشترك في التصويت عن نفسه أو عمن يمثله في المسائل التي تتعلق بمنفعة خاصة أو بخلاف قائم بينه وبين الشركة.
Article (49) **Issuance of the Special Resolution**	**المادة (49)** **إصدار القرار الخاص**
49.1 The General Assembly must issue a Special Resolution by the Shareholders who own no less than three quarters of the shares represented in the meeting of the General Assembly of the Company, in the following cases:	49 -1 يتعين على الجمعيّة العموميّة إصدار قرار خاص بأصوات المساهمين الذين يملكون ما لا يقل عن ثلاثة أرباع الأسهم الممثلة في اجتماع الجمعيّة العموميّة للشركة في الحالات التالية: -
(a) increase or reduction of the capital of the Company;	(أ) زيادة رأس المال أو تخفيضه.

(b) changing the name of the Company;

(ب) تغيير اسم الشركة.

(c) issuing bonds or Sukuk;

(ج) إصدار سندات قرض أو صكوك.

(d) provision of voluntary contributions for community service purposes;

(د) تقديم مساهمات طوعية في أغراض خدمة المجتمع.

(e) Company dissolution or merger with another company;

(ه) حل الشركة أو إدماجها في شركة أخرى.

(f) selling the assets and stock for which the Company was created, or those that constitute an integral part of the Company's objects, or otherwise disposal thereof;

(و) بيع الأصول والموجودات الـتي قامت من أجلها الشركة أو تلك التي تعد جزء لا يتجزأ من أغراض الشركة أو التصرف فيها بأي وجه آخر.

(g) extending or shortening the term of the Company;

(ز) إطالة مدة الشركة أو إنقاصها.

(h) amendment of the memorandum or Articles of Association;

(ح) تعديل عقد التأسيس أو النظام الاساسي.

(i) in all cases where the Companies Law requires issuing a special resolution;

(ط) في كل الحالات التي يتطلب فيها قانون الشركات إصدار قرار خاص.

(j) where the Company desires to sell fifty one percent (51%) or more of its assets whether the sale process will be in one deal, on in several deals, within one (1) year from the date of concluding the first deal or dealing;

(ي) عند رغبة الشركة بيع نسبة واحد وخمسون في المائة (51%) أو أكثر من أصولها سواء أكانت عملية البيع ستتم بصفقة واحدة أو من خلال عدة صفقات وذلك خلال سنة من تاريخ عقد أول صفقة أو تعامل.

(k) the entry of a strategic partner;

(ك) دخول شريك استراتيجي.

(l) converting cash debts into shares in the capital;

(ل) تحويل الديون النقدية إلى أسهم في رأسمال الشركة.

(m) issuing a program motivating the Company employees by owning shares therein;

(م) إصدار برنامج تحفيز موظفي الشركة بتملك أسهم فيها.

(n) addition of any bonus to the nominal value of the share or the issuance of preference shares;	(ن) إضـــافة أي عـــلاوة إصــدار إلـــى القيمـــة الاســمية للســهم أو اصــدار أسهم ممتازة.
(o) incorporation of the reserve in the Company's capital;	(س) إدمـــاج الاحتيـــاطي فــي رأس مـــال الشركة.
(p) dividing the nominal value of the Company's shares;	(ع) تجزئـــة القيمـــة الاســمية لأســهم الشركة.
(q) transformation of the Company;	(ف) تحول الشركة.
(r) merger of the Company;	(ص) انـدماج الشركة.
(s) extending the winding up period of the Company; or	(ق) إطالة مدة التصفية؛ أو
(t) purchase by the Company of its own shares.	(ر) شراء الشركة لأسهمها.
49.2 In any case, in accordance with the provision of Article (139) of the Companies Law, the Company's Board of Directors must obtain the prior approval from the Authority for issuance of the special resolution which will result in amendment to its memorandum or Articles of Association.	49 -2 وفي جميع الأحوال وفقـاً لحكم المـادّة (139) من قانون الشــركات يتعين على مجلس إدارة الشــركة الحصــول على الموافقة المسبقة من الهيئة على استصدار القرار الخاص الذي يترتب عليه تعديل في عقد تأسيسها ونظامها الأساسي.
Article (50) **Inclusion of an Item on the Agenda of the General Assembly Meeting**	**المادة (50)** **إدراج بند بجدول أعمال اجتماع الجمعيّة العموميّة**
50.1 The General Assembly may not deliberate matters not included in the agenda.	50 -1 لا يجوز للجمعية العمومية المداولة في غير المسائل المدرجة بجدول الأعمال.
50.2 The General Assembly shall be permitted to discuss important matters revealed during the meeting, or matters requested by the Authority to be discussed or if a Shareholder(s) representing 5% of the share capital of the Company ask, at the	50 -2 يجـــوز للجمعيـــة العموميـــة حـــق المداولـــة فـــي الوقـــائع الخطيـــرة التـــي تكتشـــف أثنـــاء الاجتمـــاع، وإذا طلبـــت الهيئـــة أو مســـاهم أو عـــدد مـــن المســـاهمين يملـــك أو يمثـــل (5%) مـــن رأس مـــال الشـــركة

start of the General Assembly, to have a specific matter included in the agenda. In such circumstances, the chairman of the meeting shall comply with the request, pursuant to controls determined by the Authority.

على الأقل وذلك قبل البدء في مناقشة جدول أعمال الجمعية العمومية إدراج مسائل معينة في جدول الأعمال وجب على رئيس الاجتماع إجابة الطلب وفقاً للضوابط الصادرة عن الهيئة في هذا الشأن.

50.3 In addition to the above, a new agenda item may be added to the General Assembly's agenda in accordance with what the Authority determines from time to time.

3- 50 بالإضافة لما ذكر أعلاه يجوز إضافة بند جديد إلى جدول أعمال الجمعية العمومية وفقاً للضوابط الصادرة عن الهيئة في هذا الشأنمن وقت لآخر.

CHAPTER SIX

The Auditor

Article (51)

Appointment of an Auditor

الباب السادس

مدقق الحسابات

المادة (51)

تعيين مدقق الحسابات

51.1 The Company shall have one or more auditors whom the General Assembly will appoint and determine his remuneration upon a nomination by the Board of Directors. The auditor shall be registered with the Authority and licensed for practicing his profession.

1- 51 يكون للشركة مدقق حسابات أو أكثر تعينه وتحدد أتعابه الجمعيّة العموميّة بناءً على ترشيح من مجلس الإدارة، ويشترط في مدقق الحسابات أن يكون مقيداً لدى الهيئة ومرخص له بمزاولة المهنة.

51.2 An auditor shall be appointed for a renewable year, and he shall monitor the accounts of the financial year for which he was appointed, provided that he shall not undertake the auditing process in the Company for a period exceeding (6) six consecutive financial years from the date of assuming his duties in the Company. In this case, the responsible Partner for auditing the Company shall be changed after the expiry of (3) three financial years.

2- 51 يُعيين مدقق حسابات لمدة سنة قابلة للتجديد وعليه مراقبة حسابات السنة المالية على ألا يتولى مدقق الحسابات عملية التدقيق بالشركة لمدة تزيد على (6) ست سنوات مالية متتالية من تاريخ توليه مهام تدقيق حسابات الشركة ويتعين في هذه الحالة تغيير الشريك المسؤول لدى مدقق الحسابات عن التدقيق على الشركة بعد انتهاء (3) ثلاث سنوات مالية.

51.3 The auditor shall assume his duties from the end of the meeting of that Assembly to

3- 51 يتولى مدقق الحسابات مهامه من نهاية اجتماع تلك الجمعيّة إلى

the end of the next annual General Assembly meeting.	نهايـــة اجتمـــاع الجمعيّـــة العموميّـــة السنوية التالية.
Article (52) **Obligations of the Auditor**	**المادة (52)** **التزامات مدقق الحسابات**
52.1 An auditor shall observe the following:	52 -1 يتعين على مدقق الحســـابات مراعاة ما يلي:
(a) adhere to the provisions stipulated in the Companies Law, systems, decisions, and circulars implementing thereof;	(أ) الالتزام بالأحكام المنصـــوص عليها في قانون الشـــركات والانظمة والقرارات والتعاميم المنفذة له.
(b) be independent from the Company and its Board of Directors;	(ب) يكـــون مســـتقلاً عـــن الشـــركة ومجلس إدارتها.
(c) not combine the profession of an auditor with the capacity of a partner;	(ج) ألا يجمع بين مهنة مدقق الحســـابات وصفة الشريك في الشركة.
(d) not hold the position of a member of the Board of Directors or any technical, administrative, or executive position therein; and	(د) ألا يشـــغل منصـــب عضـــو مجلـــس إدارة أو أي منصـــــب فنـــــي أو إداري أو تنفيذي فيها.
(e) not be a partner or an agent of any of the Company's founders, any of its **board members**, or a **relative** of any of them up to second degree.	(ه) ألا يكون شريكاً أو وكيلاً لأي من مؤسسي الشركة أو أي من **أعضاء مجلس إدارتها** أو **قريباً** لأي منهم حتى الدرجة الثانية.
Article (53) **Powers of the Audit**	**المادة (53)** **صلاحيات مدقق الحسابات**
53.1 The auditor shall have the right at all times to have access to all the Company's books, records, documents and otherwise of the instruments and documents, and he may request explanations that he deems necessary to perform his job, and he may also verify the Company's assets and obligations, and if he is unable to use these powers, he proves that in writing with report	53 -1 يكـــون لمـــدقق الحســـابات الحـــق فـــي الاطـــلاع فـــي كـــل وقـــت علـــى جميـــع دفـــاتر الشـــركة وســـجلاتها ومســـتنداتها وغيـــر ذلـــك مـــن وثـــائق ومســـتندات ولـــه أن يطلـــب الإيضـــاحات التـــي يراهـــا لازمـــة لأداء مهمتـــه ولـــه كـــذلك أن يتحقـــق مـــن موجـــودات الشـــركة والتزاماتهـــا، وإذا لـــم يـــتمكن مـــن اســـتعمال هـــذه الصـــلاحيات أثبـــت ذلـــك

submitted to the Board of Directors. If the Board does not enable the auditor to perform his task, the auditor must send a copy of the report to the Authority and the Competent Authority and present it to the General Assembly.	كتابة في تقرير يقدم إلى مجلس الإدارة، فإذا لم يقم المجلس بتمكين المدقق من أداء مهمته وجب على المدقق أن يرسل صورة من التقرير إلى الهيئة والسلطة المختصة وأن يعرضه على الجمعيّة العموميّة.
53.2 The auditor shall assume auditing the Company's accounts, examine the budget, profit, and loss account, review the Company's deals with the Related Parties and observe the application of the provisions of the Companies Law and this system. He must report the results of this examination to the General Assembly and send a copy thereof to the Authority and the Competent Authority, and he must, when preparing his report, make sure of the following:	53 -2 يتولى مدقق الحسابات تدقيق حسابات الشركة وفحص الميزانية وحساب الأرباح والخسائر ومراجعة صفقات الشركة مع الأطراف ذات العلاقة وملاحظة تطبيق أحكام قانون الشركات وهذا النظام، وعليه تقديم تقرير بنتيجة هذا الفحص إلى الجمعيّة العموميّة ويرسل صورة منه إلى الهيئة والسلطة المختصة، ويجب عليه عند إعداد تقريره، التأكد مما يأتي:
(a) the authenticity of the accounting records maintained by the Company; and	(أ) صحة السجلات المحاسبية التي تحتفظ بها الشركة؛ و
(b) the consistency of the Company's accounts with the accounting records.	(ب) اتفاق حسابات الشركة مع السجلات المحاسبية.
53.3 If facilities are not provided to the auditor to carry out his duties, he shall demonstrate this in a report he submits to the Board of Directors, and if the Board fails to facilitate the auditor's task, he shall send a copy of the report to the Authority.	53 -3 إذا لم يتم تقديم تسهيلات إلى مدقق الحسابات لتنفيذ مهامه، التزم بإثبات ذلك في تقرير يقدمه إلى مجلس الإدارة وإذا قصّر مجلس الإدارة في تسهيل مهمة مدقق الحسابات، تعيّن عليه إرسال نسخة من التقرير إلى الهيئة.
53.4 The Affiliate Company and its auditor shall commit to providing the information and explanations requested by the auditor of the Parent Company or Holding Company for auditing purposes.	53 -4 تلتزم الشركة التابعة ومدقق حساباتها بتقديم المعلومات والتوضيحات التي يطلبها مدقق حسابات الشركة الام او القابضة لأغراض التدقيق.

Article (54)	**المادة (54)**

Auditor's Annual Report

التقرير السنوى لمدقق الحسابات

54.1 The auditor shall submit to the General Assembly a report including the data and information provided for in the Companies Law, and he shall mention in his report, and also in the balance sheet of the Company, the voluntary contributions extended by the Company during the fiscal year for community service purposes (if any) and to identify the beneficiary entity of such contributions.

54 -1 يقدم مدقق الحسابات إلى الجمعيّة العموميّة تقريرا يشتمل على البيانات والمعلومات المنصوص عليها في قانون الشركات، وأن يذكر في تقريره وكذلك في الميزانية العموميّة للشركة المساهمات الطوعية التي قامت بها الشركة خلال السنة المالية لأغراض خدمة المجتمع " إن وجدت" وأن يحدد الجهة المستفيدة من هذه المساهمات الطوعية.

54.2 The auditor must attend the meeting of the General Assembly and recite his report therein, explaining any obstacles or intrusions of the Board of Directors that he faced during his performance of his job, and his report should be neutral and independent, and he should state his opinion in the meeting about all that is relevant to his job, particularly in the Company's budget and his remarks on the Company's accounts, its financial position and any violations thereat. The auditor shall be responsible for the correctness of the information contained in his report, and each Shareholder, during the General Assembly session, has the right to discuss the auditor's report and to inquire about what has been included therein.

54 -2 يجب على مدقق الحسابات أن يحضر اجتماع الجمعيّة العموميّة وأن يقرأ تقريره في الجمعيّة العموميّة، موضحاً أية معوقات أو تدخلات من مجلس الإدارة واجهته أثناء تأدية أعماله، وأن يتسم تقريره بالاستقلالية والحيادية، وأن يدلي في الاجتماع برأيه في كل ما يتعلق بعمله وبوجه خاص في ميزانية الشركة وملاحظاته على حسابات الشركة ومركزها المالي وأية مخالفات بها، ويكون المدقق مسؤولاً عن صحة البيانات الواردة في تقريره، ولكل مساهم أثناء عقد الجمعيّة العموميّة أن يناقش تقرير المدقق وأن يستوضحه عما ورد فيه.

54.3 The auditor has the right to receive all notifications and other correspondences related to any General Assembly, which every Shareholder is entitled to receive.

54 -3 يحق لمدقق الحسابات استلام كافة الإشعارات والمراسلات الأخرى المتعلقة بأية جمعية عمومية والتي يحق لكل مساهم استلامها.

CHAPTER SEVEN

Company's Finance

Article (55)

الباب السابع

مالية الشركة

المادة (55)

Company's Accounts

حسابات الشركة

55.1 The Company shall prepare regular accounts according to the international accounting standards so they reflect a true and fair picture of the Company's profits and losses for the fiscal year and about its status at the end of the financial year, and the Company shall abide by any requirements provided for in the Companies Law or the decisions issued in implementation thereof.

55 -1 تُعد الشركة حسابات منتظمة وفق المعايير والأسس المحاسبية الدولية بحيث تعكس صورة صحيحة وعادلة عن أرباح أو خسائر الشركة للسنة المالية وعن وضع الشركة في نهاية السنة المالية وأن تتقيد بأية متطلبات ينص عليها قانون الشركات أو القرارات الصادرة تنفيذاً له.

55.2 The Company shall apply the international accounting principles and standards when preparing its interim and annual accounts and determining the distributable dividends.

55 -2 تطبق الشركة المعايير والأسس المحاسبية الدولية عند إعداد حساباتها المرحلية والسنوية وتحديد الأرباح القابلة للتوزيع.

Article (56)

Company's Fiscal Year

المادة (56)

السنة المالية للشركة

The Company's fiscal year begins from January 1st and ends in December 31st of every year.

تبدأ السنة المالية للشركة من أول يناير وتنتهي في نهاية 31 ديسمبر من كل سنة.

Article (57)

The Balance Sheet for the Fiscal Year

المادة (57)

الميزانية العموميّة للسنة المالية

The balance sheet for the fiscal year must have been audited at least one (1) month before the annual meeting of the General Assembly, and the Board must prepare a report on the Company's activity and financial position at the end of the fiscal year and the method it proposes to distribute the net profits and send a copy of the budget and profit and loss account with a copy of the auditor's report, the report of the Board of Directors of the Company, and the corporate governance report to the Authority, along with attaching a draft of the annual General

يتعين أن تكون الميزانية العموميّة عن السنة المالية قد تم تدقيقها قبل الاجتماع السنوي للجمعيّة العموميّة بشهر (1) واحد على الأقل، وعلى المجلس إعداد تقرير عن نشاط الشركة ومركزها المالي في ختام السنة المالية والطريقة التي يقترحها لتوزيع الأرباح الصافية وترسل صورة من الميزانية وحساب الأرباح والخسائر مع نسخة من تقرير مدقق الحسابات وتقرير مجلس الإدارة للشركة وتقرير الحوكمة إلى الهيئة مع إرفاق مسودة من دعوة الجمعيّة

Assembly's invitation to the Company's Shareholders to agree to publish the invitation in daily newspapers well in advance of the meeting of the General Assembly meeting, taking into account the provision of Article (174) of the Companies Law regarding the publication of the General Assembly's invitation twenty one (21) days before the date of the meeting.

العموميّة السنوية لمساهمي الشركة للموافقة على نشر الدعوة في الصحف اليومية قبل موعد انعقاد اجتماع الجمعيّة العموميّة بوقت كافٍ مع مراعاة حكم المادة (174) من قانون الشركات بشأن نشر دعوة الجمعية العمومية قبل واحد وعشرون (21) يوماً من تاريخ الاجتماع.

Article (58)

<u>Distribution of Dividends</u>

المادة (58)

<u>توزيع الأرباح السنوية</u>

58.1 The annual net profits of the Company are distributed, after deducting all overheads and other expenses, as follows:

58 -1 توزع الأرباح السنويّة الصافية للشركة بعد خصم جميع المصروفات العموميّة والتكاليف الأخرى وفقاً لما يلي:

(a) ten percent (10%) of the net profits shall be deducted and allocated to a legal reserve account. This deduction shall cease once the aggregate of the reserve reaches equivalent to fifty percent (50%) of the Company's paid up capital, and if the reserve decreased from that percentage, the deduction shall be run back;

(أ) تقتطع عشرة بالمائة (10%) من الأرباح الصافية تخصص لحساب الاحتياطي القانوني. ويوقف هذا الاقتطاع متى بلغ مجموع هذا الاحتياطي قدراً يوازي خمسين بالمائة(50%) من رأس مال الشركة المدفوع، وإذا نقص الاحتياطي عن ذلك تعيّن العودة إلى الاقتطاع.

(b) the General Assembly may, upon a proposal by the Board of Directors, deduct a further percentage not exceeding ten percent (10%) allocated to constitute a statutory reserve, and such deduction may be halted by a resolution of the General Assembly according to the proposal by the Board of Directors. This reserve shall be used for purposes determined by the General Assembly according to a proposal by the Board of Directors;

(ب) يجوز للجمعية العموميّة بناءً على اقتراح مجلس الإدارة اقتطاع ما لا يزيد على نسبة عشرة بالمائة (10%) أخرى تُخصص لتكوين احتياطي نظامي، ويجوز وقف هذا الاقتطاع بقرار من الجمعيّة العموميّة بناءً على اقتراح مجلس الإدارة. ويستخدم هذا الاحتياطي في الأغراض التي تقررها الجمعيّة العموميّة بناءً على اقتراح مجلس الإدارة.

(c) the General Assembly identifies the percentage of the net profits to be distributed to the Shareholders, after

(ج) تحدد الجمعية العمومية النسبة التي يجب توزيعها على المساهمين من الأرباح الصافية

deducting the legal reserve, provided that where the net profits of a certain year does make place for dividends distribution, no claim may be made therefor from the profits of subsequent years;

بعد خصم الاحتياطي القانوني، على أنه إذا لم تسمح الأرباح الصافية في سنة من السنين بتوزيع أرباح فلا يجوز المطالبة بها من أرباح السنين اللاحقة.

(d) a percentage not exceeding ten percent (10%) from the net profit of the ending fiscal year shall be allocated, after deducting reserves and depreciations, as a bonus for the Board Members and the Board Members suggest the bonus and present it to the General Assembly to consider it. Fines that may have been imposed on the Company by the Authority or the competent Authority due to violations by the Board of Directors or the Companies Law or the these Articles of Association during the ending fiscal year, shall be deducted from that bonus, and the General Assembly may not deduct these or some of these fines if it becomes clear to them that these fines are not the result of default or error from the Board of Directors; and

(د) تخصص نسبة لا تزيد على عشرة بالمائة (10%) من الربح الصافي للسنة المالية المنتهية بعد خصم كل من الاستهلاكات والاحتياطات كمكافأة لأعضاء مجلس الإدارة ويقترح المجلس المكافأة وتعرض على الجمعية العمومية للنظر فيها، وتخصم من تلك المكافأة الغرامات التي تكون قد وُقعت على الشركة من الهيئة أو السلطة المختصة بسبب مخالفات مجلس الإدارة أو لقانون الشركات أو للنظام الأساسي للشركة خلال السنة المالية المنتهية، وللجمعية العمومية عدم خصم تلك الغرامات أو بعضها إذا تبين لها أن تلك الغرامات ليست ناتجة عن تقصير أو خطأ من مجلس الإدارة. و

(e) the remainder of the net profits shall then be distributed to the Shareholders or carried over to the coming year, under a suggestion by the Board of Directors, or allocated to create an optional reserve to be allocated for certain purposes and this may not be used for any other purposes unless by a resolution issued by the Company's General Assembly.]

(ه) يوزع الباقي من صافي الأرباح بعد ذلك على المساهمين أو يرحل بناء على اقتراح مجلس الإدارة إلى السنة المقبلة أو يخصص لإنشاء احتياطي اختياري يخصص لأغراض محددة ولا يجوز استخدامه لأية أغراض أخرى إلا بموجب قرار صادر عن الجمعية العمومية للشركة.

Article (59)
Disposal of the Statutory and Optional Reserves

المادة (59)
التصرف في الاحتياطي الاختياري والقانوني

Disposal of the optional reserve is made under a resolution by the Board of Directors of the Company for aspects that achieve the Company's interests, and the legal reserve may not be distributed to the Shareholders, but it is permissible to use the increase in the legal reserve that is higher than half of the issued capital, to be distributed as dividends to the Shareholders in the years where the Company do not achieve sufficient net profits to be distributed thereon.

يتم التصرف في الاحتياطي الاختياري بناء على قرار مجلس إدارة الشركة في الأوجه التي تحقق مصالح الشركة ولا يجوز توزيع الاحتياطي القانوني على المساهمين، وإنما يجوز استعمال ما زاد منه على نصف رأس المال المصدر لتوزيعه كأرباح على المساهمين في السنوات التي لا تحقق الشركة فيها أرباحاً صافية كافية للتوزيع عليهم.

Article (60)

Shareholders Dividends

المادة (60)

أرباح المساهمين

60.1 Dividends shall be paid to the Shareholders in accordance with the regulations, decisions and circulars issued by the Authority in this regard.

60 -1 تدفع الأرباح إلى المساهمين طبقاً للأنظمة والقرارات والتعاميم الصادرة عن الهيئة بهذا الشأن.

60.2 The Company may, through a resolution of its Board of Directors, distribute quarterly and/or semi-annual dividends to the shareholders from operating profits and/or accumulated profits. The Board of Directors shall be authorized to adopt and implement resolutions relating to the distribution of dividends in accordance with the dividend distribution policy approved by the General Assembly.

60 -2 يجوز للشركة بقرار من مجلس ادارتها توزيع أرباح ربع سنوية و/أو نصف سنوية على المساهمين من الأرباح التشغيلية و/أو الأرباح المتراكمة للشركة. ويكون مجلس الإدارة مفوضاً باعتماد واتخاذ وتنفيذ القرارات المتعلقة بتوزيع الأرباح وفقاً لسياسة توزيع الأرباح المعتمدة من الجمعية العمومية.

CHAPTER EIGHT

Disputes

Article (61)

Abatement of Responsibility Cases

الباب الثامن

المنازعات

المادة (61)

سقوط دعوى المسؤولية

Any resolution by the General Assembly discharging the Board of Directors, does not result to the abatement of civil responsibility case

لا يترتب على أي قرار يصدر من الجمعيّة العموميّة بإبراء ذمة مجلس الإدارة سقوط دعوى المسؤولية المدنية ضد أعضاء مجلس

against the Board Members due to errors thereby in performing their task, and if the action causing responsibility was presented to the General Assembly and was ratified, the responsibility shall abate one (1) year after the date of convening of the General Assembly, however, if the action ascribed to the Board Members was a criminal crime, the responsibility case will only drop by the abatement of the general case.

الإدارة بسبب الأخطاء التي تقع منهم في تنفيذ مهمتهم وإذا كان الفعل الموجب للمسؤولية قد عرض على الجمعيّة العموميّة وصادقت عليه فإن دعوى المسؤولية تسقط بمضي سنة (1) واحدة من تاريخ انعقاد هذه الجمعيّة، ومع ذلك إذا كان الفعل المنسوب إلى أعضاء مجلس الإدارة يكون جريمة جنائية فلا تسقط دعوى المسؤولية إلا بسقوط الدعوى العموميّة.

CHAPTER NINE

Company Dissolution and Liquidation

Article (62)

<u>Company Dissolution</u>

الباب التاسع

حل الشركة وتصفيتها

المادة (62)

<u>حل الشركة</u>

62.1 The Company shall be dissolved for any of the following reasons:

(a) expiry of the term specified in these Articles of Association, unless renewed as per the rules herein;

(b) fulfilment of the objectives for which the Company was established;

(c) depreciation of all or most of the assets in the Company in a way with which the investment with the rest will not be useful;

(d) company merger pursuant to the provisions of the Companies Law;

(e) issuance of a special resolution by the General Assembly to wind-up the Company; or

(f) where a court decision is rendered for the dissolution the Company.

62 -1 تنحل الشركة لأحد الأسباب التالية:

(أ) انتهاء المدة المحددة في هذا النظام الأساسي ما لم تجدد المدة طبقاً للقواعد الواردة بهذا النظام.

(ب) انتهاء الغرض الذي أسست الشركة من أجله.

(ج) هلاك جميع أموال الشركة أو معظمها بحيث يتعذر استثمار الباقي استثماراً مجدياً.

(د) الاندماج وفقاً لأحكام قانون الشركات.

(ه) صدور قرار خاص من الجمعيّة العموميّة بحل الشركة؛ أو

(و) صدور حكم قضائي بحل الشركة.

Article (63)

<u>Achieving Losses Amounting to Half of the</u>

المادة (63)

<u>تحقيق الشركة لخسائر بلغت نصف</u>

Company's Capital

Where the Company's accumulated losses reach half of the issued capital, the Board of Directors must within thirty (30) thirty days from the date of disclosing to the Authority the periodic or annual financial statements, invite the General Assembly to convene to take a decision to dissolve the Company before the term specified therefor or to continue its activities.

رأسمالها

إذا بلغت الخسائر المتراكمة للشركة نصف رأسمالها المصدر وجب على مجلس الإدارة خلال (30) ثلاثين يوماً من تاريخ الإفصاح للهيئة عن القوائم المالية الدورية أو السنوية دعوة الجمعيّة العموميّة للانعقاد لاتخاذ قرار خاص بحل الشركة قبل الأجل المحدد لها أو استمرارها في مباشرة نشاطها.

Article (64)

Liquidation of the Company

Upon the expiry of the Company's term or its dissolution before the specified term, the General Assembly, upon a request from the Board of Directors, shall determine the manner of liquidation and appoint one (1) or more liquidators and define their powers, and the power of the Board of Directors shall end with the dissolution of the Company. However, the Board of Directors continues for the management of the Company and is considered with respect to others as liquidators until the liquidator is appointed, and the power of the General Assembly shall continue all through the liquidation period until all liquidation works are concluded.

المادة (64)

تصفية الشركة

عند انتهاء مدة الشركة أو حلها قبل الأجل المحدد تعين الجمعيّة العموميّة بناءً على طلب مجلس الإدارة طريقة التصفية وتعين مصفيا أو أكثر وتحدد سلطتهم وتنتهي سلطة مجلس الإدارة بحل الشركة ومع ذلك يستمر مجلس الإدارة قائم على إدارة الشركة ويعتبر بالنسبة إلى الغير في حكم المصفين إلى أن يتم تعيين المصفي، وتبقى سلطة الجمعيّة العموميّة قائمة طوال مدة التصفية إلى أن يتم الانتهاء من كافة أعمال التصفية.

CHAPTER TEN

Final Provisions

Article (65)

Voluntary Contributions

After obtaining an approval from the Authority, the Company may, by a Special Resolution allocate certain percentage of its annual or accumulated profits for social service purposes. It is necessary to disclose on the Company's

الباب العاشر

الأحكام الختامية

المادة (65)

مساهمات طوعية

يجوز للشركة بعد موافقة الهيئة أن تقرر بموجب قرار خاص تخصيص نسبة من أرباحها السنوية أو الأرباح المتراكمة للمسؤولية المجتمعية. تلتزم الشركة بعد انتهاء السنة المالية بالإفصاح على موقعها الالكتروني

website at the end of the financial year whether or not it has made voluntary contributions for social purposes; and to clearly state the beneficiary(ies) of such contributions in the auditor's report and Company's balance sheet.

عن مدى قيامها بمسؤوليتها المجتمعية من عدمه ويجب أن يتضمن تقرير مدقق الحسابات والبيانات المالية السنوية للشركة بيان الجهة أو الجهات المستفيدة من المساهمات المجتمعية التي تقدمها الشركة.

Article (66)

Governance Rules

المادة (66)

ضوابط الحوكمة

The Company shall be subject to the Governance Rules, the corporate discipline standards, and the decisions implementing the provisions of the Companies Law and shall be considered an integral part of the Company's Article of Association and complementing thereof.

يسري على الشركة قرار ضوابط الحوكمة ومعايير الانضباط المؤسسي والقرارات المنفذة لأحكام قانون الشركات، ويعتبر جزءاً لا يتجزأ من النظام الأساسي للشركة ومكملاً له.

Article (67)

In Case of Conflict

المادة (67)

في حال التعارض

In the event of a conflict between the texts mentioned in this Articles of Association with any of the provisions mentioned in the Companies Law or the regulations, decisions, and circulars implementing thereof, those provisions shall be the ones applicable.

في حال التعارض بين النصوص الواردة بهذا النظام مع أياً من الأحكام الواردة بقانون الشركات أو الأنظمة والقرارات والتعاميم المنفذة له فإن تلك الأحكام هي التي تكون واجبة التطبيق.

Article (68)

Publishing the Articles of Association

المادة (68)

نشر النظام الأساسي

These Articles of Association shall be maintained and be published pursuant to the Law.

يودع هذا النظام وينشر طبقاً للقانون.

Signed by for and behalf of NMDC Group – P.J.S.C. by:

التوقيع بالنيابة عن
إن إم دي سي جروب ش.م.ع.

....

Date:

التاريخ:

ANNEX (3) SUBSIDIARIES

Details of the Company's Subsidiaries as of 30 June 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*
National Petroleum Construction Co. (Saudi) Ltd	Kingdom of Saudi Arabia	Engineering Procurement and Construction	100%	100%
NPCC Engineering Private Limited	India	Engineering	100%	100%
ANEWA Engineering Private Limited	India	Engineering	80%	80%
NPCC Services Malaysia SDN. BHD.(i)	Malaysia	Engineering Procurement and Construction	100%	100%
Al Dhabi Construction Project LLC(i)	Iraq	Engineering Procurement and Construction	100%	100%
NMDC Marine Services L.L.C. – S.P.C. (i)	United Arab Emirates	Repair and Maintenance of Ships and Related Services	100%	100%

(ii) Dormant Subsidiaries with no operations during the period.