



**RAPCO INVESTMENT  
PUBLIC JOINT STOCK COMPANY**

# **Integrated Report For 2023**

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## REPORT CONTENT

The 2023 Integrated Report by RAPCO Investment PJSC (“Company”) covers our business as well as financial, environmental, social and governance performance. This report focuses on the Company's ability to create value for all stakeholders in the short, medium and long term. The sustainability content in the report has been prepared in accordance with the standards of the Global Reporting Initiative: the primary choice and in line with the 31 environmental, social and corporate governance standards set by the Abu Dhabi Securities Exchange. We have also aligned our report with the relevant Sustainable Development Goals of our business model as well as with the UAE's Economic Vision 2030 Accordingly, the report complies with the requirements of the UAE Securities and Commodities Authority (SCA) regarding the preparation of the integrated report for the fiscal year 2023. This report represents the third integrated report issued by the Company in an integrated manner, and in accordance with the requirements of the Securities and Commodities Authority.

## THE LIMITS OF THE REPORT AND THE PERIOD IT COVERS

This report covers the period between January 1 and December 31, 2023, and include the entire operations of the Company. Crowe Mak has undertaken the audit of the accompanying financial statements for the year 2023. The business, sustainability and governance content of our report has been reviewed by our internal audit department.

## FEEDBACK AND COMMENTS

If you have any questions, comments or notes about this report, please contact us:  
Via email: [compliance@rapcoinvestment.ae](mailto:compliance@rapcoinvestment.ae)  
Phone: +971 7 243 4477

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates Directors' report

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The Directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2023.

### Change in name, objects and Articles of Association of the Entity

Pursuant to the shareholders' approval in General Assembly meeting held on 25th April 2023, the Entity has received approval from the Securities & Commodities Authority ("SCA") on 6th June 2023 regarding amendment to the Articles of Association of the Entity including its name and objects. Accordingly, the Abu Dhabi Securities Exchange has updated the new name of the Entity in its securities list as "RAPCO Investment P.J.S.C".

### Principal activities of the Entity

The Entity's principal activities are commercial enterprises investment, institution and management, real estate enterprises investment, development, institution and management, and agricultural enterprises investment, institution and management.

### Financial review

The table below summarizes the results of the year 2023 and 2022.

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Continuing operations</b>		
Net profit for the year from continuing operations	<b>16,906,826</b>	151,286
<b>Discontinued operations</b>		
Revenue	-	4,166,768
Gross loss	-	(554,361)
Net (loss) for the year from discontinued operations	-	(712,042)
Basic and diluted earnings per share from continuing operations	<b>0.18</b>	0.002
Basic and diluted loss per share from discontinued operations	-	(0.01)

### Role of the Directors

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

### Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

### Events after year end

In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

### Projections and Risk

The Entity is continuously monitoring its liquid funds and investments in equity and fixed income securities to maximize the yield. The Entity is exposed to and affected by the fluctuation in the financial market it operates. However, the Entity has various in-house systems to evaluate these risks and accordingly take steps to mitigate the effect of such risks.

### Auditor

M/s. Crowe Mak – Dubai, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates  
Directors' report (continued)**

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**Statement of Directors' responsibilities**

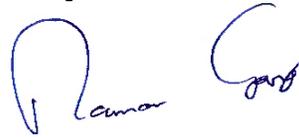
The applicable requirements require the Directors to prepare the financial statements for each financial year which present fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

The financial statements set out on pages 8 to 48, which have been prepared on the going concern basis were approved by the Directors on the date of these financial statements and signed on behalf of the Entity by:



**Shaikh Mohamed Humaid Abdulla  
Mohamed Alqasemi  
Chairman**



**Raman Garg Mahabir Saran Garg  
General Manager**

6 March 2024

Ref: BN/A2588/March 2024

## Independent auditor's report

To,  
The Shareholders  
RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")  
P. O. Box: 30019  
Ras Al Khaimah, United Arab Emirates

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC") (the "Entity"), Ras Al Khaimah, United Arab Emirates, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the 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 Financial Statements section of our report. We are independent of the Entity in accordance with the requirements of International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) together with ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

#### Valuation of the investment properties

##### Background

We identified the valuation of investment properties as a key audit matter due to the significance of the Entity's investment properties in the context of the Entity's financial statements as a whole and due to significant judgement involved in determining the inputs used in the valuation.

As at December 31, 2023, the Entity's investment properties amounting to AED 83,333,000 which represented 23% of the Entity's total assets and a profit on revaluation of investment properties amounting to AED 13,000 was recognised in the statement of profit or loss for the year then ended.

The Entity's investment properties are stated at fair value based on valuations carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which requires significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuations are disclosed in note 6 to the financial statements.



## Independent auditor's report (continued)

To the Shareholders of RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")  
Report on the Audit of Financial Statements (continued)

### How our audit addressed the key audit matters

We have performed the following procedures in relation to the valuation of investment properties:

- We assessed the competence, capabilities and objectivity of the valuer;
- We reviewed the terms of engagement between the valuer and Entity to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.
- We agreed the total valuation in reports of the valuer to the amount reported in the statement of financial position;
- We assessed the completeness and consistency of information provided by the Entity to the valuer; and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
- We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
- We reviewed the appropriateness of disclosures in the financial statements with respect to valuation of investment properties;
- We reperfomed the arithmetical accuracy of the determination of net fair value gain;
- We reviewed a sample of investment properties valued by external valuers and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 Fair Value Measurement; and
- Also, we assessed the disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRSs.

### Other Information

The Directors are responsible for the other information. The other information comprises the annual report. The other information does not include the financial statements and our auditor's report thereon.

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



## Independent auditor's report (continued)

**To the Shareholders of RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")  
Report on the Audit of Financial Statements (continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to error or fraud, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

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

## Independent auditor's report (continued)

To the Shareholders of RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

Report on the Audit of Financial Statements (continued)

### Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit;
- (b) The financial statements have been prepared and comply, in all material aspects, with the applicable provisions of the UAE Federal Law No. 32 of 2021, and the Memorandum and Articles of Association of the Entity;
- (c) The Entity maintained proper books of account;
- (d) The contents of the Directors' report which relates to the financial statements are in agreement with the Entity's books of account;
- (e) Note 11 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted;
- (f) As disclosed in notes 7, 12 and 14 to the financial statements, the Entity has purchased or invested in shares during the year ended December 31, 2023; and
- (g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened during the year ended 31 December 2023 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, and the Memorandum and Articles of Association of the Entity which would materially affect its activities or its financial position as at 31 December 2023.

Crowe Mak



Khalid Mehmood Chaudhry  
Senior Partner  
Registered Auditor Number: 635  
Dubai, United Arab Emirates  
6 March 2024



**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates  
Statement of financial position as at 31 December 2023**

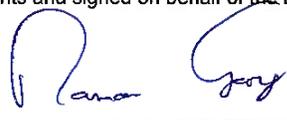
	Notes	2023 AED	2022 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	9,505	632,138
Investment properties	6	83,333,000	87,370,000
Investments in associates	7	72,014,317	71,813,310
Financial assets at fair value through other comprehensive income (FVTOCI)	12	160,378,569	181,207,388
Financial assets at amortised cost	13	25,113,785	26,663,970
<b>Total non-current assets</b>		<b>340,849,176</b>	<b>367,686,806</b>
<b>Current assets</b>			
Inventories	8	-	8,807
Trade receivables	9	875,446	2,063,125
Advances, deposits and other receivables	10	533,716	534,914
Due from a related party	11	-	526,363
Investments at fair value through profit or loss (FVTPL)	14	11,009,492	-
Fixed deposits	15	7,000,000	2,000,000
Cash and cash equivalents	16	3,710,758	4,771,652
<b>Total current assets</b>		<b>23,129,412</b>	<b>9,904,861</b>
<b>Total assets</b>		<b>363,978,588</b>	<b>377,591,667</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and shareholders' funds</b>			
Share capital	17	95,040,000	95,040,000
Special reserve		80,000,000	80,000,000
Statutory reserve	19	41,712,319	40,021,637
Retained earnings		62,524,645	25,860,041
Fair value reserve for financial assets at FVTOCI	20	76,202,049	91,256,954
Voluntary reserve	21	-	19,547,271
<b>Total equity</b>		<b>355,479,013</b>	<b>351,725,903</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end-of-service benefits	22	426,630	439,933
<b>Total non-current liabilities</b>		<b>426,630</b>	<b>439,933</b>
<b>Current liabilities</b>			
Trade and other payables	23	8,072,945	25,425,831
<b>Total current liabilities</b>		<b>8,072,945</b>	<b>25,425,831</b>
<b>Total liabilities</b>		<b>8,499,575</b>	<b>25,865,764</b>
<b>Total equity and liabilities</b>		<b>363,978,588</b>	<b>377,591,667</b>

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the company as of, and for, the periods presented in the periodic report.

These financial statements were approved and authorised for issue on March 6, 2024.

The financial statements set out on pages 8 to 48, which have been prepared on the going concern basis were approved by the Directors on the date of these financial statements and signed on behalf of the Entity by:

  
Shaikh Mohamed Humaid Abdulla  
Mohamed Alqasemi  
Chairman

  
Raman Garg Mahabir Saran Garg  
General Manager

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

The report of the auditor is set out on pages 4 to 7.

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates**

**Statement of profit or loss and other comprehensive income for the year ended 31 December 2023**

	Notes	2023 AED	2022 AED
<b>Continuing operations</b>			
Investment income	24	11,496,150	9,928,342
Gain on changes in fair value of investment properties	6	13,000	1,215,000
Gain on sale of investment properties		1,409,273	-
Gain on sale of investments at FVTPL		967,637	55,883
Unrealised loss on investments at FVTPL	14	(790,290)	-
Other income	25	5,940,187	-
General and administrative expenses	26	(2,283,032)	(1,380,206)
Finance cost	27	(47,106)	(60,776)
Share of profit / (loss) of associates - net	7	201,007	(9,606,957)
<b>Net profit for the year from continuing operations</b>		<b>16,906,826</b>	<b>151,286</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	28	-	(712,042)
<b>Net profit / (loss) for the year</b>		<b>16,906,826</b>	<b>(560,756)</b>
<b>Other comprehensive income</b>			
(Decrease) / increase in fair value of financial assets at FVTOCI		(12,853,716)	31,256,057
<b>Other comprehensive (loss) / income for the year</b>		<b>(12,853,716)</b>	<b>31,256,057</b>
<b>Total comprehensive income for the year</b>		<b>4,053,110</b>	<b>30,695,301</b>
<b>Basic and diluted earnings per share from continuing operation</b>			
		<b>0.18</b>	0.002
<b>Basic and diluted loss per share from discontinued operation</b>			
		-	(0.01)

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

The report of the auditor is set out on pages 4 to 7.

## RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

### Ras Al Khaimah - United Arab Emirates

#### Statement of changes in equity for the year ended 31 December 2023

	Share capital AED	Special reserve AED	Statutory reserve AED	Voluntary reserve AED	Retained earnings AED	Fair value reserve for financial assets at FVTOCI AED	Total AED
As at 1 January 2022	95,040,000	80,000,000	40,021,637	19,547,271	26,609,991	60,114,600	321,333,499
(Loss) for the year	-	-	-	-	(560,756)	-	(560,756)
Other Comprehensive Income for the year	-	-	-	-	-	31,256,057	31,256,057
Total comprehensive income for the year	-	-	-	-	(560,756)	31,256,057	30,695,301
Transfer on sale of investments at FVTOCI	-	-	-	-	113,703	(113,703)	-
Board of Directors' remuneration	-	-	-	-	(302,897)	-	(302,897)
<b>As at 31 December 2022</b>	<b>95,040,000</b>	<b>80,000,000</b>	<b>40,021,637</b>	<b>19,547,271</b>	<b>25,860,041</b>	<b>91,256,954</b>	<b>351,725,903</b>
Profit for the year	-	-	-	-	16,906,826	-	16,906,826
Other Comprehensive Income for the year	-	-	-	-	-	(12,853,716)	(12,853,716)
Total comprehensive income for the year	-	-	-	-	16,906,826	(12,853,716)	4,053,110
Transfers during the year	-	-	-	(19,547,271)	19,547,271	-	-
Transfer to statutory reserve	-	-	1,690,682	-	(1,690,682)	-	-
Transfer on sale of investments at FVTOCI	-	-	-	-	2,201,189	(2,201,189)	-
Board of Directors' remuneration	-	-	-	-	(300,000)	-	(300,000)
<b>As at 31 December 2023</b>	<b>95,040,000</b>	<b>80,000,000</b>	<b>41,712,319</b>	<b>-</b>	<b>62,524,645</b>	<b>76,202,049</b>	<b>355,479,013</b>

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

The report of the auditor is set out on pages 4 to 7.

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates**

**Statement of cash flows for the year ended 31 December 2023**

	Notes	2023 AED	2022 AED
<b>Cash flows from operating activities</b>			
Profit for the year		16,906,826	(560,756)
Adjustments for:			
Depreciation of property, plant and equipment	5	99,213	99,587
Fair value gain from investment properties	6	(13,000)	(1,215,000)
Share of (profit) / loss of associates - net	7	(201,007)	9,606,957
Unrealised loss on revaluation of investments at FVTPL	14	790,290	-
Realised gain on disposal of investments at FVTPL	14	(967,637)	(55,883)
Employees' end-of-service benefits	22	34,587	489,616
Dividend income	24	(8,032,653)	(6,697,904)
Interest income	24	(1,826,416)	(1,463,838)
(Gain) on disposal of property, plant and equipment	25,28	(5,804,302)	(1,033,462)
Finance cost	27	47,106	60,776
Gain on sale of investment properties		(1,409,273)	-
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>(376,266)</b>	<b>(769,907)</b>
Decrease in inventories	8	8,807	315,291
Decrease in trade receivables	9	1,187,679	1,300,859
Decrease in advances, deposits and other receivables	10	1,198	314,425
Decrease in due from a related party	11	526,363	302,393
Decrease in trade and other payables	23	(17,352,886)	(1,287,949)
Decrease in biological assets		-	882,955
<b>Cash (used in) / generated from operating activities</b>		<b>(16,005,105)</b>	<b>1,058,067</b>
Employees' end-of-service indemnity paid	22	(47,890)	(1,838,341)
Finance costs paid	27	(47,106)	(60,776)
<b>Net cash used in operating activities</b>		<b>(16,100,101)</b>	<b>(841,050)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		6,327,722	1,038,124
Proceeds from sale of investment properties	6	5,459,273	-
Purchase of financial assets at FVTOCI	12	-	(6,591,924)
Proceeds from sale of investments carried at FVTOCI	12	7,975,103	192,000
Proceeds from disposal of financial assets at amortised cost	13	7,267,695	-
Purchase of financial assets at amortised cost	13	(5,785,572)	(7,815,960)
Purchase of investments at FVTPL	14	(18,841,195)	(500,000)
Proceeds from disposal of investments at FVTPL	14	8,009,050	555,883
Investments in fixed deposits	15	(5,000,000)	(2,000,000)
Interest received	24	1,894,478	1,090,659
Dividends received	24	8,032,653	6,697,904
<b>Net cash generated from / (used in) investing activities</b>		<b>15,339,207</b>	<b>(7,333,314)</b>
<b>Cash flows from financing activities</b>			
Board of Directors' remuneration		(300,000)	(302,897)
Loan installment settled by a related party		-	6,000,000
Dividends paid		-	(76,716)
<b>Net cash (used in) / generated from financing activities</b>		<b>(300,000)</b>	<b>5,620,387</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,060,894)</b>	<b>(2,553,977)</b>
Cash and cash equivalents at the beginning of the year		4,771,652	7,325,629
<b>Cash and cash equivalents at the end of the year</b>	16	<b>3,710,758</b>	<b>4,771,652</b>

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

The report of the auditor is set out on pages 4 to 7.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 1 General information

RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC") (the "Entity") is public shareholding company, facilitated under Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah. The Entity was incorporated on March 11, 1978 and operates under the commercial license no. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Entity are traded on the Abu Dhabi Securities Exchange.

The shareholders at the Annual General Assembly meeting held on 25th April 2023, approved to change the name of the Entity from "Ras Al Khaimah Poultry & Feeding Co Public JSC" to "RAPCO Investment P.J.S.C", and to amend the Articles of Association of the Entity, however, the name change was effective from 6th June 2023.

The address of the registered office of the Entity is Aljazirah Alhamra, P.O. Box: 30019, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Entity consist of commercial enterprises investment, institution and management, real estate enterprises investment, development, institution and management, and agricultural enterprises investment, institution and management.

The management and control are vested with Mr. Raman Garg Mahabir Saran Garg, General Manager, Indian national, under the supervision of the Board of Directors of the Entity.

These financial statements incorporate the operating results of the commercial license no. 302.

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

##### 2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Entity has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### New and revised IFRSs

#### Effective for annual periods beginning on or after

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	1 January 2023

Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these financial statements unless mentioned above.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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

##### 2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the Entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Management anticipates that these standards will not have any significant impact on these financial statements.	

#### 3 Material accounting policies

##### 3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

##### 3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### *Current/Non-current classification*

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

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Entity classifies all other liabilities as non-current.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 3 Material accounting policies (continued)

##### 3.2 Basis of preparation (continued)

###### *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

##### 3.3 Functional currency

These financial statements are presented in Emirati Dirham, which is the Entity's functional currency.

##### 3.4 Investments in associates

An associate is an Entity over which the Entity has significant influence. 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 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 Non-current Assets Held for Sale and Discontinued Operations.

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

Any excess of the cost of the investments over the Entity's share of the net fair value of the identifiable assets and liabilities of an associate recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss in the period in which investment is acquired.

When the Entity transacts with its associate, profits or losses resulting from the transactions with the associate are recognised in the Entity's financial statements only to the extent of interests in the associate that are not related to the Entity.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 3 Material accounting policies (continued)

##### 3.5 Revenue recognition

Revenue from the sale of goods and services is therefore recognised at a point in time or over time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Entity may include fixed or variable amounts. Revenue is recognized when it transfers control over goods and services to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods and services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

##### *Performance obligation*

##### *Sale of goods - Chicken and Egg*

The Entity sold chicken and eggs in the wholesale market. Sales were recognized when control of the products had transferred, which occurred when the products were delivered to the wholesaler. The wholesaler had full discretion over the channel and price to sell the products, and there was no unfulfilled obligation that could have affected the wholesaler's acceptance of the products. Delivery occurred when the products had been shipped to the specific location, and either the wholesaler had accepted the products in accordance with the sales contract, the acceptance provisions had lapsed, or the Entity had objective evidence that all criteria for acceptance had been satisfied. (Discontinued in the last quarter of the 2022).

##### *Dividend income*

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

##### *Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### *Rental income*

Rental income from investment properties is recognised in the financial statements on a straight-line basis over the term of the lease to the extent that it is probable that the economic benefits will flow to the Entity.

##### 3.6 Foreign currencies

In preparing the financial statements of the Entity, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates 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.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 3 Material accounting policies (continued)

##### 3.7 Borrowing costs

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

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

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

##### 3.8 Employee benefits

###### *End of service indemnity*

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

##### 3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. 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 Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income when incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Buildings	5 - 20 years
Plant and machinery	5 - 10 years
Furniture and fixtures	4 - 5 years
Office equipment	5 years
Motor vehicles	4 years

##### 3.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Entity's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 3 Material accounting policies (continued)

##### 3.11 Impairment of tangible assets

At the end of each reporting period, the Entity 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 in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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.

##### 3.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. (Discontinued in the last quarter of the 2022)

##### 3.13 Provisions

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

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

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

##### 3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

##### 3.15 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.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates Notes to the Financial Statements for the year ended 31 December 2023

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### 3 Material accounting policies (continued)

#### 3.15 Financial assets (continued)

##### *Classification of financial assets*

Financial 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.

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

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

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

##### *Impairment of financial assets*

The Entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, amounts due from customers under construction contracts, 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 Entity always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity'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 Entity 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 Entity 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.

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.

Financial assets were classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets were 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.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates Notes to the Financial Statements for the year ended 31 December 2023

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### 3 Material accounting policies (continued)

#### 3.15 Financial assets (continued)

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### *Receivables*

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables, bank balances and cash and others) were measured at amortised cost using the effective interest method, less any impairment.

Interest income was recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

##### *Due from a related party / loan to a related party*

Amounts due from a related party/loan to a related party are stated at amortised cost.

##### *Derecognition of financial assets*

The Entity derecognises a financial asset 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 party. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Entity retains an option to repurchase part of a transferred asset), the Entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

#### 3.16 Financial liabilities and equity instruments

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

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

##### *Financial liabilities*

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 3 Material accounting policies (continued)

##### 3.16 Financial liabilities and equity instruments (continued)

###### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at 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 Entity derecognises financial liabilities when, and only when, the Entity'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.

When the Entity exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

###### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 4 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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

##### 4.1 Critical judgements in applying accounting policies

###### *Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.15). The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Entity monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Entity's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

###### *Classification of properties*

In the process of classifying properties, management has made various judgements. Judgements are needed to determine whether a property qualifies as an investment property, plant and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment, property under development and property held for sale. In making its judgement, management has considered the detailed criteria and related guidance set out in IAS 2 - Inventories, IAS 16 - Property, plant and equipment, and IAS 40 - Investment Property, with regards to the intended use of the property.

##### 4.2 Key sources of estimation uncertainty

###### *Useful lives of property, plant and equipment*

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

###### *Valuation of unquoted investments*

Valuation of unquoted equity investments is normally based on one of the following:

- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

###### *Net realisable value of inventories*

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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

##### 4.2 Key sources of estimation uncertainty (continued)

###### *Fair value measurement of financial instruments*

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

###### *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 Entity takes into account qualitative and quantitative reasonable and supportable forward-looking information. A significant increase in credit risk is presumed if a customer is more than 90 days past due in making a contractual payment.

When measuring ECL the Entity 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.

###### *Fair value of investment properties*

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Entity determines the amount within a range of reasonable fair value estimates. In making its judgement, the Entity considered recent prices of similar properties in the same location and similar conditions, with judgements to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of the revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period.

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Notes to the Financial Statements for the year ended 31 December 2023**

**5 Property, plant and equipment**

	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Total
	AED	AED	AED	AED	AED	AED	AED
<b>Cost</b>							
As at 1 January 2022	300,000	9,071,848	15,459,917	1,308,451	6,593,097	-	32,733,313
Disposals	-	-	(7,660)	-	(3,188,792)	-	(3,196,452)
Reclassified to investments properties (Note 6)	(300,000)	-	-	-	-	-	(300,000)
<b>As at 31 December 2022</b>	<b>-</b>	<b>9,071,848</b>	<b>15,452,257</b>	<b>1,308,451</b>	<b>3,404,305</b>	<b>-</b>	<b>29,236,861</b>
Disposals	-	(7,207,197)	(15,422,458)	-	(3,054,005)	-	(25,683,660)
Reclassification	-	-	(29,799)	-	-	29,799	-
<b>As at 31 December 2023</b>	<b>-</b>	<b>1,864,651</b>	<b>-</b>	<b>1,308,451</b>	<b>350,300</b>	<b>29,799</b>	<b>3,553,201</b>
<b>Accumulated impairment</b>							
As at 1 January 2022	-	8,387,476	15,407,902	1,308,451	6,593,097	-	31,696,926
Depreciation expense	-	85,547	14,040	-	-	-	99,587
Disposals	-	-	(2,998)	-	(3,188,792)	-	(3,191,790)
<b>As at 31 December 2022</b>	<b>-</b>	<b>8,473,023</b>	<b>15,418,944</b>	<b>1,308,451</b>	<b>3,404,305</b>	<b>-</b>	<b>28,604,723</b>
Depreciation expense	-	85,547	7,701	-	-	5,965	99,213
Disposals	-	(6,693,919)	(15,412,316)	-	(3,054,005)	-	(25,160,240)
Reclassification	-	-	(14,329)	-	-	14,329	-
<b>As at 31 December 2023</b>	<b>-</b>	<b>1,864,651</b>	<b>-</b>	<b>1,308,451</b>	<b>350,300</b>	<b>20,294</b>	<b>3,543,696</b>
<b>Carrying amount</b>							
As at 31 December 2022	-	598,825	33,313	-	-	-	632,138
<b>As at 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,505</b>	<b>9,505</b>

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Notes to the Financial Statements for the year ended 31 December 2023**

**5 Property, plant and equipment (continued)**

The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income as follows:

	<b>2023</b>	2022
	<b>AED</b>	AED
Continuing operations - General and administrative expenses (Note 26)	<b>99,213</b>	6,339
Discontinued operation (Note 28)	<u>-</u>	<u>93,248</u>
	<b>99,213</b>	99,587
	<u><u>99,213</u></u>	<u><u>99,587</u></u>

**6 Investment properties**

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Fair value</b>		
Plot of land	<b>52,217,500</b>	51,270,000
Buildings	<u><b>31,115,500</b></u>	<u>36,100,000</u>
	<b>83,333,000</b>	87,370,000
	<u><u>83,333,000</u></u>	<u><u>87,370,000</u></u>
	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>87,370,000</b>	85,855,000
Sold during the year	<b>(4,050,000)</b>	-
Transfers from property, plant and equipment (Note 5)	-	300,000
Gain on revaluation of investment properties	<u><b>13,000</b></u>	<u>1,215,000</u>
<b>Balance at the end of the year</b>	<b>83,333,000</b>	87,370,000
	<u><u>83,333,000</u></u>	<u><u>87,370,000</u></u>

Investment properties comprise of fair value of plots of land and buildings located in the United Arab Emirates.

The fair value of the investment properties as at December 31, 2023 has been arrived at on the basis of valuations carried out as at that date by an independent valuer who is not related to the Entity and has appropriate qualifications and relevant market experience in the valuation of properties in the United Arab Emirates.

The fair value was determined using a combination of valuation approaches. For the vacant plots of land, the market comparable approach and the cost approach of valuation was adopted. The market comparable approach reflects recent transactions and comparable prices for similar properties. The cost refers to the costs of construction and professional fees which is added to market value of land as if vacant. For the buildings, direct comparison approach and income capitalization approach were adopted. The direct comparison approach involves making adjustments to the sale price of comparable properties to account differences in location, plot area and shape, potential built-up area allowance height allowance, date of sale, potential views and other individual characteristics. The capitalized income stream therefore refers to the net passing rent under the existing occupational leases are present within the subject premises, for the duration applicable to each respective tenancy.

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**Notes to the Financial Statements for the year ended 31 December 2023**

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**6 Investment properties (continued)**

The valuation of buildings using the income capitalisation approach involves the following significant unobservable input:

(a) Capitalisation rate, taking into account the capitalisation of rental income potential, age and location of the property, and prevailing market condition, of 7% - 10% (2022: 7.5% - 8.5%).

(b) Annual market rents, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties.

As at December 31, 2023 the Entity's investment properties are classified as level 3 in the fair value hierarchy.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
<b>Recurring fair value measurement</b>				
<b>31 December 2023</b>	-	-	<b>83,333,000</b>	<b>83,333,000</b>
31 December 2022	-	-	87,370,000	87,370,000

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

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Notes to the Financial Statements for the year ended 31 December 2023**

**7 Investments in associates**

*Equity method*

Name of associate	Principal activities	Country of incorporation	Ownership interest		Carrying amount of investment	
			2023	2022	2023	2022
					<b>AED</b>	<b>AED</b>
Ras Al Khaimah Packaging Ltd Co LLC	Manufacturing of carton boxes and containers wholesale of paper trading.	United Arab Emirates	<b>50.00%</b>	50.00%	<b>6,202,590</b>	6,187,705
RAK AMI Hotel FZ-LLC	Real estate development construction.	United Arab Emirates	<b>27.75%</b>	27.75%	<b>65,811,727</b>	65,625,605
					<b>72,014,317</b>	71,813,310

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates**

**Notes to the Financial Statements for the year ended 31 December 2023**

**7 Investments in associates (continued)**

Summarised financial information in respect of each of the Entity's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Ras Al Khaimah Packaging Ltd Co LLC</b>		
Current assets	<b>17,988,272</b>	16,365,621
Non-current assets	<b>10,549,196</b>	12,405,976
<b>Total assets</b>	<b>28,537,468</b>	28,771,597
Current liabilities	<b>10,549,366</b>	10,859,286
Non-current liabilities	<b>5,582,922</b>	5,536,902
<b>Total liabilities</b>	<b>16,132,288</b>	16,396,188
<b>Net assets</b>	<b>12,405,180</b>	12,375,409
Revenue	<b>32,184,115</b>	35,149,776
<b>Net profit / (loss) for the year</b>	<b>29,769</b>	(2,029,176)
<b>Share in net profit / (loss) of the associate</b>	<b>14,885</b>	(1,014,588)

The summarised financial information above of Ras Al Khaimah Packaging Ltd Co LLC represents amounts extracted from the management accounts of the associate.

	<b>2023</b>	2022
	<b>AED</b>	AED
Net assets of the associate	<b>12,405,180</b>	12,375,409
Proportion of the Entity's ownership interest in the associate	<b>50.00%</b>	50.00%
<b>Carrying amount of the Entity's interest in the associate</b>	<b>6,202,590</b>	6,187,705

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates**

**Notes to the Financial Statements for the year ended 31 December 2023**

**7 Investments in associates (continued)**

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>RAK AMI Hotel FZ-LLC</b>		
Current assets	<b>50,875,658</b>	31,761,989
Non-current assets	<b>507,079,763</b>	576,249,520
<b>Total assets</b>	<b>557,955,421</b>	608,011,509
Current liabilities	<b>25,236,638</b>	29,739,680
Non-current liabilities	<b>295,559,406</b>	276,468,576
Shareholder's current account	-	65,314,587
<b>Total liabilities</b>	<b>320,796,044</b>	371,522,843
<b>Net assets</b>	<b>237,159,377</b>	236,488,666
Revenue	<b>117,854,799</b>	44,890,031
<b>Net loss for the year</b>	<b>(5,840,800)</b>	(30,963,493)
<b>Share in net loss of the associate</b>	<b>(1,620,822)</b>	(8,592,369)

The summarised financial information above of RAK AMI Hotel FZ-LLC represents amounts shown in its financial statements prepared in accordance with IFRS.

	<b>2023</b>	2022
	<b>AED</b>	AED
Net assets of the associate	<b>237,159,377</b>	236,488,666
Proportion of the Entity's ownership interest in the associate	<b>27.75%</b>	27.75%
<b>Carrying amount of the Entity's interest in the associate</b>	<b>65,811,727</b>	65,625,605

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Ras Al Khaimah Packaging Ltd Co LLC</b>		
Balance at the beginning of the year	<b>6,187,705</b>	7,202,293
Share of net profit / (loss) in associates	<b>14,885</b>	(1,014,588)
<b>Balance at the end of the year</b>	<b>6,202,590</b>	6,187,705

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

**Ras Al Khaimah - United Arab Emirates**  
**Notes to the Financial Statements for the year ended 31 December 2023**

**7 Investments in associates (continued)**

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>RAK AMI Hotel FZ-LLC</b>		
Balance at the beginning of the year	<b>65,625,605</b>	74,217,974
Share of net loss in associates	<b>(1,620,822)</b>	(8,592,369)
Other movements	<b>1,806,944</b>	-
<b>Balance at the end of the year</b>	<b>65,811,727</b>	65,625,605

**8 Inventories**

	<b>2023</b>	2022
	<b>AED</b>	AED
Spare parts and others	-	3,625,257
Less: Allowance for slow moving inventories	-	(3,616,450)
	-	8,807

*Movement in allowance for slow moving and obsolete inventories*

	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>3,616,450</b>	3,878,305
Charge during the year	<b>8,807</b>	-
Reversal during the year	-	(261,855)
Written off during the year	<b>(3,625,257)</b>	-
<b>Balance at the end of the year</b>	<b>-</b>	3,616,450

**9 Trade receivables**

	<b>2023</b>	2022
	<b>AED</b>	AED
Trade receivables	<b>1,637,440</b>	1,894,244
Note receivables	-	930,875
Less : Allowance for expected credit losses	<b>(761,994)</b>	(761,994)
	<b>875,446</b>	2,063,125

Of the trade receivables as at 31 December 2023 there are 6 customers (2022: 6 customers) which represent 64% (2022: 75%) of the total receivables.

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**Ras Al Khaimah - United Arab Emirates**  
**Notes to the Financial Statements for the year ended 31 December 2023**

**9 Trade receivables (continued)**

*Geographical details of trade receivables*

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Primary Geographical Markets</b>		
Within U.A.E.	<u><b>1,637,440</b></u>	<u>1,894,244</u>

The average credit period on sales of goods is 60-90 days. No interest is charged on outstanding trade receivables.

In determining the recoverability of trade receivables, the Entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no further credit allowance required for allowance for expected credit losses.

**Trade receivables – ageing analysis**

<b>31 December 2023</b>	<b>1 -30 days</b>	<b>31 - 60 days</b>	<b>More than 61 days</b>	<b>Total</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
Expected credit loss rate	-%	-%	<b>46.85%</b>	
Estimated total gross carrying amount at default	<b>9,637</b>	<b>1,475</b>	<b>1,626,328</b>	<b>1,637,440</b>
Lifetime ECL	-	-	<b>761,994</b>	<b>761,994</b>
				<u><b>875,446</b></u>

**Trade receivables – ageing analysis**

<b>31 December 2022</b>	<b>1 -30 days</b>	<b>31 - 60 days</b>	<b>More than 61 days</b>	<b>Total</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
Expected credit loss rate	-%	-%	41.13%	
Estimated total gross carrying amount at default	41,624	-	1,852,620	1,894,244
Lifetime ECL	-	-	761,994	761,994
				<u>1,132,250</u>

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**Ras Al Khaimah - United Arab Emirates**  
**Notes to the Financial Statements for the year ended 31 December 2023**

**10 Advances, deposits and other receivables**

	<b>2023</b>	2022
	<b>AED</b>	AED
Refundable deposits	<b>235,774</b>	272,595
Letter of guarantee	<b>200,000</b>	200,000
Prepayments	<b>36,850</b>	-
Staff loan and advances	<b>2,677</b>	38,118
Other receivables	<b>58,415</b>	24,201
	<b>533,716</b>	534,914

**11 Related party balances and transactions**

The Entity enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

*a) At the end of the reporting year, amounts due from related parties were as follows:*

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>Due from an entity with joint control of, or significant influence over the Entity</b>		
Ras Al Khaimah Packaging Co. Ltd. LLC, Associate, U.A.E.	-	526,363

*b) Transactions*

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

	<b>2023</b>	2022
	<b>AED</b>	AED
Sales	-	206,865
Purchases	-	78,026
Interest income	<b>392,715</b>	142,685
Repayment of loan by a related party	-	6,000,000

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**Ras Al Khaimah - United Arab Emirates**

**Notes to the Financial Statements for the year ended 31 December 2023**

**11 Related party balances and transactions (continued)**

*c) Compensation of key management personnel*

The remuneration of Directors and other members of key management personnel during the year was as follows:

	<b>2023</b>	2022
	<b>AED</b>	AED
Technical committees' allowances	<b>305,000</b>	194,000
Salaries (Acting manager)	<u>-</u>	<u>210,000</u>
	<b>305,000</b>	<b>404,000</b>

**12 Financial assets at fair value through other comprehensive income (FVTOCI)**

	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>181,207,388</b>	143,551,407
(Decrease) / increase in fair value	<b>(12,853,716)</b>	31,256,057
Additions during the year	-	6,591,924
Disposals during the year	<u><b>(7,975,103)</b></u>	<u>(192,000)</u>
<b>Balance at the end of the year</b>	<b>160,378,569</b>	<b>181,207,388</b>

	<b>2023</b>	2022
	<b>AED</b>	AED
<b>The category of investments in financial asset is as follows</b>		
Quoted investments - fair value	<b>102,776,569</b>	122,768,021
Unquoted investments - fair value	<u><b>57,602,000</b></u>	<u>58,439,367</u>
	<b>160,378,569</b>	<b>181,207,388</b>

**The geographical distribution of financial asset is as follows:**

In United Arab Emirates	<b>160,378,569</b>	181,207,388
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The cumulative changes in fair value of financial assets at FVTOCI aggregating to AED 76,202,049 as at December 31, 2023 (December 31, 2022: AED 91,256,954) are shown under equity.

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**Notes to the Financial Statements for the year ended 31 December 2023**

**13 Financial assets at amortised cost**

The movement of financial assets at amortised cost are as follow:

	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>26,663,970</b>	18,474,831
Additions during the year	<b>5,785,572</b>	7,815,960
Sold during the year	<b>(7,267,695)</b>	-
Interest receivable	<b>1,793,027</b>	1,341,933
Interest received during the year	<b>(1,861,089)</b>	(968,754)
	<b>25,113,785</b>	26,663,970

	<b>2023</b>	2022
	<b>AED</b>	AED

**The geographical distribution of financial asset is as follows:**

In United Arab Emirates	<b>25,113,785</b>	26,663,970
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	<b>Maturity</b>	<b>Percentage</b>	<b>Face value</b>	<b>Face value</b>
	<b>date</b>	<b>%</b>	<b>AED</b>	<b>USD</b>
<b>Sukuk name</b>				
Dubai Islamic Bank TIER 1 SUKUK 4 LTD	19-May-2026	6.25%	11,019,000	3,000,000
Dar Al-Arkan sukuk	26-Feb-2027	8.50%	3,030,225	825,000
<b>Bond name</b>				
Black Sea Trade and Development Bank	25-June-2024	3.50%	735,506	200,246
Kingdom of Bahrain bonds	20-Sep-2047	7.50%	1,396,055	380,085
Arab Republic of Egypt bonds	01-Mar-2024	6.20%	750,517	204,333
Arab Republic of Egypt bonds	01-Mar-2024	6.20%	1,548,869	397,187
Deutsche Bank bonds	10-Feb-2034	7.00%	734,431	199,956
Mashreq Bank bonds	07-July-2027	8.50%	1,928,325	525,000
Mashreq Bank bonds	07-July-2027	8.50%	1,836,500	500,000
Standard Chartered Bank bonds	Redeemable on perpetual call	7.75%	734,136	199,874
Standard Chartered Bank bonds	Redeemable on perpetual call	7.75%	1,010,075	275,000

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**Notes to the Financial Statements for the year ended 31 December 2023**

<b>14</b>	<b>Investments at fair value through profit or loss (FVTPL)</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Quoted shares	<u>11,009,492</u>	<u>-</u>
	The movement in investments carried at FVTPL during the year are as follows:		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Additions during the year	<b>18,841,195</b>	500,000
	Disposals during the year	<b>(7,041,413)</b>	(500,000)
	Change in fair value during the year	<u><b>(790,290)</b></u>	<u>-</u>
		<u><b>11,009,492</b></u>	<u>-</u>
	<b>The geographical distribution of financial asset is as follows:</b>		
	In United Arab Emirates	<b>11,009,492</b>	-
<b>15</b>	<b>Fixed deposits</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Fixed deposit	<u>7,000,000</u>	<u>2,000,000</u>
<b>16</b>	<b>Cash and cash equivalents</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Call deposits	<b>1,723,547</b>	560,262
	Current accounts	<u>1,987,211</u>	<u>4,211,390</u>
		<u><b>3,710,758</b></u>	<u>4,771,652</u>
	The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.		
<b>17</b>	<b>Share capital</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Authorised, issued and paid up share capital:		
	95,040,000 shares of AED 1.00	<u>95,040,000</u>	<u>95,040,000</u>

**RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")**

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**Notes to the Financial Statements for the year ended 31 December 2023**

<b>18</b>	<b>Special reserve</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Balance at the beginning of the year	<u>80,000,000</u>	<u>80,000,000</u>
	<b>Balance at the end of the year</b>	<u><b>80,000,000</b></u>	<u>80,000,000</u>

<b>19</b>	<b>Statutory reserve</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Balance at the beginning of the year	<b>40,021,637</b>	40,021,637
	Transfer from retained earnings	<u>1,690,682</u>	-
	<b>Balance at the end of the year</b>	<u><b>41,712,319</b></u>	<u>40,021,637</u>

According to the Articles of Association of the Entity and U.A.E Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

<b>20</b>	<b>Fair value reserve for financial assets at FVTOCI</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Balance at the beginning of the year	<b>91,256,954</b>	60,114,600
	(Decrease) / increase in fair value of financial assets at FVTOCI	<b>(12,853,716)</b>	31,256,057
	Transfer on sale of investments at FVTOCI	<u><b>(2,201,189)</b></u>	<u>(113,703)</u>
	<b>Balance at the end of the year</b>	<u><b>76,202,049</b></u>	<u>91,256,954</u>

**The geographical distribution of financial asset at FVTOCI is as follows:**

In United Arab Emirates	<b>76,202,049</b>	91,256,954
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<b>21</b>	<b>Voluntary reserve</b>		
		<b>2023</b>	2022
		<b>AED</b>	AED
	Balance at the beginning of the year	<b>19,547,271</b>	19,547,271
	Transfer to retained earnings	<u><b>(19,547,271)</b></u>	-
	<b>Balance at the end of the year</b>	<u><b>-</b></u>	<u>19,547,271</u>

At the general assembly meeting held on April 25, 2023, the shareholders approved the transfer of the voluntary reserve amounting to AED 19,547,271 to the retained earnings for distribution to the shareholders in the future, subject to relevant approvals.

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**22 Employees' end-of-service benefits**

	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>439,933</b>	1,788,658
Charge for the year	<b>34,587</b>	489,616
Payments during the year	<b>(47,890)</b>	(1,838,341)
<b>Balance at the end of the year</b>	<b>426,630</b>	439,933

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

**23 Trade and other payables**

	<b>2023</b>	2022
	<b>AED</b>	AED
Trade payables	<b>185,540</b>	214,758
Accrued expenses	<b>1,110,207</b>	1,020,979
Advances received	<b>6,303,000</b>	-
Advances from customers	<b>162,376</b>	821,596
Unclaimed dividends*	-	23,319,167
VAT payable-net	<b>311,822</b>	49,331
	<b>8,072,945</b>	25,425,831

\*During the year the Entity has paid AED 23,319,167 towards unclaimed dividends in response to SCA Circular No. 162/G/S.A.C.:1212 dated 1st May 2023 in relation to transferring unclaimed dividends to the SCA's account.

**24 Investment income**

	<b>2023</b>	2022
	<b>AED</b>	AED
Dividend income	<b>8,032,653</b>	6,697,904
Interest income	<b>1,826,416</b>	1,463,838
Rental income from investment properties	<b>1,637,081</b>	1,766,600
	<b>11,496,150</b>	9,928,342

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**Notes to the Financial Statements for the year ended 31 December 2023**

**25 Other income**

	<b>2023</b>	2022
	<b>AED</b>	AED
Gain from sale of property plant and equipment	<b>5,804,302</b>	-
Penalties	<b>135,885</b>	-
	<b>5,940,187</b>	-

**26 General and administrative expenses**

	<b>2023</b>	2022
	<b>AED</b>	AED
Salaries and related benefits	<b>890,731</b>	504,869
Legal, license and professional	<b>466,262</b>	125,427
Technical committee allowance	<b>305,000</b>	194,000
Repairs and maintenance	<b>155,836</b>	253,249
Utilities	<b>127,812</b>	116,457
Depreciation on property, plant and equipment (Note 5)	<b>99,213</b>	6,339
Insurance	<b>52,713</b>	15,244
Other general and administrative expenses	<b>185,465</b>	164,621
	<b>2,283,032</b>	1,380,206

**27 Finance cost**

	<b>2023</b>	2022
	<b>AED</b>	AED
Bank charges	<b>47,106</b>	60,776

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**Notes to the Financial Statements for the year ended 31 December 2023**

**28 Discontinued operations**

	<b>2023</b>	2022
	<b>AED</b>	AED
Revenue	-	4,166,768
Direct cost	-	<u>(4,721,129)</u>
	-	<u>(554,361)</u>
Selling and distribution expenses	-	(411,243)
General and administrative expenses	-	(1,219,505)
Other income	-	<u>1,473,067</u>
<b>Net loss for the year from discontinued operations</b>	-	<u>(712,042)</u>
<b>Basic and Diluted loss per share from discontinued operations</b>	-	<u>(0.010)</u>

During the year 2022, it was decided to cease the operations of Entity's poultry sector by the Board of Directors at the meeting held on May 12, 2022 and in the last quarter of the year 2022, the operations of poultry sector has been discontinued completely.

**29 Basic and diluted earnings per share (EPS)**

	<b>2023</b>	2022
	<b>AED</b>	AED
Earnings attributable to equity Shareholders from continuing operations	<b>16,170,132</b>	151,286
Earnings attributable to equity Shareholders from discontinued operation	-	<u>(712,042)</u>
	<b>16,170,132</b>	<u>(560,756)</u>
Number of shares	<b>95,040,000</b>	95,040,000
Basic and diluted earnings per share from continuing operations	<b>0.18</b>	0.002
Basic and diluted loss per share from discontinued operations	-	(0.01)

Earnings per share is calculated by dividing the earnings for the year by the number of shares outstanding at the end of the reporting period.

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**Notes to the Financial Statements for the year ended 31 December 2023**

**30 Financial instruments and risk management**

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

*Categories of financial instruments*

**31 December 2023**

	<b>Financial assets Amortised cost AED</b>	<b>Financial liabilities Amortised cost AED</b>
Trade receivables (Note 9)	875,446	-
Other receivables (Note 10)	494,189	-
Financial asset at amortised cost (Note 13)	25,113,785	-
Fixed deposits (Note 15)	7,000,000	-
Cash and cash equivalents (Note 16)	3,710,758	-
Trade and other payables (Note 23)	-	1,295,747
	<b>37,194,178</b>	<b>1,295,747</b>

**31 December 2022**

	<b>Financial assets Amortised cost AED</b>	<b>Financial liabilities Amortised cost AED</b>
Trade receivables (Note 9)	2,063,125	-
Other receivables (Note 10)	496,796	-
Due from a related party (Note 11)	526,363	-
Financial asset at amortised cost (Note 13)	26,663,970	-
Fixed deposits (Note 15)	2,000,000	-
Cash and cash equivalents (Note 16)	4,771,652	-
Trade and other payables (Note 23)	-	24,554,904
	<b>36,521,906</b>	<b>24,554,904</b>

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 30 Financial instruments and risk management (continued)

##### *Fair value measurements*

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

##### *Valuation techniques and assumptions applied for the purposes of measuring fair value*

##### *1) Fair value measurements recognised in the statement of financial position*

Some of the Entity's financial assets are measured at fair value at the end of the reporting year. The following table gives information about how the fair values of these financial assets are determined;

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**Ras Al Khaimah - United Arab Emirates  
Notes to the Financial Statements for the year ended 31 December 2023**

**30 Financial instruments and risk management (continued)**

	<b>2023</b>	2022	<b>Fair value hierarchy</b>
	<b>AED</b>	AED	
<b>Investments</b>			
Quoted financial assets at FVTOCI	<b>102,776,569</b>	122,768,021	Level 1
Unquoted financial assets at FVTOCI	<b>57,602,000</b>	58,439,367	Level 3

*Quoted financial assets at FVTOCI*

The quoted financial assets at FVTOCI are valued based on the quoted bid prices in the active market. There are no significant unobservable inputs and the sensitivity analysis and relationship of unobservable inputs to fair value is not applicable.

*Unquoted financial assets at FVTOCI*

The unquoted equity instruments are valued based on income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

The significant unobservable inputs for unquoted equity investments are long term revenue growth, weighted average cost of capital and discount for lack of marketability and control. The long-term revenue growth rate will be determined taking into account management's experience and knowledge of market conditions of the specific industries 4% (2022: 3.5%). Discount rate of 10.24% (2022: 12.64%) was determined using capital asset pricing model. The weighted average cost of capital was determined using a capital asset pricing model 12.47% (2022: 12.64%). The discount for lack of marketability and control was determined by reference to the share price of listed entities in similar industries 2% ( 2022: 2%).

The sensitivity analysis and relationship of unobservable inputs to fair value is as follows. The higher / (lower) the revenue growth rate, the higher / (lower) the fair value. The higher / (lower) the discount rate, the (lower) / higher the fair value. The higher / (lower) the weighted average cost of capital, the (lower) / higher the fair value. The higher / (lower) the discount, the (lower) / higher the fair value.

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**Ras Al Khaimah - United Arab Emirates  
Notes to the Financial Statements for the year ended 31 December 2023**

**30 Financial instruments and risk management (continued)**

*2) Reconciliation of fair value measurement for the unquoted equity investments - FVTOCI*

	<b>2023</b>	2022
	<b>AED</b>	AED
Balance at the beginning of the year	<b>58,439,367</b>	43,265,129
Changes in fair value	<b>(837,367)</b>	15,174,238
	<b>57,602,000</b>	58,439,367

There were no transfers between each of level during the year.

*Financial risk management objectives*

The Entity's financial risk management policies set out the Entity's overall business strategies and risk management philosophy. The Entity's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Entity. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Entity's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Entity does not hold or issue derivative financial instruments for speculative purposes.

*Interest risk*

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

*Market risk*

The Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

*Foreign currency risk*

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. As at 31 December 2023, the Entity's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Entity due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Entity arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

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**Notes to the Financial Statements for the year ended 31 December 2023**

**30 Financial instruments and risk management (continued)**

*Credit risk (continued)*

In order to minimise credit risk, the Entity has tasked its management to develop and maintain the Entity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Entity's own trading records to rate its major customers and other debtors. The Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

*Liquidity risk*

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

The table below summarises the maturity profile of the Entity's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Particulars	Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
Fixed deposits	-	7,000,000	-	<b>7,000,000</b>
Financial assets at amortised cost	-	-	25,113,785	<b>25,113,785</b>
	<b>-</b>	<b>7,000,000</b>	<b>25,113,785</b>	<b>32,113,785</b>

Particulars	Non-interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
Trade receivables	-	875,446	-	<b>875,446</b>
Cash and cash equivalents	3,710,758	-	-	<b>3,710,758</b>
Other receivables	-	494,189	-	<b>494,189</b>
	<b>3,710,758</b>	<b>1,369,635</b>	<b>-</b>	<b>5,080,393</b>
<b>Financial liabilities</b>				
Trade and other payables	-	1,295,747	-	<b>1,295,747</b>

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**Notes to the Financial Statements for the year ended 31 December 2023**

**30 Financial instruments and risk management (continued)**

Particulars	Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
As at 31 December 2022				
<b>Financial assets</b>				
Fixed deposits	-	2,000,000	-	<b>2,000,000</b>
Financial assets at amortised cost	-	-	26,663,970	<b>26,663,970</b>
	-	<b>2,000,000</b>	<b>26,663,970</b>	<b>28,663,970</b>

Particulars	Non-interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	
As at 31 December 2022				
<b>Financial assets</b>				
Trade receivables	-	2,063,125	-	<b>2,063,125</b>
Cash and cash equivalents	4,771,652	-	-	<b>4,771,652</b>
Due from a related party	-	526,363	-	<b>526,363</b>
Other receivables	-	496,796	-	<b>496,796</b>
	<b>4,771,652</b>	<b>3,086,284</b>	-	<b>7,857,936</b>
<b>Financial liabilities</b>				
Trade and other payables	-	24,554,904	-	<b>24,554,904</b>

*Equity price risk*

The Entity's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Entity manages the equity price risk through diversification and by placing limits on individual and total equity instruments.

At the reporting date, the exposure to unlisted equity securities at fair value was AED 57,602,000 (2022: AED 58,439,367).

At the reporting date, the exposure to listed equity securities at fair value was AED 102,776,569 (2022: AED 122,768,021). A decrease of 10% on the stock market index could have an impact of approximately AED 10,277,657 (2022: AED 12,276,802) on the income or equity, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

*Capital risk management*

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

#### 31 Fair value hierarchy

*Fair value of financial instruments carried at amortised cost*

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

*Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2023.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At year end, the Entity held the following financial and non-financial assets measured at fair value:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>As at 31 December 2023</b>				
Investment properties				
Plot of land	-	-	52,217,500	52,217,500
Buildings	-	-	31,115,500	31,115,500
Investments carried at FVTOCI				
Quoted shares	102,776,569	-	-	102,776,569
Unquoted shares	-	-	57,602,000	57,602,000
Financial assets at FVTPL				
Quoted shares	11,009,492	-	-	11,009,492

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>As at 31 December 2022</b>				
Investment properties				
Plot of land	-	-	51,270,000	51,270,000
Buildings	-	-	36,100,000	36,100,000
Investments carried at FVTOCI				
Quoted shares	122,768,021	-	-	122,768,021
Unquoted shares	-	-	58,439,367	58,439,367

During the year, there were no transfers between the various levels of fair value measurements.

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**Ras Al Khaimah - United Arab Emirates**

**Notes to the Financial Statements for the year ended 31 December 2023**

**32 Uncertainty related to key estimates**

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Entity's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTOCI at December 31, 2022, due to reasonably possible changes in the prices of these quoted shares held by the Entity, with all other variables held constant, is as follows:

	<b>Market Index</b>	
	<b>Change in market prices</b>	<b>Effect on equity (fair value reserve)</b>
	%	AED
<b>December 31, 2023</b>		
Abu Dhabi Securities Exchange	+5%	5,592,649
	-5%	(5,592,649)
Dubai Financial Market	+5%	96,655
	-5%	(96,655)
<b>December 31, 2022</b>		
Abu Dhabi Securities Exchange	+5%	6,088,401
	-5%	(6,088,401)
Dubai Financial Market	+5%	50,000
	-5%	(50,000)

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**Ras Al Khaimah - United Arab Emirates  
Notes to the Financial Statements for the year ended 31 December 2023**

**33 Segment reporting**

	31 December 2023			31 December 2022		
	Poultry discontinued operations)	Investments	Total	Poultry (discontinued operations)	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment revenue	-	-	-	4,166,768	-	4,166,768
Cost of sales	-	-	-	(4,721,129)	-	(4,721,129)
Gain on sale of investments at FVTPL	-	967,637	967,637	-	55,883	55,883
Unrealised (loss) on investments at FVTPL	-	(790,290)	(790,290)	-	-	-
Gain on change in fair value of investment properties	-	13,000	13,000	-	1,215,000	1,215,000
General and selling and distribution administrative expenses	-	(2,283,032)	(2,283,032)	(1,630,748)	(1,380,206)	(3,010,954)
Gain on sale of investment properties	-	1,409,273	1,409,273	-	-	-
Investment income	-	11,496,150	11,496,150	-	9,928,342	9,928,342
Share of (loss) of associates - net	-	201,007	201,007	-	(9,606,957)	(9,606,957)
Other income	-	5,940,187	5,940,187	1,473,067	-	1,473,067
Finance costs	-	(47,106)	(47,106)	-	(60,776)	(60,776)
<b>Segment Profit/(Loss)</b>	-	<b>16,906,826</b>	<b>16,906,826</b>	(712,042)	151,286	(560,756)
Segment Assets	<u>518,839</u>	<u>363,459,749</u>	<u>363,978,588</u>	<u>2,704,070</u>	<u>374,887,597</u>	<u>377,591,667</u>
	518,839	363,459,749	363,978,588	2,704,070	374,887,597	377,591,667
Segment Liabilities	<u>-</u>	<u>8,499,575</u>	<u>8,499,575</u>	<u>25,865,764</u>	<u>-</u>	<u>25,865,764</u>
	-	8,499,575	8,499,575	25,865,764	-	25,865,764

# RAPCO Investment P.J.S.C (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

## Ras Al Khaimah - United Arab Emirates

### Notes to the Financial Statements for the year ended 31 December 2023

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#### 34 Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "Law") to enact a Federal corporate tax regime in the UAE. Furthermore, on 16 January 2023, a Cabinet Decision was published specifying the threshold of AED 375,000 of taxable income above which taxable entities would be subject to a 9% corporate tax rate.

The Corporate Tax regime will become effective for the accounting periods beginning on or after 1 June 2023 hence for the Entity it will be effective from 1 January 2024. While a number of regulations with regards to the application of tax legislation have been further published, clarifications in relation to certain key aspects such as foreign tax credits are pending and as such management will continue to monitor developments in order to assess the impact of corporate tax including any deferred tax on the Entity.

#### 35 Contingent liabilities and capital commitments

	<b>2023</b>	2022
	<b>AED</b>	AED
Letters of guarantee	<u><b>200,000</b></u>	<u>200,000</u>

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and capital commitments on the Entity's financial statements as of reporting date.

#### 36 Events after the reporting period

There are no significant events after the reporting period, which affect the financial statements or disclosures.



**RAPCO Investment PJSC**  
**Ras Al Khaimah - United Arab Emirates**  
**(“Company” or “RAPCO”)**  
**Governance Report for 2023**

### 1. Governance Practices in the Company:

As a public shareholding company listed on the Abu Dhabi Stock Exchange, the Company is guided by the Authority's Board Chairman Decision No. (3/R.M) for the year 2020 regarding the adoption of the Corporate Governance Manual for Public Joint Stock Companies, and it is committed to applying the best governance practices derived from the Company's value in recognition of its responsibilities towards its shareholders.

RAPCO has also developed a corporate governance system that covers the Company's management, shareholders, employees, clients and other stakeholders. We confirm our commitment to transparency and to objectivity, and we periodically review the Company's policies to ensure that they are in line with the governance system and the approved Governance Guide. In order to achieve this, the Company's board of directors has taken several steps that reinforce these principles, and in 2022, it amended its Articles of Association to reflect the updated legislations and laws.

The board of directors of RAPCO ("**Board of Directors**" or "**Board**") works closely through the Audit & Risk Committee, with external Auditors to issue transparent and reliable reports by adhering to International Financial Reporting Standards (IFRS). In addition, the Board of Directors, through its subcommittees, is also responsible for the internal control system and risk management to ensure compliance with laws, regulations and policies.

### 2. Ownership and transactions of Board members and their spouses and children in the Company's securities during 2023

The existing Board consists of five members and their current session as the Board members expires in April 2024. The following is the Board's composition according to the categories of its members and their details, experiences and qualifications:

No.	Name	Position	Shares held as on 31/12/2023	Total Sale	Total Purchase
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Chairman	0	-	-
2	HE/Mubarak Ali Mubarak Al Shamsi	Vice-Chairman	0	-	-
3	HE/ Aasha Ahmed Ali Alrahbi Alshehhi	Board Member	0	-	-
4	HE/ Abdulla Khalfan Mohammed Alshuraiqi	Board Member	943,241	-	-
5	HE Eng./ Mohammed Hassan Alshamsi	Board Member	63,800	-	-
6	HE/ Ammar Abdulla Khalfan Alshuraiqi	Son of Board Member Abdullah Khalfan	16,394	-	-

### 3. Board Formation:

**A- Statement of the formation of the current Board of Directors:**

S. No.	Name	Category (executive, non-executive, and independent)	Experiences and qualification	The period served as a Board member from the date of his/her first election	Their membership and positions at any other joint- stock companies	Their positions in any other important regulatory, government or commercial positions
1	Sheikh Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Chairman- Independent - <b>non-executive</b>	Bachelor's degree in Financial Sciences - American University in Sharjah	Since 2018	Vice Chairman of the Arab Company for Animal Production	<ul style="list-style-type: none"> <li>- Managing Director of Ras Al Khaimah Free Zone and Chairman of the Audit Committee</li> <li>- Chairman of RAK International Corporate Center</li> <li>- Chairman of Falcon Technologies International LLC</li> <li>- Chairman of Ras Al Khaimah Packaging Company LLC</li> <li>- Board of Directors of RAK AMI Hotels LLC</li> </ul>
2	HE/ Mubarak Ali Mubarak Al Shamsi	Vice Chairman - <b>Non-executive</b>	Master of Business Administration - Diploma in Agriculture	Since 1997	-	<ul style="list-style-type: none"> <li>- Former Acting President of the Northern Agricultural Region</li> <li>- Former Chairman of the Ras Al Khaimah Municipal Council</li> <li>- Former Director of Ras Al Khaimah Municipality</li> <li>- Former President of Ras Al Khaimah Municipality and a former member of the National Council</li> </ul>
3	HE/ Abdullah Khalfan Mohammed Alshuraiqi Almehezi	Board Member – <b>Non-executive</b>	Higher Diploma in Agriculture. Training courses with United Nations for a period of 24 months in Egypt,	Since 1982	Former member of the Board of Directors of the Gulf Livestock Company PJSC	<ul style="list-style-type: none"> <li>-Former Director of the Northern Agricultural Region for 20 years</li> <li>- Former National Council Member</li> <li>- Board Member of Majan Printing and Packaging Company LLC</li> </ul>

			Jordan and Morocco.  Training courses for 3 months in Syria and Tunisia.			- Founder and Board Member of Ras Al Khaimah Packaging Company LLC  - Founder and President of the Ras Al Khaimah Agricultural Society, "the first agricultural institution in the UAE."
4	HE/ Aesha Ahmed Ali Alrahbi Alshehhi	Board Member – Independent - <b>Non-executive</b>	Bachelor of Business Administration and Economics – UAE University	Since 2022	-	- Deputy Director General, Ras Al Khaimah Customs Department
5	HE Eng./ Mohammed Hassan Mohammed Al-Shamsi Al-Awadhi	Board Member – Independent - <b>Non-executive</b>	Bachelor of Agriculture (majoring in animal production and food industries) - University of Riyadh	Member of the Board of Directors since 2018	Member of the Board of Directors of Al Khaleej Investment PJSC  Vice Chairman of the Board of Directors of the Poultry Breeders Association	-Former Director of the Western Agricultural Zone  - Former Director of Livestock Development  - Former Director of the Agriculture and Gardens Department of the Ras Al Khaimah Department of Works

#### **B –General Manager:**

The Board appointed Mr. Raman Garg as the General Manager with effect from June 25, 2022. He has rich experience of more than three decades in strategic finance and business transformation. He is also the Chief Financial Officer of Al Hamra Group and a Board Member in listed company Gulf Pharmaceutical Industries Limited. He also served as the board member of Al Khaleej Investment PJSC. He is a Chartered Accountant from the Institute of Chartered Accountants of India, a Company Secretary from the Institute of Company Secretaries of India and a Cost Accountant from Costs and Works Accountant of India. He also holds a Bachelor's degree in Commerce from St. Xavier's College in Kolkata, India.

#### **C- Statement of the percentage of female representation in the Board for the year 2023:**

The percentage of female representation on the Board of Directors for 2023 is 20%. Ms. Aesha Ahmed Ali Alrahbi Alshehhi was appointed as a director on the Board of the Company with effect from January 01, 2022 and later confirmed by the General Assembly meeting held on April 11, 2022.

#### **D- Statement of the reasons for the absence of any female candidate in the Board membership:**

The Company has met the requirement for female representation on the Board of Directors by appointing Ms. Aesha Ahmed Ali Alrahbi Alshehhi with effect from January 01, 2022.

**E- Remuneration to the members of the Board of Directors, Rewards, fee and allowances for attending Board of Directors committee (“Committee(s) meetings:**

1. The total fees & remuneration of the members of the Board of Directors for the year 2022 amounted to AED 660,000 (Dirhams six hundred sixty thousand).
2. The Board's remunerations for the year 2023 will be presented and discussed as part of the agenda of the General Assembly for voting at its ensuing meeting.
3. A statement of the details of the allowances for attending the meetings of the committees emanating from the Board, which are payable to the members of the Board of directors for the fiscal year 2023 are as given in the following table:

S.No.	Name	Allowances for attending sessions of the committees emanating from the Board		
		Committee name	Allowance value AED	Meetings Nos
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Nomination and Remuneration Committee	-	-
		Audit Committee	-	-
		Technical Committee	60,000	1
2	HE/ Mubarak Ali Mubarak Al Shamsi	Nomination and Remuneration Committee	5,000	1
		Audit Committee	-	-
		Technical Committee	40,000	1
3	HE/ Abdullah Khalfan Mohammed Alshuraiqi Almehezezi	Nomination and Remuneration Committee	3,000	1
		Audit Committee	12,000	4
		Technical Committee	40,000	1
4	HE/ Aesha Ahmed Ali Alrahbi Alshehhi	Nomination and Remuneration Committee	3,000	1
		Audit Committee	12,000	4
		Technical Committee	-	-
5	HE Eng/ Mohammed Hassan Mohammed Al-Shamsi Al-Awadhi	Nomination and Remuneration Committee	-	-
		Audit Committee	15,000	3
		Technical Committee	-	-

There are no additional allowances or fees received by or payable to members of the Board of Directors other than the allowances for attending the meetings of the above-mentioned committees.

**F- Board of Directors meetings held during the year 2023:**

The Board meetings are held in the presence of the majority of members.

S. No.	Date of meeting	Number of attendees	Number of attendees by proxy	Names of absent members
1	13-Mar-2023	5	None	-
2	12-May-2023	4	None	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi
3	20-Jul-2023	4	None	HE/ Mubarak Ali Alshamsi
4	09-Nov-2023	3	None	HE/ Mubarak Ali Alshamsi And HE/ Mohammed Hassan Alshamsi

**G- There are no passing decisions issued by the Board of Directors during the fiscal year 2023.**

**H- A statement of the tasks and functions of the Board of Directors that a member of the board or executive management carried out during the year 2023 based on authorization from the Board, with specifying the period and validity of the delegation according to the following table:**

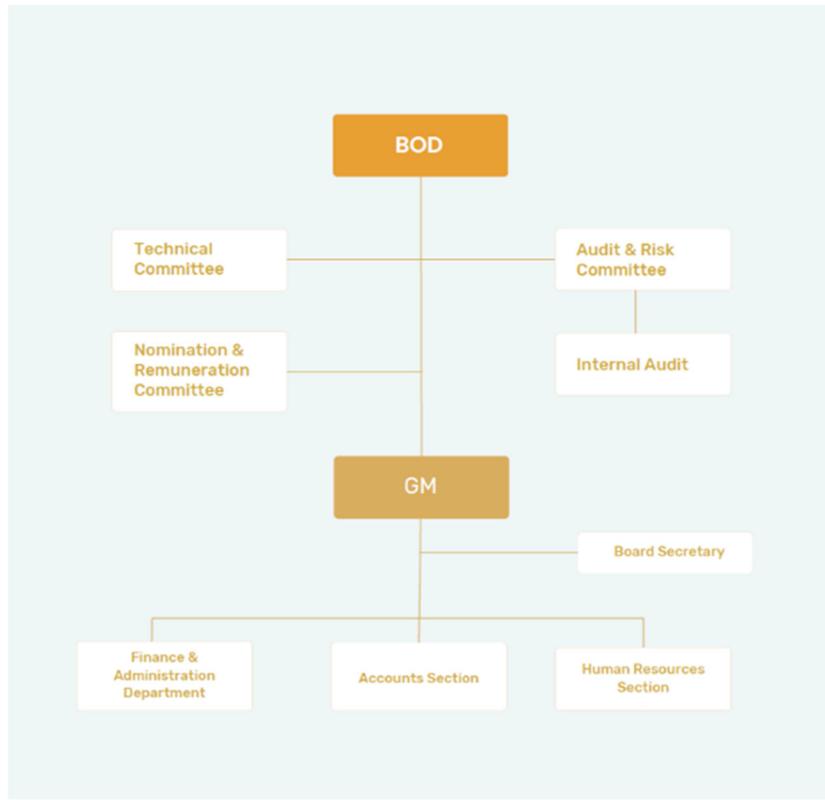
S.No.	Name of the authorized person	Power	The period of delegation
1	Sheikh / Mohammed bin Humaid bin Abdullah bin Mohammed Al Qasimi	Representation of the Company in the membership of the Board of Directors of RAK AMI Hotels LLC	Until the end of the current tenure of his directorship
2	Raman Garg	i) Power of attorney dated 27 <sup>th</sup> June, 2022, and ii) Board resolution dated 06 <sup>th</sup> June, 2022 authorizing for banking operations	Until his position as the General Manager or otherwise revocation of the authority by the Company

**I- Dealings with related parties during 2023**

There are no transactions with related parties during the year 2023.

**J- The Company's Organizational Structure is below:-**

**Organization Chart**



The Company is in the process of renaming the Technical Committee to an Investment Committee and reconstituting it after the completion of the election of the Board of Directors as proposed in the ensuing General Assembly Meeting.

#### K- Senior executives in the first and second grade for full or part of the Year

Ser.	Position	Appointment	Total salaries and allowances paid for 2023 (AED)	Total bonuses paid for 2023 (AED)	Any other cash / in-kind bonuses for 2023 or due in the future
1	General Manager	2022	40,000	None	None
2	Board Secretary and Senior Legal Counsel	2022	None	None	None
3	Head Accounts Section	2009	102,000	None	None
4	Internal Audit	2023	55,000	None	None

Note: Some departments and sections are directly managed by the same senior executive in top two grades.

#### 4. The Company's External Auditor:

A- An overview of the Company's External Auditor to the shareholders.

A- Crowe Mak - UAE is a member audit firm of Crowe Global, which is ranked eighth as the largest global accounting network and has more than 200 accounting and consulting firms in more than 130 countries where each member is independent and separate. This is the 5<sup>th</sup> year of the external auditor.

**B-Fees and costs for the audit and other services provided by the external auditor:**

Name of the Audit Office	Crowe Mak
Name of the Audit Partner	Khalid Mahmood
Number of years spent as the Company's external auditor	Five years
Number of years the partner Auditor has spent Auditing the Company's accounts	Two Years
Total audit fees for 2023	90,000 Dirhams
Total fees and costs of other private services other than the audit fees for 2023	None
Details and nature of other services provided by an external auditor other than the company's external auditor during the year 2023	None

**C-Statement clarifying the qualified opinion that the Company's auditor has included in the interim and annual financial statements for the year 2023, if any.**

There is no qualified opinion in the interim and annual financial statements for the year 2023.

**5. The Audit and Risk Committee:**

A- HE Mohammed Hassan Mohammed Alshamsi Alawadhi, Chairman of the Audit and Risk Committee, acknowledges his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

**B- Names of the Audit and Risk Committee members: -**

- ❖ HE/ Mohammed Hassan Alshamsi Chairman
- ❖ HE Abdulla Khalfan Alshuraiqi Member
- ❖ HE/ Aaasha Ahmed Ali Alrahbi Alshehhi Member

**C- The functions and tasks of the Audit and Risk Committee:**

- Reviewing the company's financial and accounting policies and procedures.
- Monitor the integrity of the financial statements of the company, its quarterly and annual reports, and changes in accounting policies, compliance with accounting standards, listing and disclosure rules, and assumption of company continuity.
- To submit a recommendation to the Board of Directors regarding the selection, resignation or removal of the auditor.
- Establishing policies for contracting with the auditor.
- Meeting with the auditor without the presence of any of the persons of the senior executive management or his representative at least once a year.

- The nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.
- Reviewing and evaluating the company's internal control and risk management systems and ensuring its effectiveness.
- Discussing the internal control systems with the Board of Directors, making sure of their effectiveness and performance of their role, and considering the results of the main investigations in the matters of internal control assigned to it by the Board of Directors or carried out at the initiative of the Committee and the approval of the Board of Directors.
- Review the auditor's evaluation of the internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Study the internal control reports and follow up on the implementation of the corrective actions of the observations contained therein.
- Establishing controls that enable company employees to report any violations in secret.
- Monitor the company's compliance with the rules of professional conduct.
- Review the related parties' dealings with the company, ensure that there are no conflicts of interest, and recommend to the Board of Directors before concluding those transactions.
- Consider any other topics determined by the Board of Directors.

**Audit and Risk Committee meetings for the year 2023:**

S.No.	Date of meeting	Number of attendees	Absence
1	13-Mar-2023	3	None
2	12-May-2023	3	None
3	20-Jul-2023	3	None
4	09-Nov-2023	2	1

**6. Nomination and Remuneration Committee:**

A- HE Mubarak Ali Mubarak Alshamsi, Chairman of the Nomination and Remuneration Committee, acknowledge his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

**B- Names of the committee members:**

- ❖ HE Mubarak Ali Mubarak Alshamsi                      Chairman
- ❖ HE Abdulla Khalfan Alshuraiqi                      Member
- ❖ HE Aasha Ahmed Ali Alrahbi Alshehhi                      Member

**C- The functions and tasks of the Nomination and Remuneration committee:**

- Setting a special policy for candidacy for membership in the Board of Directors and the Executive Management that aims to take into account gender diversification and
- Encourage women through incentive and training benefits and programs.
- Organize and follow-up procedures for running for membership in the Board of Directors in accordance with the laws in force and the provisions of this decision. Ensuring the independence of the independent members on an ongoing basis.
- Preparing the policy for granting rewards, benefits, incentives and salaries to the members of the company's board of directors and employees, and reviewing them annually, and the committee must verify that the rewards and benefits granted to the

senior executive management are reasonable and commensurate with the company's performance.

- Reviewing the annual requirements for the appropriate skills for membership in the Board of Directors and preparing a description of the capabilities and qualifications required for membership of the Board of Directors.
- Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
- Prepare the policy on human resources and training in the company, monitor its application, and review it annually.
- Any other topics specified by the Board of Directors.

**D- Nomination and Remuneration Committee meetings for the year 2023:**

S.No.	Date of meeting	Number of attendees	Absence
1	13-Mar-2023	3	None

**7. The Supervision and Follow-up Committee of insiders' transactions:-**

A- Mr. Raman Garg, Chairman of the Supervision and Follow-up Committee of insiders' transactions, acknowledges his responsibility for the Committee's role in the Company, review its work mechanism and ensure its effectiveness.

**B- Names of the committee members:**

1. Mr. Raman Garg Chairman in capacity as the General Manager
2. Mr. Surendra Mohta Member in capacity as the Board Secretary
3. Mr. Ahmed Adel Ahmed Member -Accounts Manager

**C- The functions and tasks of the committee:**

- Supervising insiders' dealings.
- Maintaining their record and submitting periodic statements and reports to the market.

**D- A summary of the committee's work during 2023:**

During the year 2023, the committee updated the record for insiders wherever required, circulated the rules for insiders' transactions, and placed them in the joint file for all Company employees. Also, insiders' suspension periods for trading in the Company's shares were announced, in addition to insiders confirming their possession of private data and internal information and their pledge to bear legal liability, if disclosed.

**8. Other committees of the Board of Directors:**

**A- Technical Committee:**

A- Sheikh Mohammed Bin Humaid Bin Abdulla Bin Mohammed Alqasemi, Chairman of the Technical Committee, acknowledge his responsibility for the Committee's system in the Company, review its work mechanism and ensure its effectiveness.

**B- Names of the committee members:**

- ❖ SH. Mohammed Bin Humaid Alqasemi                      Chairman
- ❖ HE/ Mubarak Ali Alshamsi                                      Member
- ❖ HE/ Abdulla Khalfan Alshuraiqi                              Member
- ❖ Mr. Raman Garg    Member

**C- The functions and tasks of the committee:**

The tasks of the technical committee are to follow-up and supervise liquidation of the poultry business assets, monetization of real estate and other investment decisions.

**D- Technical Committee meetings for the year 2023:**

Ser.	Date of meeting	No. of attendees
1	07Nov-2023	4

**9. The Internal Control System:**

A-The Audit & Risk Committee and Board of Directors recognizes its responsibility for the Company's Internal Control System and for its review of its work mechanism and for ensuring its effectiveness.

**B- Director of the Internal Audit Department and his experiences:**

Mr. Mohammed Azizi who is a MBA Finance and also a certified Internal Auditor and Enterprise Risk Specialist. He is an experienced internal auditor with over 13 years of experience in risk advisory, in past Mr. Azizi has been part of reputed organizations such as Saudi Aramco Group in KSA and Al Futtaim Group in Dubai.

**C- Compliance Officer:**

Mr. Surendra Mohta was appointed as the Company's Board Secretary and also in charge of Compliance Officer with effect from June 17, 2022.

Mr. Surendra Mohta is a Qualified Company Secretary from the Institute of Company Secretaries of India (ICSI, New Delhi) and also done Masters in Law from a reputed Indian University. He has an experience of over 20 years across various industries.

**D-The major problems faced by the Company during the year 2023 and key development, if any:**

Throughout 2023, the Company encountered no major problems; however, it grappled with ongoing challenges, particularly concerning transitioning from poultry operations to investment business. This transition necessitated the recruitment of resources for investments and financial analysis in lieu of the previous poultry ones.

Additionally, the rebranding of the Company introduced administrative tasks to officially change the name and activities on all relevant documentation.

**E- The number of reports issued by the Internal Audit Department to the Company's Board of Directors is one report.**

**10. No violations were committed during the year 2023.**

**11. The Company's cash and in-kind contributions made during the year 2023 in developing the local community and preserving the environment: -**

As a result of the losses that the Company has been achieving, especially in the poultry sector during previous years up to the beginning of year 2023, the Company did not make any tangible contributions to the local community during the year 2023.

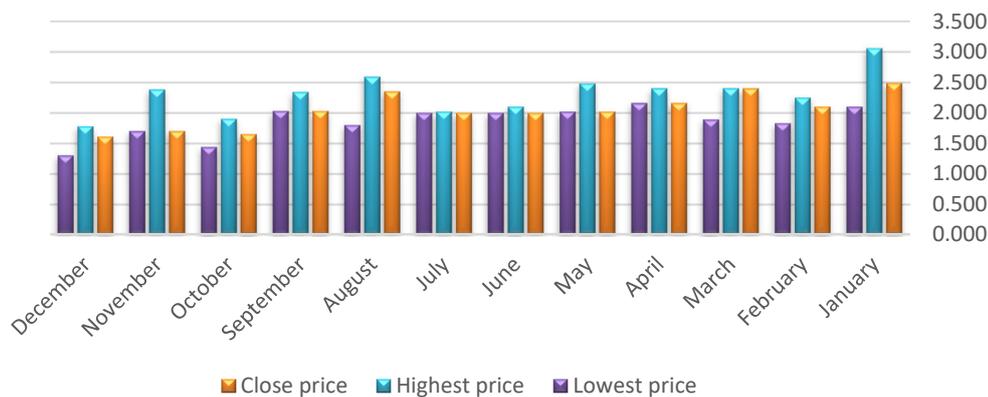
However, the Company celebrated the fifty-second National Day of the United Arab Emirates and extended its gratitude and appreciation to the employees.

**12. General Information:**

**A. Statement of the Company's share price in the market at the end of each month during the fiscal year 2023**

Month	Close price	Highest price	Lowest price
January	1.550	1.750	1.400
February	2.500	2.630	1.440
March	2.280	2.600	1.900
April	2.260	2.520	1.920
May	1.790	2.280	1.770
June	1.880	1.930	1.650
July	1.820	1.920	1.660
August	1.790	1.870	1.440
September	1.810	1.840	1.540
October	1.640	1.640	1.640
November	1.640	1.640	1.430
December	1.410	1.640	1.310

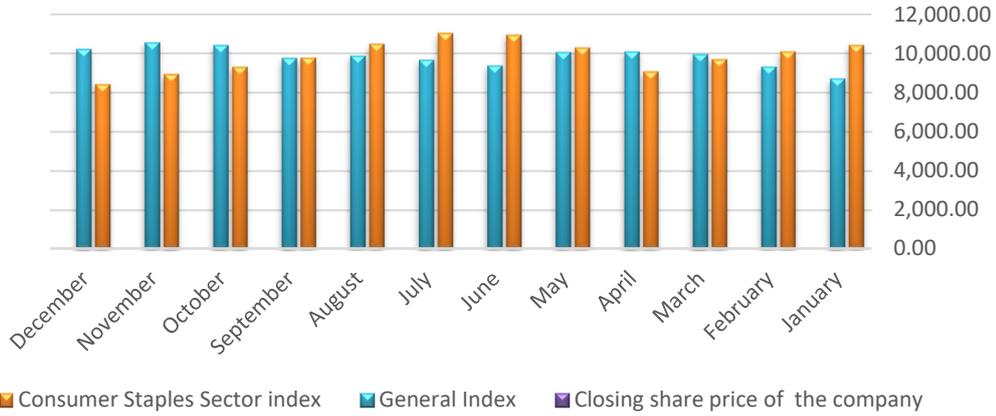
**A statement of the company's share price in the market at the end of each month during the year 2023**



**B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2023.**

Month End	Consumer Staples Sector Index	General Index	Closing share price of Company
January	8,781.86	9,811.56	1.550
February	8,962.34	9,844.81	2.500
March	9,024.61	9,430.25	2.280
April	9,889.46	9,789.17	2.260
May	10,225.64	9,406.57	1.790
June	10,458.14	9,550.40	1.880
July	10,809.73	9,787.13	1.820
August	10,510.42	9,810.21	1.790
September	9,738.02	9,785.32	1.810
October	9,262.90	9,343.88	1.640
November	10,590.92	9,559.57	1.640
December	10,053.10	9,577.85	1.410

### The Comparative Performance of the Company's stock with the General Market index and the Consumer Goods Sector index



#### C. Statement of the shareholders ownership distribution as on 31/12/2023

S. No.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	UAE Local	6,449,569	71,068,594	5,166,733	82,684,896
2	Gulf	11,896,944	163,388	0	12,060,332
3	Arab	165,924	0	0	165,924
4	Foreign	128,848	0	0	128,848
	Total	18,641,285	71,231,982	5,166,733	95,040,000

**D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2023:**

S. No.	Name of the Shareholder	Number of owned shares	Percentage of owned shares of the Company's capital
1	Falcon Investment Company FZ L.L.C	41,769,806	44%
2	Al Hamra Group LLC	21,250,412	22%
3	Ras Al-Khaimah Government	5,166,733	5%

**E. Statement of how shareholders are distributed according to the volume of shares as on 31/12/2023**

S. No	Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	1774	6,099,099	6%
2	From 50,000 to less than 500,000	96	10,007,028	11%
3	From 500,000 to less than 5,000,000	7	10,746,922	11%
4	More than 5,000,000	3	68,186,951	72%

**F. Measures taken regarding the controls of investor relationships.**

The Company has appointed an Investor Relationships Officer with competence and long experience and he has financial background and administrative knowledge of all procedures related to investor relations and events that have passed through the Company.

Name of investor relationships officer	Telephone No.	Mobile No.	Email
Ahmed Adel Ahmed Hassan	07-243 4477	+971 56 828 0866	ahmed.a@rapcoinvestment.ae

The link of investor relationships page on the Company's website

<https://rapcoinvestment.ae/shareholder-services.html>

The Company has, in its website, set aside a space for investor relationships containing all requirements in accordance with the instructions of the Authority and the market, the site is on the following link:

<https://rapcoinvestment.ae/disclosures.html>

**G. There were Five Special Resolutions presented in the General assembly held during 2023.**

**H. Board Secretary:**

- The present Secretary of the Board of Directors is Mr. Surendra Mohta.
- The duties as Secretary of the Board of Directors are summarized as follows:
  - Documenting the meetings of the Board of Directors and its Committees and preparing the minutes and decisions issued by them in accordance with the controls established in the decision of the Chairman of the Board of Directors of the Authority No. (3/ R.M) for the year 2020 regarding the adoption of the Governance Guide for Public Shareholding Companies and its amendments.
  - Reporting the decisions of the Board of Directors and its Committees to the executive management of the Company and submitting reports on their implementation.
  - Coordination between members of the Board of Directors and executives.

**I. Statement of major events and important disclosures that the Company encountered during 2023.**

The Company's decision to change its activity and move to investments instead of the poultry sector contributed significantly to reducing the Company's losses during the year 2023 and moving it to profitability during the second half of the same year.

The Company paid all unclaimed dividends to the Securities And Commodities Authority amounting to AED 23.319 Million.

**J. The General Assembly of the Company was held on April 25, 2023 and the said meeting passed the following resolutions:**

1. Approved the report of the Board of Directors on the Company's activities and its financial position for the fiscal year ending on 31<sup>st</sup> December 2022.
2. Approved the auditor's report for the financial year ending on 31<sup>st</sup> December, 2022.
3. Approved the Company's balance sheet and profit and loss account for the fiscal year ended on 31<sup>st</sup> December, 2022.
4. Approved the board of directors' proposal for not distributing dividends to the shareholders for the financial year ended on 31 December 2022.
5. The fees of the members of the Board of Directors was approved amounting to 300,000 Dirhams for the year 2022.

6. Discharged the members of the Board of Directors for the fiscal year ended on 31<sup>st</sup> December, 2022.
7. Discharged the auditors for the fiscal year ended on 31<sup>st</sup> December, 2022.
8. Appointed Messrs. Crowe Mak as an external auditor for the Company's accounts for the year 2023 with a fee of 90,000 dirhams.
9. Special Resolutions- Amended the name of the Company from Ras Al Khaimah Poultry and Feeding Co Public JSC to RAPCO Investment Company Public JSC and amend the Articles of Association to implement the change in name.
10. Special Resolutions – Amended the Company’s articles of association to be in line with the new name and amendments to the Companies Act and the Governance Guide 2020 and its amendments.
11. Special Resolution – Approving the transfer of the Voluntary Reserve amounting to AED 19,547,271 (nineteen million five hundred forty seven thousand and two hundred seventy one dirhams) as on 31 December 2022, to the Retained Earnings for distribution to the shareholders in the future.

**K. Emiratization percentage in the Company:**

Year	2023	2022	2021
Emiratization percentage	6%	1%	2%

- L. The Company did not present any innovative projects or initiatives during the year 2023.**

**Signature of the Board Chairman**



**Signature of Audit and Risk Committee Chairman**



**Signature of Nomination and Remuneration Committee Chairman**




**Date: 20 March 2024**

**Company Official Seal**



**RAPCO INVESTMENT PJSC**

# **2023 Sustainability Report**

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RAPCO INVESTMENT PJSC

# ABOUT THE REPORT



# CHAIRMAN'S STATEMENT



Md. Humaid Abdullah Md. Alqasimi  
Chairman.

As Chairman of RAPCO, I'm thrilled to share our sustainability report, outlining our efforts to reduce our environmental impact and promote social responsibility.

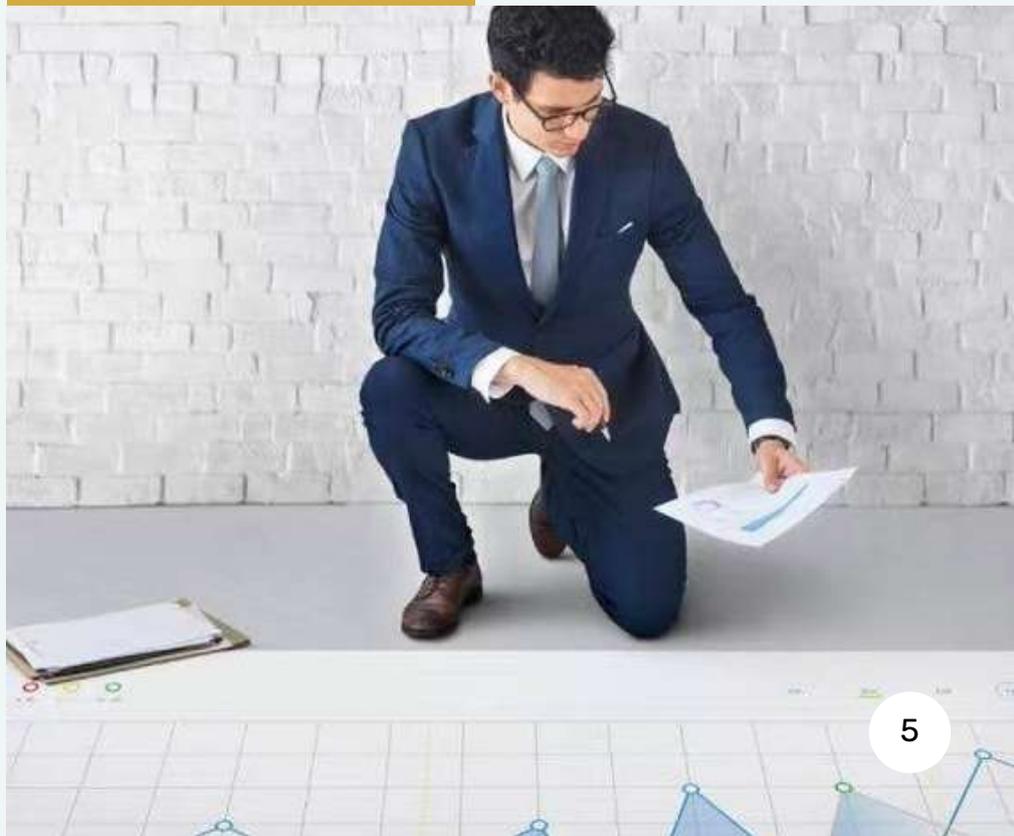
At RAPCO, we understand the importance of sustainable practices for the health of our planet and communities. Equally important to us is our commitment to cultivating a positive work environment for our employees, which we view as crucial to our ongoing success.

There is always more work to be done, and we are committed to continuous improvement in all aspects to create a brighter and more sustainable future for all.

I want to thank our shareholders for their ongoing support and trust in our team. We're dedicated to delivering sustainable performance and value to our investors.

I would also like to take this opportunity to express our deep appreciation and sincere thanks to the visionary leaders of UAE for their exceptional guidance and unwavering commitment to progress and growth.

# RAPCO AT A GLANCE



RAPCO Investment is a leading financial entity headquartered in Ras Al Khaimah, UAE and listed on the Abu Dhabi Securities Exchange. Our journey, initiated in 1976 under the visionary guidance of His Highness Sheikh Saud Bin Saqr Al Qasimi, began as a Poultry Company, and has since evolved into an investment and property management company.

In 2023, RAPCO Investment shifted from its poultry business roots to become a dynamic investment company. This strategic move demonstrates our commitment to innovation and adaptability to the evolving global financial landscape.

As a forward-thinking investment entity, RAPCO Investment boasts a diversified portfolio spanning Real Estate, Equity, Capital Markets, and other Financial Assets.





## **VISION**

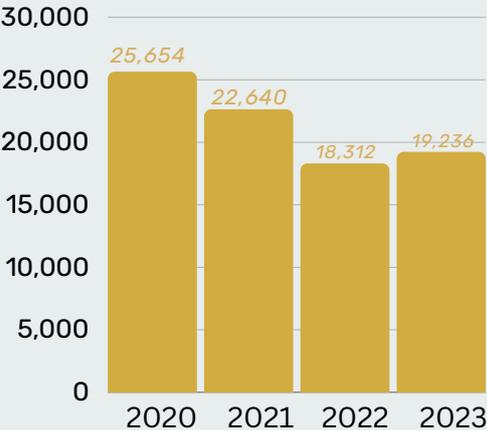
Our vision is to create long term value creation for our shareholders within our risk profile. We strive for business value growth while upholding high ethical standards and contributing to society through integrity and fair practices.

## **MISSION**

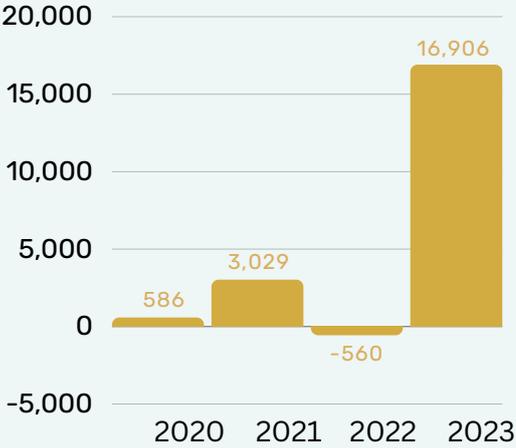
Our Mission is to add value and expand investment portfolio through Real Estate, Equity, Capital Markets, and Venture Funding. We aspire to be the leader in high-quality, profitable investments through our portfolio diversification strategy, in addition to a well-established portfolio of residential, commercial, and strategic investments.



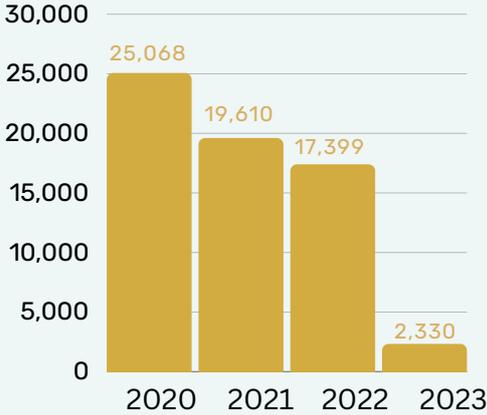
# FINANCIAL PERFORMANCE



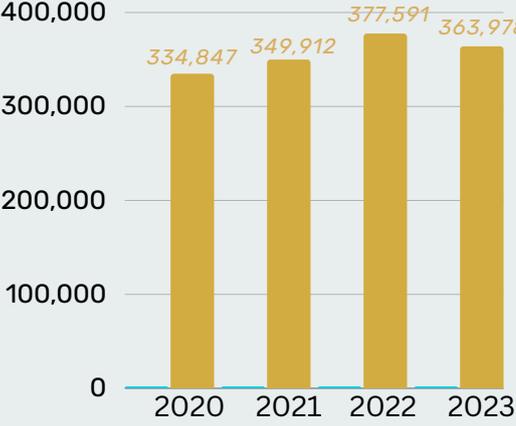
**TOTAL REVENUE (AED'000)**



**NET PROFITS (AED'000)**



**TOTAL COST INCURRED ( AED'000)**



**TOTAL ASSETS (AED'000)**

# ENVIRONMENTAL STEWARDSHIP



## ENVIRONMENTAL INITIATIVES

At RAPCO, we are implementing diverse environmental initiatives aimed at minimizing our environmental impact and fostering sustainability. We operate within a sector characterized by relatively low energy demand and carbon intensity. However, we continue to implement sustainable practices within our office premises, aiming to curtail our carbon footprint and enhance energy efficiency.

### ENERGY-EFFICIENT LED LIGHTS

We've adopted energy-efficient LED lighting systems. By reducing energy consumption while maintaining optimal lighting, we contribute to energy conservation and GHG emission reduction.



### COMPREHENSIVE WASTE MANAGEMENT

RAPCO implements waste management practices in real estate management, thus contributing to environmental conservation efforts.

### WATER CONSERVATION

We implement water conservation methods to minimize water wastage and preserve this critical resource for future generations.



### ENVIRONMENTAL MONITORING

Regular monitoring of energy and water consumption, GHG emissions, and waste generation allows us to identify areas for improvement and continually enhance our environmental performance.

Our environmental initiatives align with the objectives of the COP28 program. By investing in sustainable practices, we contribute to efforts aimed at mitigating climate change and achieving sustainable development goals.

At RAPCO, environmental stewardship isn't just a responsibility – it's a cornerstone of our investment philosophy. We believe that by integrating sustainable practices, we not only protect the environment but also generate long-term value for our investors and society as a whole.

## GREEN HOUSE GAS EMISSION

RAPCO emits greenhouse gases (GHGs) during its operations, contributing to climate change. These gases, like carbon dioxide and methane, trap heat in the atmosphere. RAPCO can reduce its GHG emissions by using renewable energy and adopting energy-efficient practices.

We use LED lights which produce considerably lesser green house gas emissions than conventional incandescent or Compact fluorescent lights. produce considerably lesser green house gas emissions than conventional incandescent or Compact fluorescent lights.

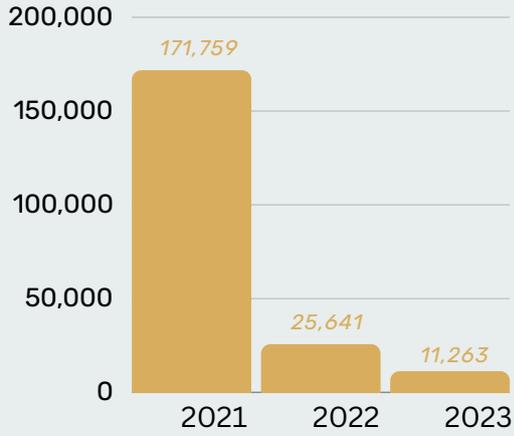
Taking these steps helps RAPCO mitigate its impact on the environment and supports a cleaner future.



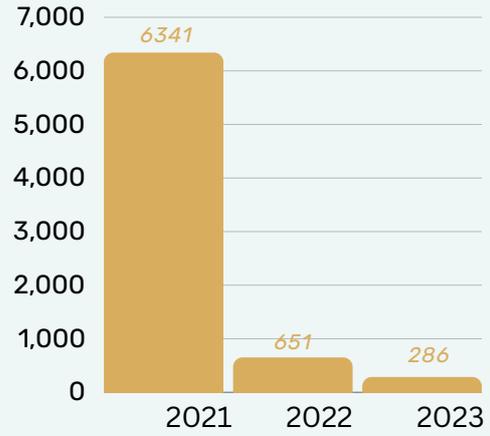
## ENERGY AND WATER CONSUMPTION

We're fully committed to sustainability in everything we do, especially regarding energy and water consumption. We know it's crucial to lessen our impact on the environment, so we're planning to introduce several initiatives to achieve this. Our aim is to consider environmental and social factors when we make investment decisions.

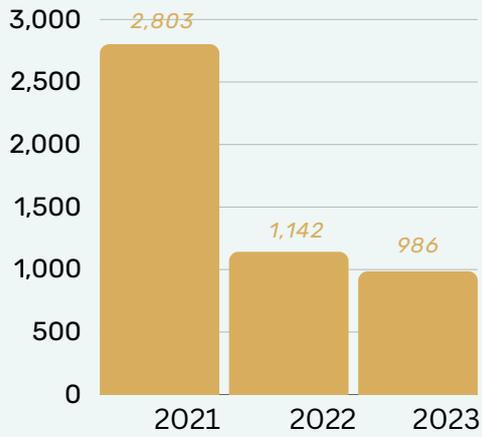
We're initiating simple yet impactful measures such as turning off unnecessary lights and optimizing water usage. As an investment company, we don't consume significant energy and water. By promoting sustainable practices in how we use energy and water, we're showing our dedication to a cleaner, healthier planet for future generations.



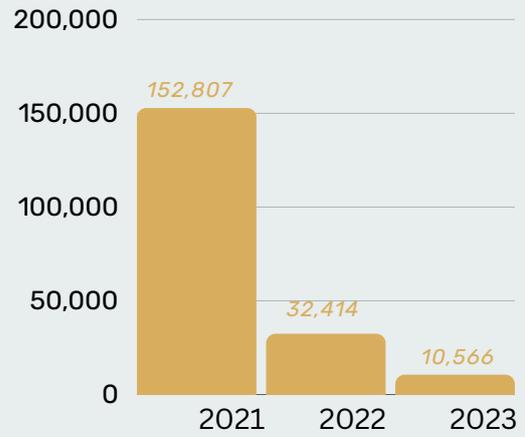
**TOTAL AMOUNT OF WATER CONSUMED IN MEGA LITERS**



**AMOUNT OF WASTE WATER GENERATED/DISCHARGED IN MEGALITERS**



**TOTAL ELECTRICITY CONSUMPTION IN MEGAWATTS**



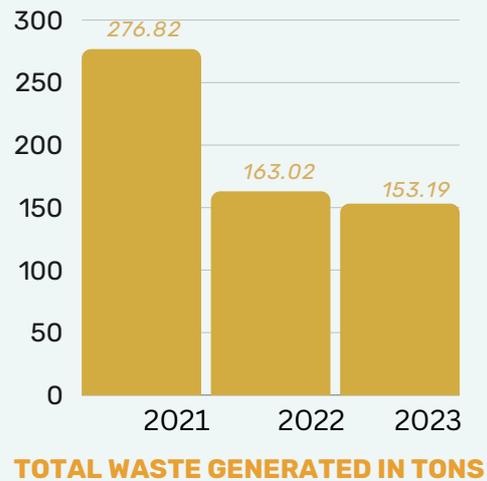
**TOTAL FUEL CONSUMPTION IN MEGALITERS (FOR OWNED VEHICLES/EQUIPMENT)**



Effective waste management is a crucial component of sustainability, and we are committed to implementing responsible waste management practices within our operations. We have developed a waste management plan that includes strategies to minimize waste generation, promote reuse and recycling, and appropriate disposal.

We understand that real estate creates a lot of waste, so we're sorting it carefully and disposing of it responsibly. Effective waste management is central to our sustainability strategy, and we're dedicated to making it even better over time.

	<b>Composting</b>
	<b>Reusing waste products</b>
	<b>Recycling</b>



# SOCIAL STEWARDSHIP

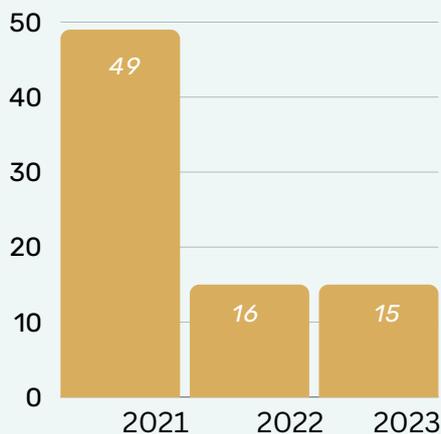


Employees are important to our organization. Doing things to help society, like CSR (Corporate Social Responsibility) activities, is good for sustainable development. It helps our employees learn and do better at their jobs. We treat everyone fairly, no matter their gender or where they come from.

# SOCIAL INITIATIVES



# HUMAN ASSETS

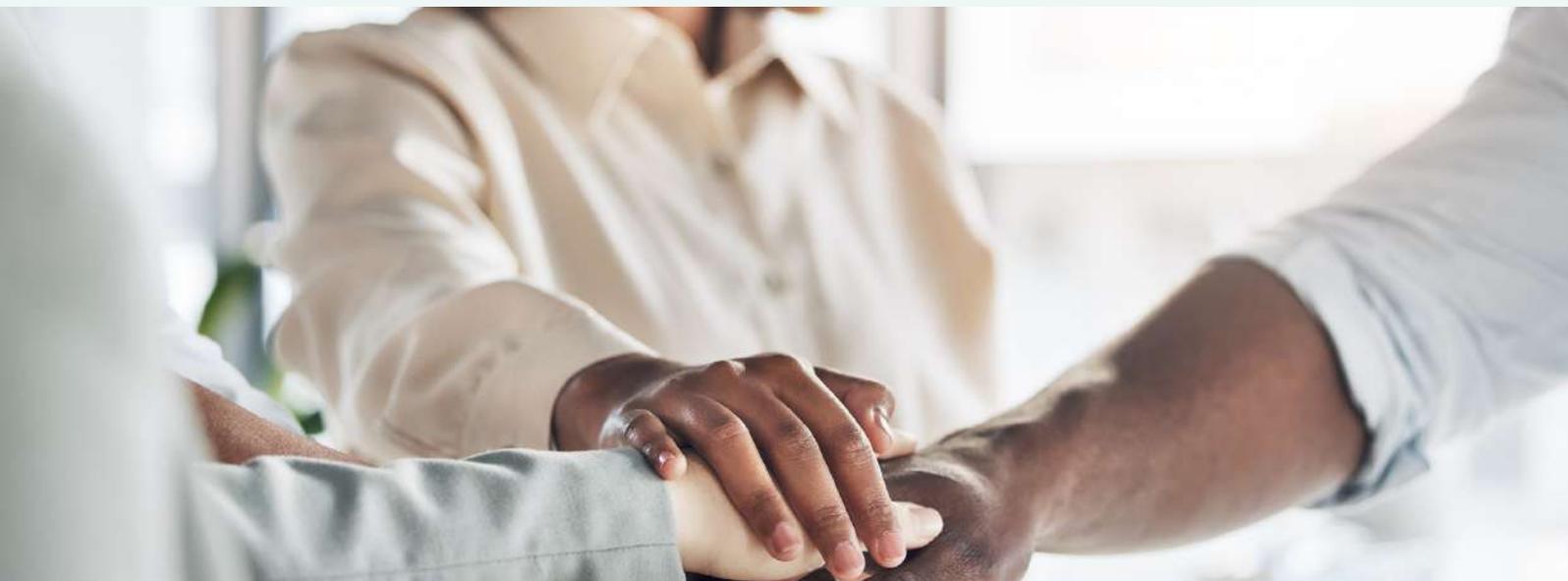


**TOTAL NUMBER OF EMPLOYEES**

We highly value our employees and prioritize their needs at all times. Through various on-the-job training and development opportunities, we aim to enhance their skills and overall growth. Our workplace is inclusive, free from discrimination based on gender or cultural background, fostering a diverse environment. Employees collaborate harmoniously to achieve our organizational objectives, fostering happiness and efficiency. Our comprehensive HR Policy addresses issues such as non-discrimination, sexual harassment, human rights, ethics, and corruption prevention.

## TRAINING AND DEVELOPMENT

In today's competitive world, nurturing talent is essential for developing future leaders. Managing talent is critical in today's fast-paced corporate environment. It's important to eliminate the stigma around mental health and prioritize understanding our employees' needs to ensure they have a stress-free work environment. We provide our employees with the training and skills necessary for navigating the investment industry and managing an investment portfolio.

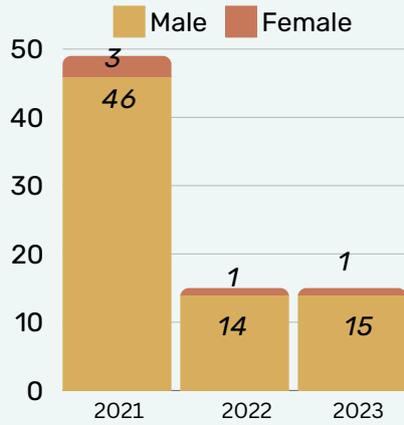


## EQUAL OPPORTUNITY AND DIVERSITY

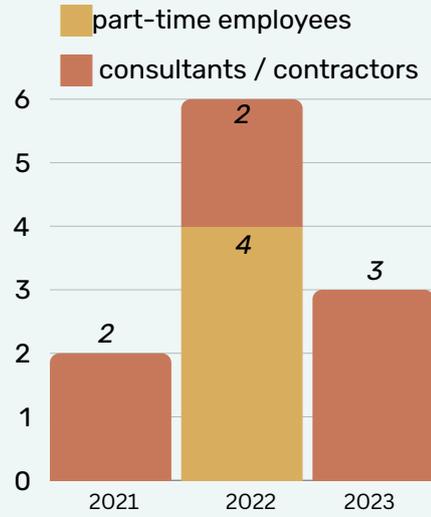
Creating an inclusive environment with diverse individuals and equal opportunities for everyone is crucial in today's world. We ensure equal opportunities for all, regardless of gender, beliefs, or background. The growth of our employees significantly contributes to the overall growth of our organization.

We embrace a diverse environment with various cultures, backgrounds, and heritage. This diversity fosters productivity, enhances job satisfaction, and ultimately improves experiences for our consumers. Every employee is treated with compassion and respect, and discrimination is not tolerated in any form.

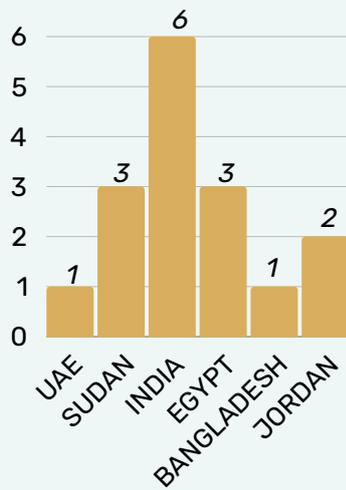
We encourage all employees to pursue their personal and professional goals.



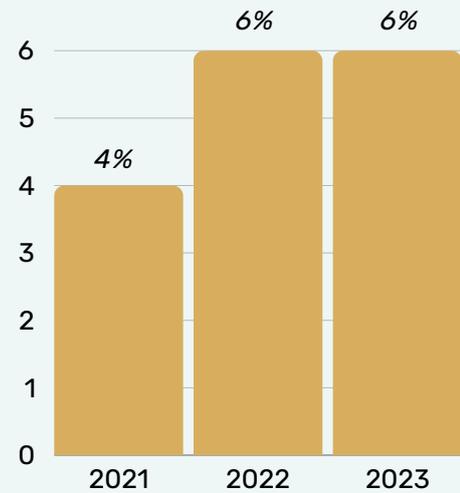
**TOTAL NUMBER OF EMPLOYEES**



**TOTAL NUMBER OF EMPLOYEES**

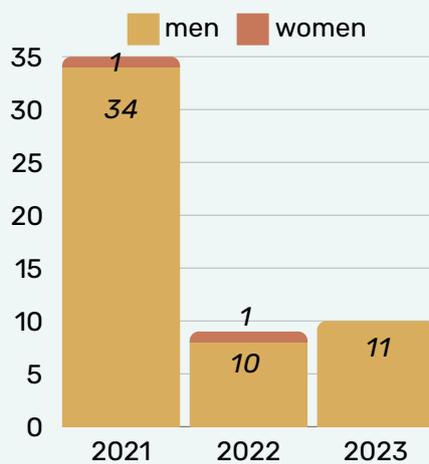


**NUMBER OF EMPLOYEES BY NATIONALITIES**

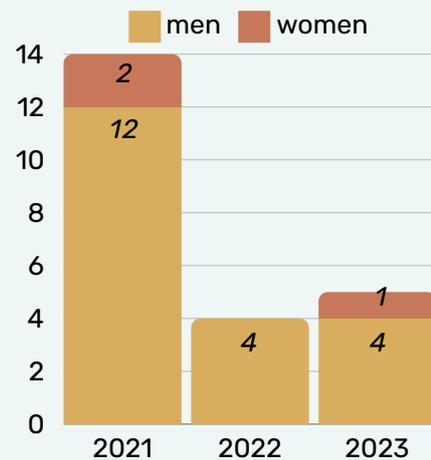


**NUMBERS OF UAE NATIONALS**

**TOTAL NUMBER OF EMPLOYEES, BY GENDER AND JOB LEVEL**



**ENTRY TO MID LEVEL**



**SENIOR TO EXECUTIVE LEVEL**

**RATIO OF THE BASIC SALARY AND REMUNERATION**

**1 : 1**

# Ethical Governance



We are continually improving our corporate governance framework to maintain a strong structure, with a focus on effective and efficient practices. We prioritize ethical behavior and compliance with all relevant laws and regulations. Our board members are committed to safeguarding stakeholders interests sustainably and creating long-term stakeholders value. They adhere to the principles outlined in our corporate governance code to understand our objectives.

## ETHICAL GOVERNANCE



We are dedicated to maintaining high standards of corporate governance as a vital part of our sustainability strategy. Strong governance practices are crucial for achieving our sustainability goals and ensuring long-term value for our stakeholders. Our board of directors possesses a diverse range of skills and expertise.

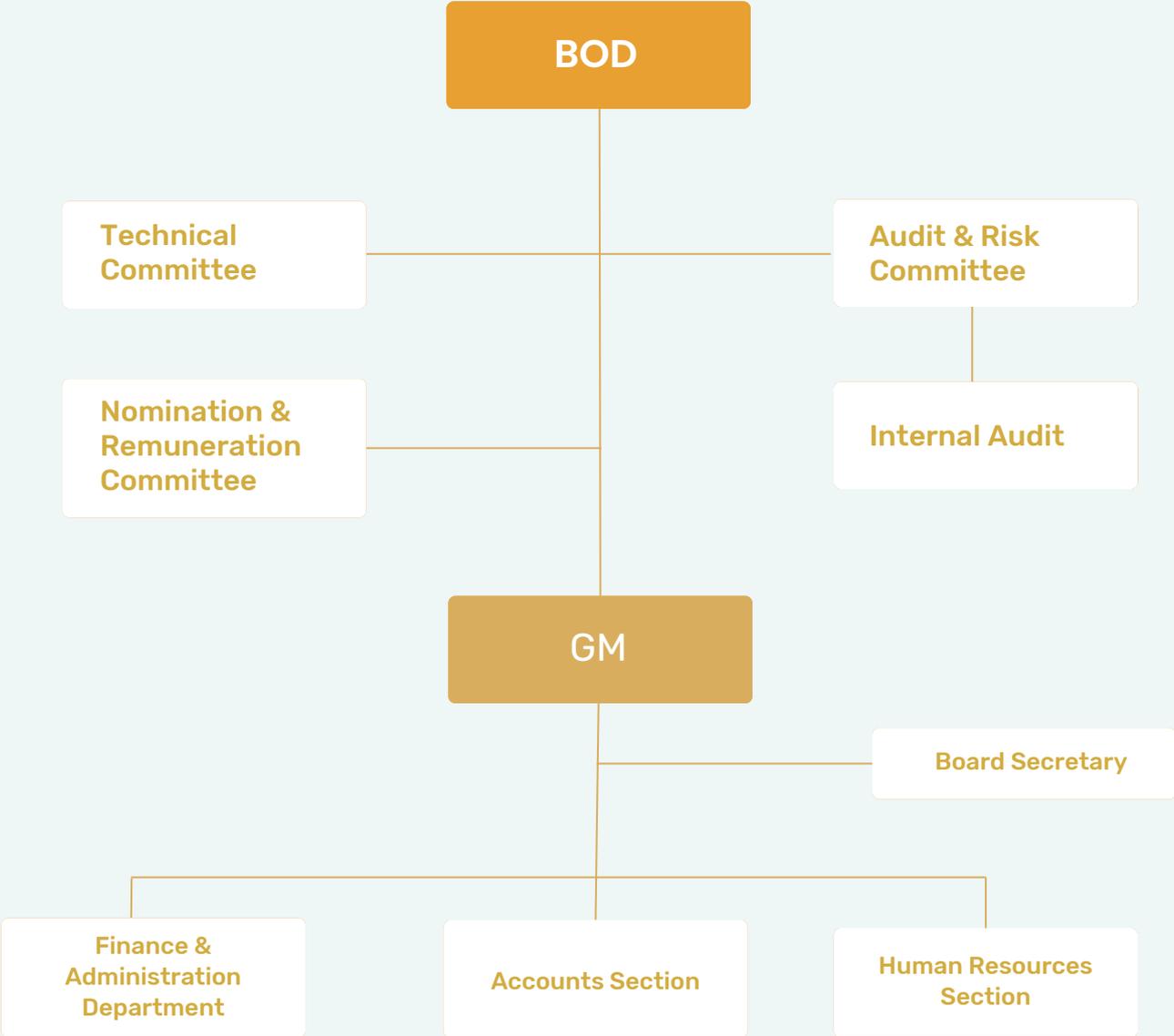
To oversee key areas of our operations, we have established several board committees, including Audit & Risk, Nominations & Remuneration, and Technical Committee. We are committed to implementing proactive risk management practices, including assessments of ESG risks, along with mitigation processes.

Our corporate governance structure is integral to our sustainability efforts and our ability to create long-term value for all our stakeholders.



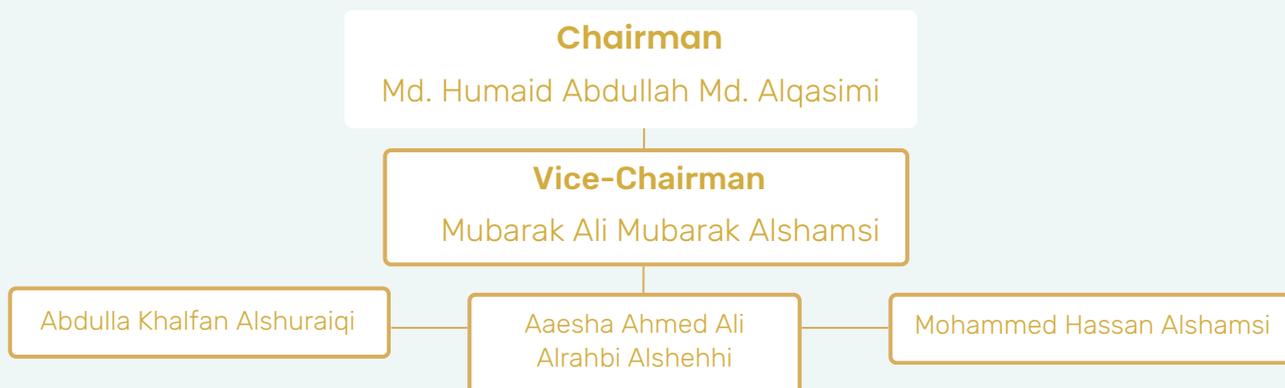
## CORPORATE GOVERNANCE STRUCTURE

# ORGANISATIONAL STRUCTURE

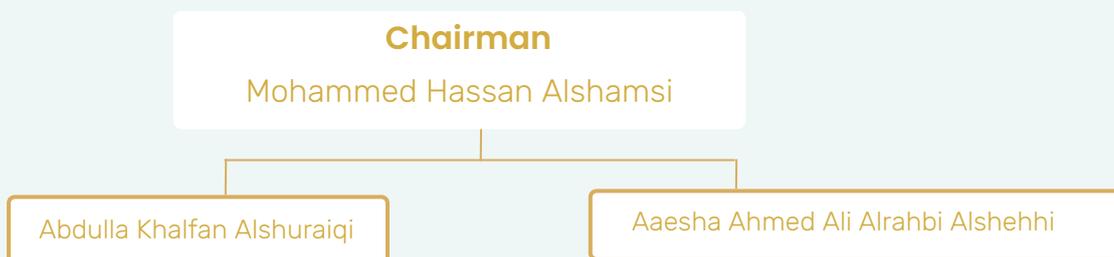


# BOARD & COMMITTEE MEMBERSHIP

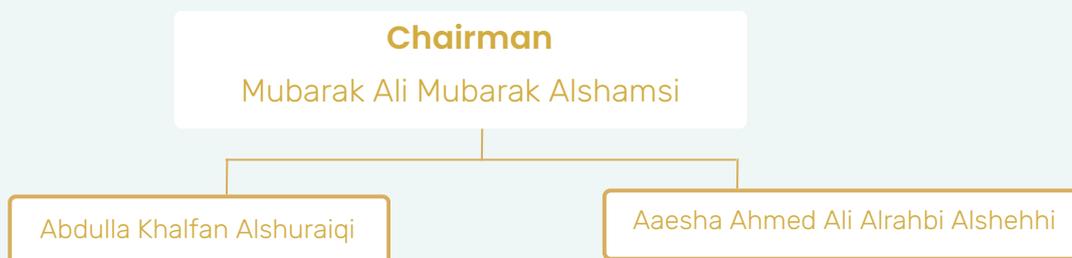
## Board of Directors



## Audit and Risk Committee



## Nomination and Remuneration Committee



## Technical Committee



Number of male individuals in governance body/board-



Number of female individuals in governance body/board-



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

	2021	2022	2023
Under 30 - 0	0	0	0
30 - 50	2	2	2
50+	3	3	3

The percentage of committee chairs held by women.

**20%**

The percentage of committee chairs held by women.

2021  
 **0%**

2022  
 **20%**

2023  
 **20%**

**2023**



**Audit Committee**

**02**

**01**

**Nomination & Remuneration Committee**

**02**

**01**

**Technical Committee**

**04**

**00**

All our board members are **independent**

All of our board members are **UAE Nationals**.

# SUSTAINABLE MANAGEMENT



## LISTENING TO OUR STAKEHOLDERS

As enterprise leaders, we understand the importance of our valued stakeholders. They inspire and drive our pursuits. We regularly engage with them to gather their perspectives and shape our core development plan. Together, we identify what matters most to the business and keep them informed about environmental, social, and governance concerns.

We deeply value and respond to their interests, as they play a pivotal role in determining our growth trajectory. We actively involve them and prioritize transparency in our communication, continuously refining our approach based on their feedback.

Listening to our stakeholders is integral to our business philosophy.



**Customers**



**Government  
authorities**



**Banks**



**Employees**



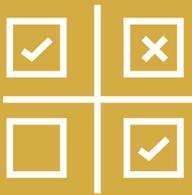
**Suppliers**



**Consultants**

**IDENTIFICATION**

Conduct internal discussions and reviews to identify topics important to stakeholders.



**PRIORITIZATION**

Prioritize topics based on their significance to stakeholders.

**ENGAGEMENT**

Connect with stakeholders through multiple channels to understand material topics.



**MANAGING EXPECTATION**

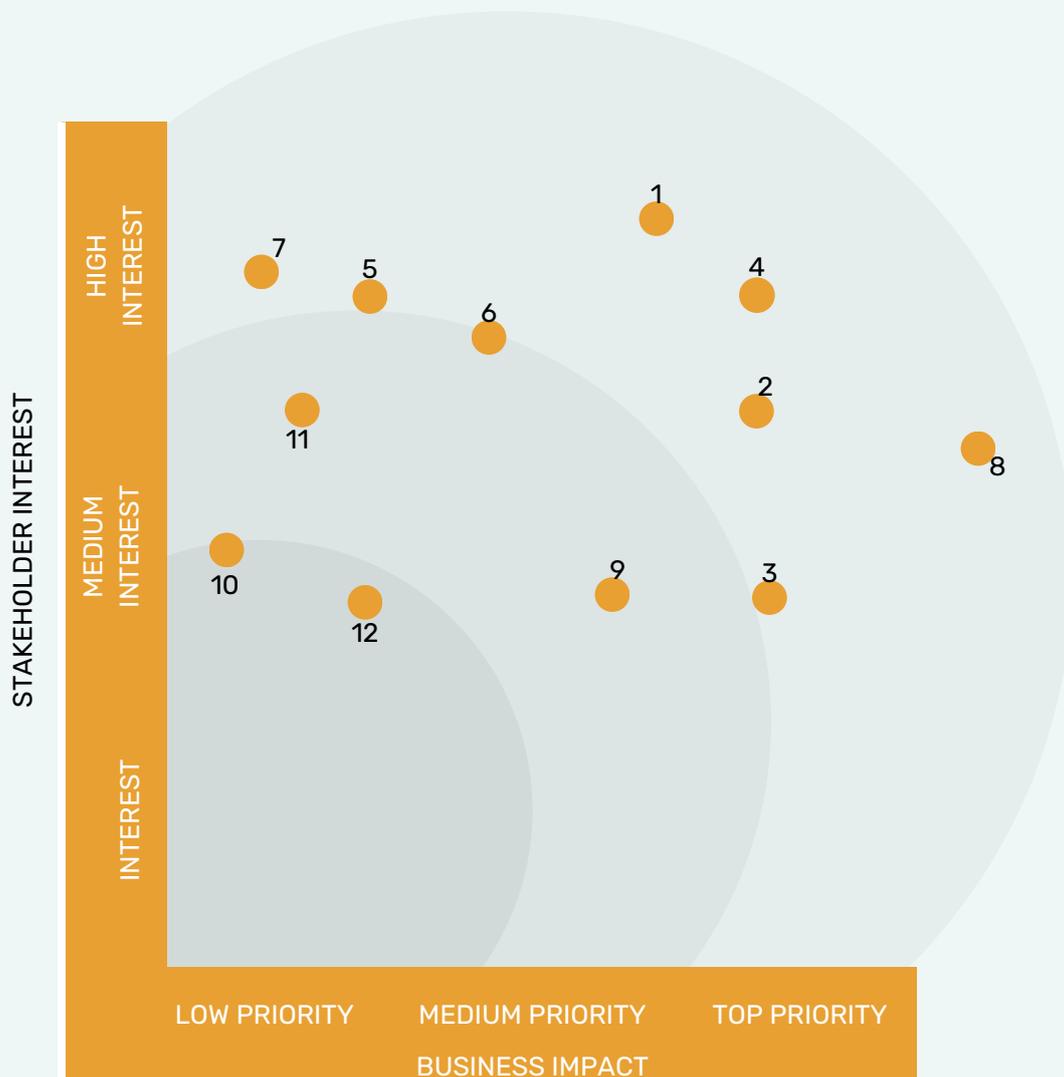
Enhance stakeholder relationships by addressing their needs and concerns through engagement efforts.

## MATERIALITY ANALYSIS

It's crucial to monitor present and future issues, which involves analyzing our stakeholders' social, economic, and environmental concerns. We maintain active engagement with stakeholders, whether they're directly or indirectly connected to our operations.

This analysis is crucial for identifying appropriate societal goals that shape the content of our sustainability report and align with our business strategy and vision.

We establish our goals by continuously evaluating material issues using data from internal and external sources, while engaging with a diverse range of stakeholders. Stakeholder input significantly influences our decisions and impacts within this framework. After extensive interaction with stakeholders, we identify major issues that significantly affect our environmental, social, and economic performance.



- |   |  |
|---|--|
| 1. Financial Stability                    | 8. GRI 401 - Employment  |
| 2. Governance & Risk Management           | 9. Employee well-being and Retention Rate                      |
| 3. Sustainable Investments                | 10. GRI - 404 Training and Development                         |
| 4. GRI - 403 Occupational Health & Safety | 11. GRI - 413 - Local Communities; CSR; Corporate Volunteering |
| 5. GRI 405: Diversity & Inclusion         | 12. Nationalization  |
| 6. GRI - 205 Anti-Corruption              |  |
| 7. GRI 305 - Emissions                    |  |

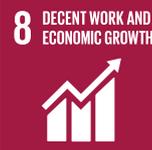
## ADX ESG Index

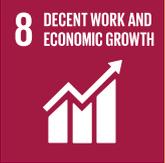
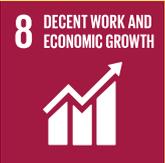
	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Environmental	E1. GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016		Page 11
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016		Page 11
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016		Page 12
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		Page 12

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016		Page 12
E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018		Page 12
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No	GRI 103: Management Approach 2016*		No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No			No
E7.3) Does your company use a recognized energy management system? Yes/No				Page 12
E8. Environmental Oversight	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	GRI 102: General Disclosures 2016		Page 19

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
	E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No			Page 19
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?			Page 10
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016		We are working to provide this data in future reports.  Yes
	S2. Gender Pay Ratio	Ratio: Average male compensation to average female compensation	GRI 405: Diversity and Equal Opportunity 2016		Page 17
	S.3 Employee Turnover	S3.1) Percentage: Year-Over-Year change for full-time employees	GRI 401: Employment 2016		Page 17

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		S3.2) Percentage: Year-Over-Year change for part-time employees S3.3) Percentage: Year-Over-Year change for contractors and/or consultants			Page 17  Page 17
	S.4 Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive-level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016		Page 17  Page 17  Page 17
	S.5 Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016		Page 17  Page 17

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
S6. Non-Discrimination	Does your company follow a sexual harassment and/or nondiscrimination policy? Yes/No	GRI 103: Management Approach 2016*		Page 15
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018		Page 15
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 403: Occupational Health and Safety 2018		Page 15
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*		Yes, we adhere to UAE laws.
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016*		Page 15

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
<b>Social</b>		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			No
	S11. Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Page 17 Page 17
	S12. Community Investment	S12.1) Amount invested in the community, as a percentage of company revenues			No Amount Invested
<b>Governance</b>	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016		Page 22 Page 23
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	GRI 102: General Disclosures 2016		Yes

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
<b>Governance</b>		G2.2) Percentage: Total board seats occupied by independents			Page 23
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	GRI 102: General Disclosures 2016		No
	G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		The company is following general trade practices as per industry standards.
	G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Page 15

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
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**Governance**

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

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





## **RAPCO INVESTMENT PJSC**

### Contact

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Email: [compliance@rapcoinvestment.ae](mailto:compliance@rapcoinvestment.ae)



**Developed by the assistance  
of our Sustainability Partner  
THE ONE PERCENT**