

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Independent auditor's review report and
condensed interim financial statements
For the three months period ended
March 31, 2024 (Unaudited)

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RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates

General information

Principal office address : Aljazirah Alhamra
P. O. Box: 30019
Ras Al Khaimah
United Arab Emirates
T: +971 7 243 4477

Website : www.rakpoultry.com

| The Board of Directors | <u>Name</u> | <u>Nationality</u> | <u>Designation</u> |
|------------------------|---|--------------------|-------------------------------------|
| | Shaikh Mohamed Humaid Abdulla Mohamed Alqasemi | Emirati | Chairman |
| | Mubarak Ali Mubarak Alshamsi | Emirati | Deputy Chairman |
| | Abdulla Khalfan Mohammed Alshraiqi Almehrzi | Emirati | Member of the Board of Directors |
| | Aaesha Saif Ahmed Alkhanbouli Alshehhi | Emirati | Member of the Board of Directors |
| | Mohammed Hasan Mohammed Alshamsi Alawadhi | Emirati | Member of the Board of Directors |

The General Manager : Raman Garg Mahabir Saran Garg Indian

The Auditor : Crowe Mak
P.O. Box: 6747
Dubai - United Arab Emirates

The Banks : Abu Dhabi Commercial Bank
National Bank of Ras Al Khaimah
Commercial International Bank
Dubai Islamic Bank
First Abu Dhabi Bank

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates

Directors' report

The Directors have pleasure in presenting their report and the reviewed condensed interim financial statements for the three months period ended March 31, 2024.

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". (formerly known as "Ras Al Khaimah Poultry and Feeding Co Public JSC")

Principal activities of the Entity

The principal activities of the Entity are investment, institution, and management of Commercial Enterprises, Real Estate Enterprises, and Agricultural Enterprises.

Financial review

The table below summarizes the results of three months period ended March 31, 2024 and 2023 denoted in Arab Emirates Dirham (AED).

| | Three months period ended | |
|---|----------------------------------|--------------------|
| | March 31, | |
| | 2024 | 2023 |
| | (Unaudited) | (Unaudited) |
| Net (loss) / profit for the period | (187,012) | 2,010,558 |
| Basic / diluted (loss) / earnings per share | (0.002) | 0.021 |

Role of the Directors

The Board of 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 Board of Directors set the strategies and policies of the Entity and monitor the performance of the Entity's business.

Events after the period end

In the opinion of the Board of Directors, no transaction or event of material and unusual nature, favorable or unfavorable has arisen in the interval between the end of financial period 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.

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates

Directors' report (continued)

Statement of Directors' responsibilities

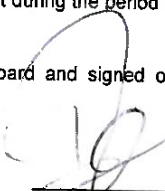
The applicable requirements require the Directors to prepare the condensed interim financial statements for each financial period which present fairly, in all material respects, the financial position of the Entity and its financial performance for the period then ended.

The condensed interim financial statements for the period 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 condensed interim financial statements comply with the requirements of the applicable statute. The Directors also confirm that the accounting policies and methods of computation adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2023 which are the latest audited financial statements available reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Entity's financial conditions and results of its operations.

These condensed interim financial statements were approved by the Board and signed on behalf by the authorized representative of the Entity.



Shaikh Mohamed Humaid Abdulla Mohamed Alqasem
Chairman
May 10, 2024



Raman Garg Mahabir Saran Garg
General Manager

Ref: BN/A2588/May 2024

Independent auditor's review report on condensed interim financial statements

To,
The Shareholders
RAPCO Investment P.J.S.C
P. O. Box: 30019
Ras Al Khaimah - United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim financial statements of RAPCO Investment P.S.C (the "Entity") which comprise condensed interim statement of financial position as at March 31, 2024 and the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three months period then ended and summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements for the three months period ended March 31, 2024 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

For, Crowe Mak



Khalid Mahmood Chaudhry
Senior Partner
Registration Number 635
Dubai, United Arab Emirates
May 10, 2024



RAPCO Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates

Condensed interim statement of financial position as at March 31, 2024 (Unaudited)


In Arab Emirates Dirham

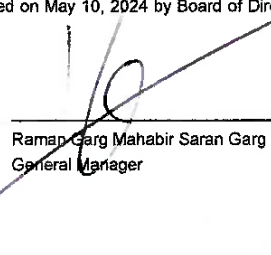
| | <u>Notes</u> | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|---|--------------|---|--|
| Assets | | | |
| <i>Non-current assets</i> | | | |
| Property, plant and equipment | 4 | 8,022 | 9,505 |
| Investment properties | 5 | 82,748,000 | 83,333,000 |
| Investments in associates | 6 | 72,242,742 | 72,014,317 |
| Investments at fair value through other comprehensive income (FVTOCI) | 7 | 152,613,849 | 180,378,569 |
| Financial assets at amortised cost | 8 | 24,228,858 | 25,113,785 |
| Total non-current assets | | 331,841,471 | 340,849,176 |
| <i>Current assets</i> | | | |
| Due from a related party | 9 | 56,923 | - |
| Trade and other receivables | 11 | 1,319,669 | 1,409,162 |
| Investments at fair value through profit or loss (FVTPL) | 12 | 22,729,234 | 11,009,492 |
| Cash and bank balances | 13 | 4,581,292 | 10,710,758 |
| Total current assets | | 28,687,118 | 23,129,412 |
| Total assets | | 360,528,589 | 363,978,588 |
| Equity and liabilities | | | |
| <i>Equity</i> | | | |
| Share capital | 14 | 95,040,000 | 95,040,000 |
| Reserves | 15 | 121,712,319 | 121,712,319 |
| Cumulative changes in fair value of investments carried at FVTOCI | | 69,812,242 | 76,202,049 |
| Retained earnings | | 65,768,298 | 62,524,645 |
| Total equity | | 352,332,859 | 355,479,013 |
| <i>Non-current liabilities</i> | | | |
| Employees' end of service benefits | 17 | 438,720 | 426,630 |
| Total non-current liabilities | | 438,720 | 426,630 |
| <i>Current liabilities</i> | | | |
| Due to related parties | 9 | 13,191 | - |
| Trade and other payables | 18 | 7,743,819 | 8,072,945 |
| Total current liabilities | | 7,757,010 | 8,072,945 |
| Total liabilities | | 8,195,730 | 8,499,575 |
| Total equity and liabilities | | 360,528,589 | 363,978,588 |

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

The independent auditor's review report on these condensed interim financial statements is set out on page 4.

The condensed interim financial statements on pages 5 to 20 were approved on May 10, 2024 by Board of Directors and signed on their behalf by:


Shaikh Mohamed Humaid Abdulla Mohamed Alqasemi
Chairman


Ramap Garg Mahabir Saran Garg
General Manager

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of profit or loss and other comprehensive income
For the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

| | Notes | Three months period ended March 31, 2024 (Unaudited) | Three months period ended March 31, 2023 (Unaudited) |
|---|-------|---|---|
| Revenue | | | |
| Investment income | | 1,052,524 | 820,304 |
| Gain on sale of Investments at FVTPL | | 146,742 | 200,639 |
| Gain on sale of investment property | | 125,000 | - |
| Other income | | 32,764 | 11,845 |
| Share of profit of associates - net | | 228,425 | 1,575,221 |
| Unrealised (loss) on investments at FVTPL | | (1,046,720) | - |
| Net revenue | | 538,735 | 2,608,009 |
| General and administrative expenses | | (718,170) | (579,896) |
| Finance costs | | (7,577) | (17,555) |
| Net (loss) / profit for the period before tax | | (187,012) | 2,010,558 |
| Tax expense | 19 | - | - |
| Net (loss) / profit for the period | | (187,012) | 2,010,558 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Net gain on sale of investments carried at FVTOCI | | 515,358 | - |
| Net change in fair value of investments carried at FVTOCI | | (3,474,500) | (20,185,406) |
| | | (2,959,142) | (20,185,406) |
| Total comprehensive (loss) | | (3,146,154) | (18,174,848) |
| Basic / diluted (loss) / earnings per share | 16 | (0.002) | 0.021 |

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

The independent auditor's review report on these condensed interim financial statements is set out on page 4.

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of changes in equity
For the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

| | Share capital | Reserves | Cumulative changes in fair value of investments carried at FVTOCI | Retained earnings | Total equity |
|---|-------------------|--------------------|---|-------------------|--------------------|
| Balance as at December 31, 2022 (Audited) | 95,040,000 | 139,568,908 | 91,256,954 | 25,860,041 | 351,725,903 |
| Profit for the period | - | - | - | 2,010,558 | 2,010,558 |
| Other comprehensive (loss) | - | - | (20,185,406) | - | (20,185,406) |
| Total comprehensive (loss) for the period | - | - | (20,185,406) | 2,010,558 | (18,174,848) |
| Balance as at March 31, 2023 (Unaudited) | 95,040,000 | 139,568,908 | 71,071,548 | 27,870,599 | 333,551,055 |
| Balance as at December 31, 2023 (Audited) | 95,040,000 | 121,712,319 | 76,202,049 | 62,524,645 | 355,479,013 |
| (Loss) for the period | - | - | - | (187,012) | (187,012) |
| Other comprehensive (loss) / income | - | - | (3,474,500) | 515,358 | (2,959,142) |
| Total comprehensive (loss) for the period | - | - | (3,474,500) | 328,346 | (3,146,154) |
| Transfer on sale of investments at FVTOCI | - | - | (2,915,307) | 2,915,307 | - |
| Balance as at March 31, 2024 (Unaudited) | 95,040,000 | 121,712,319 | 69,812,242 | 65,768,298 | 352,332,859 |

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

The independent auditor's review report on these condensed interim financial statements is set out on page 4.

RAPCO Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of cash flows
For the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

| | Three months period ended March 31, 2024 (Unaudited) | Three months period ended March 31, 2023 (Unaudited) |
|--|---|---|
| Cash flows from operating activities | | |
| Net (Loss) / profit for the period before tax | (187,012) | 2,010,558 |
| <i>Adjustments for:</i> | | |
| Unrealised loss on investments at FVTPL | 1,046,720 | - |
| Share of (profit) of associates | (228,425) | (1,575,221) |
| Depreciation on property, plant and equipment | 1,483 | 24,463 |
| Interest income | (618,656) | (417,079) |
| Provision for employees' end of service benefits | 13,176 | 7,581 |
| Finance costs | 7,577 | 17,555 |
| Gain on sale of investment carried at FVTPL | (146,742) | (200,639) |
| Operating (loss) before changes in operating assets and liabilities | (111,879) | (132,782) |
| <i>(Increase) / decrease in current assets</i> | | |
| Inventories | - | 8,807 |
| Trade and other receivables | 89,493 | 950,164 |
| Due from a related party | (56,923) | 128,405 |
| <i>Increase / (decrease) in current liabilities</i> | | |
| Trade and other payables | (329,126) | (770,458) |
| Due to related parties | 13,191 | - |
| Net cash (used in) / generated from operating activities | (395,244) | 184,136 |
| Employees' end of services benefits paid | (1,086) | (3,661) |
| Finance costs paid | (7,577) | (17,555) |
| Net cash (used in) / generated from operating activities | (403,907) | 162,920 |
| Cash flows from investing activities | | |
| Proceeds from sale of investments carried at FVTOCI | 4,805,578 | - |
| Purchase of investments carried at FVTPL | (13,259,962) | (1,400,000) |
| Proceeds from sale of investments carried at FVTPL | 640,242 | 1,200,639 |
| Purchase of financial assets at amortised cost | (1,423,692) | (2,160,111) |
| Assets at amortised cost matured during the period | 2,266,966 | - |
| Interest income received | 660,309 | 532,185 |
| Proceeds from sale of investment properties | 585,000 | - |
| Net cash (used in) investing activities | (5,725,559) | (1,827,287) |
| Cash flows from financing activities | | |
| Dividend paid | - | - |
| Net cash (used in) financing activities | - | - |
| Net (decrease) in cash and cash equivalents | (6,129,466) | (1,664,367) |
| Cash and cash equivalents, beginning of the period | 10,710,758 | 4,771,652 |
| Cash and cash equivalents, end of the period | 4,581,292 | 3,107,285 |

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

The independent auditor's review report on these condensed interim financial statements is set out on page 4.

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)

1 Legal status and business activities

- 1.1 RAPCO Investment P.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 current 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 which dated 25 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 article of association, however, the name change was effective from 6 June 2023.

- 1.2** The principal activities of the Entity are investment, institution, and management of Commercial Enterprises, Real Estate Enterprises, and Agricultural Enterprises.
- 1.3** The address of the Entity's registered office is in Aljazirah alhamra P.O. Box: 30019, Ras Al Khaimah, United Arab Emirates.
- 1.4** The management is vested with Mr. Raman Garg Mahabir Saran Garg, General Manager, Indian National, under the supervision of the Board of Directors of the Entity.
- 1.5** These condensed interim financial statements incorporate the operating results of the Entity's license no. 302.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity.

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed interim financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2023.

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended December 31, 2023.

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2023.

The condensed result for the three months period ended March 31, 2024 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2024.

The preparation of these condensed interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended December 31, 2023.

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)

2 Basis of preparation (continued)

Implementation of UAE Corporation Tax law and application of IAS 12 Income Taxes

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

As the Entity's accounting year ends on 31 December, the first tax period will be 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The taxable income of the Entity in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Entity generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be settled with the tax authorities

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

As per the Entity's assessment, there is no deferred tax or current tax impact on account of the CT Law in the condensed interim financial statements for the period ended 31 March 2024. However, the Entity will continue to monitor the publication of subsequent decisions and related guidelines, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

3 Material accounting policy information

The material accounting policy information used in the preparation of condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2023. Certain amendments to accounting standards and annual improvements, as disclosed in the Entity's most recent annual financial statements for the year ended December 31, 2023, are applicable to the Entity but do not have any material impact on these condensed interim financial information.

3.1 Critical accounting judgements and key sources of estimation uncertainty

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.

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

4 Property, plant and equipment

During the three months period ended March 31, 2024, additions to property, plant and equipment amounted to AED Nil (December 31, 2023: AED Nil), disposals to property, plant and equipment amounted to AED Nil (December 31, 2023: AED 25,683,660), and depreciation amounted to AED 1,483 (December 31, 2023: AED 99,213).

All property, plant and equipment are located in U.A.E.

5 Investment properties

| | March 31, 2024 | December 31, 2023 |
|---------------|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Plots of land | 51,632,500 | 52,217,500 |
| Buildings | 31,115,500 | 31,115,500 |
| | 82,748,000 | 83,333,000 |

Movements during the period / year are as follows:

| | | |
|---|-------------------|-------------------|
| Balance at the beginning of the period / year | 83,333,000 | 87,370,000 |
| Sale during the period / year | (585,000) | (4,050,000) |
| Gain on revaluation of investment properties | - | 13,000 |
| Balance at the end of the period / year | 82,748,000 | 83,333,000 |

Investment properties comprise the fair value of plots of land and buildings located in the United Arab Emirates. Investment properties are stated at fair value based on a valuation carried out by an independent external valuer as at December 31, 2023.

Management believes that the fair value did not materially change during the three months period ended March 31, 2024 and therefore no further revaluation exercise is performed.

6 Investments in associates

| | Percentage of ownership interest | | March 31, 2024 | December 31, 2023 |
|-------------------------------------|---|-------------|-----------------------|--------------------------|
| | 2024 | 2023 | (Unaudited) | (Audited) |
| Ras Al Khaimah Packaging LTD CO LLC | 50.00% | 50.00% | 6,041,579 | 6,202,590 |
| RAK AMI Hotel FZ-LLC | 27.75% | 27.75% | 66,201,163 | 65,811,727 |
| | | | 72,242,742 | 72,014,317 |

Principal activity of Ras Al Khaimah Packaging LTD CO LLC is manufacturing of carton boxes and containers and wholesale trading of paper.

Principal activity of RAK AMI Hotel FZ-LLC is real estate development construction and Hotel management.

The summarized financial information of associates, accounted for using the equity method, is as follows:

Movement in investments in associates are as follows:

Associate's financial information - Ras Al Khaimah Packaging LTD CO LLC, U.A.E.

| | March 31, 2024 | December 31, 2023 |
|--|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | 6,202,590 | 6,187,705 |
| Share of (loss) / profit for the period / year | (161,011) | 14,885 |
| Balance at the end of the period / year | 6,041,579 | 6,202,590 |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

6 Investments in associates (continued)

Associate's financial information - Ras Al Khaimah Packaging LTD CO LLC, U.A.E. (continued)

The summarised financial information below of Ras Al Khaimah Packaging LTD CO LLC represents amounts shown in its condensed interim financial statements prepared in accordance with IFRS.

| | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|--|---|---|
| Current assets | 19,496,770 | 17,988,272 |
| Non-current assets | 10,072,520 | 10,549,196 |
| Total assets | 29,569,290 | 28,537,468 |
| Current liabilities | 17,067,848 | 10,549,366 |
| Non-current liabilities | 418,284 | 5,582,922 |
| Total liabilities | 17,486,132 | 16,132,288 |
| Net assets | 12,083,158 | 12,405,180 |
| Proportion of Entity's ownership interest in the associate | 50% | 50% |
| Carrying amount of Entity's interest in the associate | 6,041,579 | 6,202,590 |
| | Three months period ended March 31, 2024 (Unaudited) | Three months period ended March 31, 2023 (Unaudited) |
| Revenue for the period | 8,403,551 | 8,035,534 |
| (Loss) / profit for the period | (322,021) | 230,164 |
| Proportion of the Entity's ownership interest in the associate | 50.00% | 50.00% |
| Share in the net (loss) / profit of the associate for the period | (161,011) | 115,082 |

Associate's financial information - RAK AMI Hotel FZ LLC, U.A.E.

| | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|--|---|--|
| Balance at the beginning of the period / year | 65,811,727 | 65,625,605 |
| Share of profit / (loss) for the period / year | 586,980 | (1,620,822) |
| Other movement | (197,544) | 1,806,944 |
| Balance at the end of the period / year | 66,201,163 | 65,811,727 |

The summarised financial information below of RAK AMI Hotel FZ LLC, represents amounts shown in its condensed interim financial statements prepared in accordance with IFRS.

| | | |
|--|--------------------|-------------|
| Current assets | 48,315,923 | 50,875,658 |
| Non-current assets | 502,682,159 | 507,079,763 |
| Total assets | 550,998,082 | 557,955,421 |
| Current liabilities | 16,752,788 | 25,236,638 |
| Non-current liabilities | 295,682,546 | 295,559,406 |
| Total liabilities | 312,435,334 | 320,796,044 |
| Net assets | 238,562,748 | 237,159,377 |
| Proportion of Entity's ownership interest in the associate | 27.75% | 27.75% |
| Carrying amount of Entity's interest in the associate | 66,201,163 | 65,811,727 |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

6 Investments in associates (continued)

Associate's financial information RAK AMI Hotel FZ LLC, U.A.E (continued)

| | Three months period ended March 31, 2024 (Unaudited) | Three months period ended March 31, 2023 (Unaudited) |
|---|---|---|
| Revenue for the period | 33,902,565 | 27,958,825 |
| Profit / (loss) for the period | 2,115,244 | (1,249,747) |
| Proportion of the Entity's ownership interest in the associate | 27.75% | 27.75% |
| Share in the net profit / (loss) of the associate for the period | 586,980 | (346,804) |

7 Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

| | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|----------------------|-------------------------------|--------------------------------|
| Quoted investments | 34,804,685 | 102,776,569 |
| Unquoted investments | 117,809,164 | 57,602,000 |
| | 152,613,849 | 160,378,569 |

The value of the above unquoted investments have not changed from December 31, 2023.

The movements of investments at fair value through Other Comprehensive Income are as follows:

| | | |
|---|-------------|--------------|
| Balance at the beginning of the period / year | 160,378,569 | 181,207,388 |
| Sold during the period / year | (4,290,220) | (7,975,103) |
| Changes in fair value for the period / year | (3,474,500) | (12,853,716) |
| Balance at the end of the period / year | 152,613,849 | 160,378,569 |

The cumulative changes in fair value of investments designated at FVTOCI amounting to AED 69,812,242 as at March 31, 2024 (December 31, 2023: AED 76,202,049) are shown under equity.

8 Financial assets at amortised cost

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

| | | |
|---|-------------|-------------|
| Balance at the beginning of the period / year | 25,113,785 | 26,663,970 |
| Purchases during the period / year | 1,423,692 | 5,785,572 |
| Matured during the period / year | (2,266,966) | - |
| Sold during the period / year | - | (7,267,695) |
| Accrued interest | 387,869 | 1,793,027 |
| Interest received during the period / year | (429,522) | (1,861,089) |
| Balance at the end of the period / year | 24,228,858 | 25,113,785 |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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8 Financial assets at amortised cost (continued)

| | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|--|-------------------------------|--------------------------------|
| The geographical distribution of financial asset is as follows: | | |
| In United Arab Emirates | 24,228,858 | 25,113,785 |

| Sukuk name | Maturity date | Percentage % | Face value AED | Face value USD |
|---------------------------------------|------------------------------|-----------------|----------------|----------------|
| March 31, 2024 | | | | |
| Sukuk name | | | | |
| Dubai Islamic Bank TIER 1 Sukuk 4 LTD | 19-May-26 | 6.25% | 11,019,000 | 3,000,000 |
| Dar Al-Arkan Sukuk | 26-Feb-27 | 8.50% | 3,030,225 | 825,000 |
| Bond name | | | | |
| Black Sea Trade and Development Bank | 25-Jun-24 | 3.50% | 771,330 | 210,000 |
| Kingdom of Bahrain bonds | 20-Sep-47 | 7.50% | 1,524,295 | 415,000 |
| Kingdom of Bahrain bonds | 20-Sep-47 | 7.50% | 771,330 | 210,000 |
| Kingdom of Bahrain bonds | 20-Sep-47 | 7.50% | 734,600 | 200,000 |
| Deutsche Bank bonds | 10-Feb-34 | 7.00% | 771,330 | 210,000 |
| Mashreq Bank bonds | 07-Jul-27 | 8.50% | 1,928,325 | 525,000 |
| Mashreq Bank bonds | 07-Jul-27 | 8.50% | 1,836,500 | 500,000 |
| Standard Chartered Bank bonds | Redeemable on perpetual call | 7.75% | 734,600 | 200,000 |
| Standard Chartered Bank bonds | Redeemable on perpetual call | 7.75% | 1,010,075 | 275,000 |

9 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, "Related party disclosures". Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

| a) Due from a related party | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|--|-------------------------------|--------------------------------|
| Falcon Investments LLC, Affiliate, U.A.E | 56,923 | - |
| | <u>56,923</u> | <u>-</u> |
| b) Due to related parties | | |
| Al Hamra Real Estate Development LLC, Affiliate, U.A.E | 7,073 | - |
| Al Hamra Group LLC, Affiliate U.A.E | 6,118 | - |
| | <u>13,191</u> | <u>-</u> |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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9 Related party transactions (continued)

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

| | Three months period ended March 31, 2024 (Unaudited) | Three months period ended March 31, 2023 (Unaudited) |
|-----------------|---|---|
| Interest income | - | 392,713 |

d) Key management personnel compensations

The compensation of key management personnel is as follows:

| | | |
|----------------------------------|--------|--------|
| Technical committees' allowances | 45,000 | 77,000 |
|----------------------------------|--------|--------|

10 Inventories

| | March 31, 2024 (Unaudited) | December 31, 2023 (Audited) |
|---|-------------------------------|--------------------------------|
| Spare parts and others | - | - |
| Less: Allowance for slow moving inventories | - | - |
| | - | - |

Movement in allowance for slow moving inventories as at reporting date is as follows:

| | | |
|---|---|-------------|
| Balance at the beginning of the period / year | - | 3,616,450 |
| Charge during the period / year | - | 8,807 |
| Written off during the period / year | - | (3,625,257) |
| Balance at the end of the period / year | - | - |

11 Trade and other receivables

| | | |
|--|-----------|-----------|
| Trade receivables | 1,645,691 | 1,637,440 |
| Less: Allowance for expected credit losses | (761,993) | (761,994) |
| | 883,698 | 875,446 |
| Refundable deposits | 172,774 | 235,774 |
| Margin deposit against bank guarantee | 200,000 | 200,000 |
| Prepayments | 32,694 | 36,850 |
| Staff loan and advances | 448 | 2,677 |
| Other receivables | 30,055 | 58,415 |
| | 1,319,669 | 1,409,162 |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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| 12 Investments at fair value through profit or loss (FVTPL) | March 31, 2024 | December 31, 2023 |
|--|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Quoted investments | 22,729,234 | 11,009,492 |
| | 22,729,234 | 11,009,492 |

The movement in investments carried at FVTPL during the period / year are as follows:

| | | |
|---|--------------------|-------------|
| Balance at the beginning of the period / year | 11,009,492 | - |
| Additions during the period / year | 13,259,962 | 18,841,195 |
| Disposals during the period / year | (493,500) | (7,041,413) |
| Change in fair value during the period / year | (1,046,720) | (790,290) |
| Balance at the end of the period / year | 22,729,234 | 11,009,492 |

13 Cash and bank balances

| | | |
|--------------------------|------------------|------------|
| Cash at banks | | |
| Current accounts | 2,492,284 | 1,723,547 |
| Call deposits | 1,089,008 | 1,987,211 |
| Short-term fixed deposit | 1,000,000 | 7,000,000 |
| | 4,581,292 | 10,710,758 |

14 Share capital

Authorised, issued and fully paid:

95,040,000 shares of AED 1 each (2023: 95,040,000 shares of AED 1 each)

| | |
|-------------------|------------|
| 95,040,000 | 95,040,000 |
|-------------------|------------|

15 Reserves

| | March 31, 2024 | December 31, 2023 |
|---|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | 121,712,319 | 139,568,908 |
| Transfer to retained earnings | - | (19,547,271) |
| Transfer to statutory reserve | - | 1,690,682 |
| Balance at the end of the period / year | 121,712,319 | 121,712,319 |

At the general assembly meeting held on April 25, 2023, the shareholders approved the transfer of the voluntary reserve amounting to AED 19,547,272 to the retained earnings for distribution to the shareholders in the future, subject to relevant approvals.

16 Basic / diluted (loss) / earnings per share

| | Three months period ended March 31, 2024 | Three months period ended March 31, 2023 |
|-----------------------------------|---|---|
| | (Unaudited) | (Unaudited) |
| (Loss) / profit for the period | (187,012) | 2,010,558 |
| Weighted average number of shares | 95,040,000 | 95,040,000 |
| Basic earnings per share | (0.002) | 0.021 |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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| | March 31, 2024 | December 31, 2023 |
|---|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| 17 Employees' end of service benefits | | |
| Balance at the beginning of the period / year | 426,630 | 439,933 |
| Add: charge for the period / year | 13,176 | 34,587 |
| Less: paid during the period / year | (1,086) | (47,890) |
| Balance at the end of the period / year | 438,720 | 426,630 |

| | | |
|-------------------------------------|------------------|-----------|
| 18 Trade and other payables | | |
| Trade payables | 257,406 | 185,540 |
| Advances received | 6,303,000 | 6,303,000 |
| Accrued expenses and other payables | 1,040,174 | 1,110,207 |
| Unearned revenue | 130,341 | 162,376 |
| VAT payable-net | 12,898 | 311,822 |
| | 7,743,819 | 8,072,945 |

19 Tax expenses

The Entity has computed its income tax expense for the period in accordance with IAS 34. However, because the Entity incurred a loss during the period, no income tax expense was recognized.

| | March 31, 2024 | December 31, 2023 |
|----------------------------------|-----------------------|--------------------------|
| | (Unaudited) | (Audited) |
| 20 Contingent liabilities | | |
| Letter of guarantee | 200,000 | 200,000 |

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

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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21 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Entity is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

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 condensed interim 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).

March 31, 2024 (Unaudited):

| | Level 1 AED | Level 2 AED | Level 3 AED | Total AED |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------|
| Financial assets: | | | | |
| Investments carried at FVTOCI | | | | |
| Quoted equities | 34,804,685 | - | - | 34,804,685 |
| Unquoted equities | - | - | 117,809,164 | 117,809,164 |
| Financial assets at FVTPL: | | | | |
| Quoted shares | 22,729,234 | - | - | 22,729,234 |
| Non-financial assets: | | | | |
| Investment properties | - | - | 82,748,000 | 82,748,000 |
| | <u>57,533,919</u> | <u>-</u> | <u>200,557,164</u> | <u>258,091,083</u> |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
In Arab Emirates Dirham

21 Fair value measurement (continued)

December 31, 2023 (Audited):

| | Level 1 AED | Level 2 AED | Level 3 AED | Total AED |
|-------------------------------|--------------------|----------------|--------------------|--------------------|
| Financial assets: | | | | |
| Investments carried at FVTOCI | | | | |
| Quoted equities | 102,776,569 | - | - | 102,776,569 |
| Unquoted equities | - | - | 57,602,000 | 57,602,000 |
| Financial assets at FVTPL: | | | | |
| Quoted shares | 11,009,492 | - | - | 11,009,492 |
| Non-financial assets: | | | | |
| Investment properties | - | - | 83,333,000 | 83,333,000 |
| | <u>113,786,061</u> | <u>-</u> | <u>140,935,000</u> | <u>254,721,061</u> |

22 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 FVOCI at March 31, 2024, 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:

| | March 31, 2024 (Unaudited) | | December 31, 2023 (Audited) | |
|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | Change in market prices % | Effect on income statement | Change in market prices % | Effect on income statement |
| Market index | | | | |
| Abu Dhabi Securities Exchange | +5% | 4,750,593 | +5% | 5,592,649 |
| | -5% | (4,750,593) | -5% | (5,592,649) |
| Dubai Financial Market | +5% | - | +5% | 96,655 |
| | -5% | - | -5% | (96,655) |

Notes to the condensed interim financial statements for the three months period ended March 31, 2024 (Unaudited)
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22 Uncertainty related to key estimates (continued)

The effect on condensed interim statement of profit or loss and other comprehensive income as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTPL at March 31, 2024, 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:

| | March 31, 2024 (Unaudited) | | December 31, 2023 (Audited) | |
|-------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | Change in market prices % | Effect on income statement | Change in market prices % | Effect on income statement |
| Market index | | | | |
| Abu Dhabi Securities Exchange | +5% | 1,065,544 | +5% | 505,318 |
| | -5% | (1,065,544) | -5% | (505,318) |
| Dubai Financial Market | +5% | 71,477 | +5% | 45,157 |
| | -5% | (71,477) | -5% | (45,157) |

23 Events after the reporting period

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