GULFA GENERAL INVESTMENT COMPANY P.J.S.C
PUBLIC JOINT STOCK COMPANY AND ITS SUBSIDIARY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

GULFA GENERAL INVESTMENT COMPANY P.J.S.C
PUBLIC JOINT STOCK COMPANY AND ITS SUBSIDIARY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021
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Contents

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gulfa General Investment Company P.J.S.C And Its Subsidiary
Public Joint Stock Company
Ajman - United Arab Emirates

Report on the Audit of the Conolidated Financial Statements

Disclaimer of Opinion

We have audited the accompanying consolidated financial statements of Gulfa General Investment Company P.J.S.C and its subsidiary (together referred to as the "Group") which comprise the consolidated statement of financial position as at December 31, 2021, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on the accompanying consolidated financial statements because we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section, we have not been able to determine whether any adjustments might be necessary to the consolidated financial statements.

Basis for Disclaimer of Opinion

- Included in Note 5 "Investments at fair value through profit or loss" an amount of AED 60,718,542 at the year-end which might be overstated or understated as the revaluation of quoted securities was not done at the year end.
- Included in Note 7 "Cash and cash equivalents" an amount of AED 37,445 at the year-end pertaining to cash at banks for which we did not receive direct bank confirmations from the banks. We were unable to obtain sufficient appropriate audit evidence we consider is necessary to assess whether such cash at banks, including any liability with the banks does exists as of consolidated statement of financial position date.
- Included in Note 11 "Provision for employees' end-of-service indemnity" an amount of AED 676,940 at the year-end and in Note 14 "General and administrative expenses" an amount of AED 372,962 for the year ended pertaining to staff salaries and related benefits for which we were not able to verify staff salaries and were not able to obtain sufficient appropriate audit evidence of their existence.
- Included in Note 12 "Bank overdrafts" an amount of AED 3,759,798 at the year-end which might be understated as the interest charges for the last 3 months' period of 2021 were not booked.
- Included in Note 13 "Trade and other payables" an amount of 172,556 pertaining to Dividends payable related to the shareholders of year 2015 or before; for which we were unable to obtain sufficient appropriate audit evidence.
- There are some legal cases for/against the Group as mentioned in Note 18 "Litigation" which were not communicated to us and we have no idea that the resolution or conclusion of those legal cases will result in how much amount to be received/paid which will have any impact on these consolidated financial statements.

We were unable to identify the overall impact of the above matters on the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2021.

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

Other Matter

- The consolidated financial statements for the comparative year ended on Decemer 31, 2020 were audited by another auditor, who expressed an unqualified opinion for the consolidated financial statements on March 14, 2021.
- The standalone audited financial statements for the subsidiaries are not available as at the date of the audit report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements for the current year. There were no key audit matter identified in our audit of the consolidated financial statements of the Group during the year.

Other Information

The Directors are responsible for the other information. The other information comprises of the Directors' report (but does not include the consolidated fincancial statements and our auditor's report thereon).

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

In conncetion with our audit of the consolidated financial statements, our responsiility is to read the other information identified above and, in doing so, consider where the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted in United Arab Emirates and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above, the Group has maintained proper books of account;
- We have sought and, except for the possible effects of the matters described in the *Basis for Disclaimer of Opinion* paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law no. (32) of 2021, and the Group's Articles of Association;
- The matters described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- The Board of Driector's office remained vacant from October 1, 2021. During this tenure, there was no active employee and no authorized signatrories were available to represent the Group.
- Due to the fact discussed above; Directors' report was not prepared.
- As stated in Note (5), the Group has purchased or invested in shares of stocks during the year ended December 31, 2021; and
- Based on the information that has been made available to us and to the best of our knowledge and belief, except for the matter discussed above and in Note (9), nothing has come to our attention which casues us to believe that the Group has contravened during the financial year ended December 31, 2021 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at December 31, 2021.

Eyad Samara
Registration No.: 1249
Rödl Middle East
Certified Public Accountants

September 5, 2024
Sharjah – United Arab Emirates

Exhibit – A

GULFA GENERAL INVESTMENTS COMPANY P.J.S.C AND ITS SUBSIDIARY
PUBLIC JOINT STOCK COMPANY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2021**	December 31, 2020
Assets			
Current assets			
Investments at fair value through profit or loss	5	**60,718,542**	42,113,040
Deposits, prepayments and other assets	6	**63,108**	50,601
Cash and cash equivalents	7	**38,083**	54,456
Total current assets		**60,819,733**	42,218,097
Total Assets		**60,819,733**	42,218,097
Equity and Liabilities			
Shareholders' Equity			
Share capital	8	**40,000,000**	40,000,000
Statutory reserve	9	**7,661,053**	5,887,566
General reserve	10	**234,067**	234,067
Retained earnings (losses)		**6,900,352**	(9,061,027)
Total shareholders' equity		**54,795,472**	37,060,606
Non-current liability			
Provision for employees' end-of-service indemnity	11	**676,940**	652,868
Current liabilities			
Bank overdraft	12	**3,759,798**	3,348,673
Trade and other payables	13	**1,587,523**	1,155,950
Total current liabilities		**5,347,321**	4,504,623
Total liabilities		**6,024,261**	5,157,491
Total Sareholders' Equity and Liabilities		**60,819,733**	42,218,097

Signed by and on behalf of the Board of Directors:

Dahi Yousef Ahmed Al Mansouri
Vice Chairman and Managing Director

Louay Al Dahan
Chairman of the Audit Committee

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

Exhibit – B

GULFA GENERAL INVESTMENTS COMPANY P.J.S.C AND ITS SUBSIDIARY
PUBLIC JOINT STOCK COMPANY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2021**	December 31, 2020
Continuing operations			
General and administrative expenses	14	**(573,095)**	(398,727)
Gain on financial instruments at FVTPL	5	**16,273,825**	17,373,812
Gain on sale of financial instruments		**2,028,889**	196,457
(Loss) on sale of investment property		**-**	(15,196,500)
Finance cost		**(108,338)**	(45,812)
Other income		**113,585**	23,653
Profit from continuing operations for the year		**17,734,866**	1,952,883
Discontinued operations			
(Loss) on discontinued operations		**-**	(3,817,913)
Disposal of a subsidiary – business segment			
(Loss) on disposal of a subsidiary		**-**	(3,225,269)
Net profit (loss) for the year		**17,734,866**	(5,090,299)
Other comprehensive income		**-**	-
Total comprehensive income (loss) for the year		**17,734,866**	(5,090,299)
Basic earnings / (losses) per share	17	**0.443**	(0.127)

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

Exhibit – C

GULFA GENERAL INVESTMENTS COMPANY P.J.S.C AND ITS SUBSIDIARY
PUBLIC JOINT STOCK COMPANY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(All amounts are in U.A.E. Dirham)

	Share capital	Statutory reserve	General reserve	Retained (losses) /earnings	Total
Balance at December 31, 2019	30,000,000	5,887,566	234,067	(3,970,728)	32,150,905
Capital contribution	10,000,000	-	-	-	10,000,000
Total comprehensive (loss) for the year	-	-	-	(5,090,299)	(5,090,299)
Balance at December 31, 2020	40,000,000	5,887,566	234,067	(9,061,027)	37,060,606
Total comprehensive income for the year	-	-	-	17,734,866	17,734,866
Transfer to statutory reserve	-	1,773,487	-	(1,773,487)	-
Balance at December 31, 2021	**40,000,000**	**7,661,053**	**234,067**	**6,900,352**	**54,795,472**

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

Exhibit – D

GULFA GENERAL INVESTMENTS COMPANY P.J.S.C AND ITS SUBSIDIARY
PUBLIC JOINT STOCK COMPANY
AJMAN - UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021
(All amounts are in U.A.E. Dirham)

	December 31, 2021	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) for the year	**17,734,866**	(5,090,299)
Adjustment for:		
Depreciation on property, plant and equipment	**-**	1,242,625
Amortization on intangible assets	**-**	15,162
Finance cost	**108,338**	45,812
Provision for employees' end of service benefits	**24,072**	33,436
Loss on sale of investment property	**-**	15,196,500
Loss on disposal of a subsidiary – business segment	**-**	3,225,269
(Gain) on sale of financial instruments	**(2,028,889)**	(196,457)
(Gain) on financial instruments at FVPL	**(16,273,825)**	(11,449,518)
Operating (loss) profit before working capital changes	**(435,438)**	3,022,530
Changes in working capital		
Change in inventories	**-**	140,510
Change in trade receivables	**-**	69,457
Change in deposits, prepayments and other assets	**(12,507)**	(145,532)
Change in trade and other payables	**431,573**	(1,151,280)
Cash (used in) generated from operating activities	**(16,372)**	1,935,685
Employees' end of service indemnity payment	**-**	(13,381)
Net cash (used in) generated from operating activities	**(16,372)**	1,922,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiary – business segment	**-**	5,000,000
Purchase of financial instruments at FVPL	**(47,028,847)**	(42,286,830)
Proceeds from sale of financial instruments at FVPL	**46,726,059**	11,819,765
Proceeds from sale of investment property	**-**	10,000,000
Net cash (used in) investing activities	**(302,788)**	(15,467,065)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution	**-**	10,000,000
Finance cost	**(108,338)**	(45,812)
Bank overdraft	**411,125**	3,348,673
Net cash generated from financing activities	**302,787**	13,302,861
Net (decrease) in cash and cash equivalents	**(16,373)**	(241,900)
Cash and cash equivalents at the beginning of the year	**54,456**	296,356
Cash and cash equivalents at the end of the year	**38,083**	54,456

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

1- LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulfa General Investments Company is a Public Joint Stock Company, registered and operating under License Number 1672 in Ajman. The registered address of the Company is Ajman, with the P.O. Box number 929.

The activities of the Company are as follows:

- Commercial Enterprises Investment, Institution and Management;
- Industrial Enterprises Investment, Institution and Management;
- Agricultue Enterprises Investment, Institution and Management;
- Sport Enterprises Investment, Institution and Management; and
- Education Services Enterprises Investment, Institution and Management.

The consolidated finacial statements include the performance and financial position as of December 31, 2021 of the Company and its subsidiary (the "Group") as below;

Subsidiary	Activity	Ownership	Country
Gulfa Investment L.L.C.	• Investment in commercial enterprise & management • Investment in water enterprises & development • Investment in industrial enterprises & management • Investment in retail trade enterprises & management	100%	UAE

2- BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and U.A.E. Company Law.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investment properties, certain equity financial assets that have been measured at fair value.

c) Functional and presentation currency

These financial statements are presented in UAE Dirham, which is the Group's functional currency, unless otherwise indicated.

d) Use of estimates and judgments

In preparing these financial statements, management has made estimates and judgment that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impact of COVID -19
In March 2020, COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across the globe. The local government system in UAE has announced various measures to support businesses to mitigate possible adverse impact due to the pandemic. The Group continues to monitor the situation and the Group's management have taken measures to continue the operations with minimal disruptions and also have risk management plans in place to manage potential disruptions in the future.

Due to the prevailing uncertain situation, the Group management have revisited its judgements, estimates and risk management objectives and have considered the potential impacts of the current volatility in determining the reported amounts of the Group's financial and non-financial assets as at December 31, 2021.

Going concern
Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net asset (equity), working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

The Group continues to monitor the situation closely and the Group's management have taken measures to manage potential business disruptions from COVID -19 that may have on the Group's operations and financial performance in the future.

Provision for employees' end of service benefits
Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the UAE Federal Labour Law No. (8) Of 1980. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

e) Newly effective standard and amendments and improvements to standards
Several amendments apply for the first time from January 1, 2021, but do not have an impact on the financial statements of the Group. The Group has early adopted the amendments to IFRS 16 on, 'Covid-19-Related Rent Concessions'. The nature and effect of the changes as a result of adoption of this amendment is described below. Apart from this the Group has not early adopted any standard, interpretation or amendment that have been issued but are not yet effective.

- Amendments to IFRS 16 on, 'Covid-19-Related Rent Concessions'.

The amendment is effective for annual reporting periods beginning on or after June 1, 2021 and the Group has early adopted this amendment in these financial statements.

As per the amendment lessee's are currently required to assess whether rent concessions are lease modifications and, if they are, apply specific accounting guidance. Accordingly, when the scope of a lease increases and the consideration changes commensurately, a separate lease exists and IFRS 16 requires that any modification be considered a new lease, and that any remaining prepayments and accruals are included in the accounting for this new lease. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.

Early adoption of this amendment did not result in any changes to previously reported net profit or equity of the Group.

Other amendments to standards that are effective as of January 1, 2021;

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 on 'Interest rate benchmark reform (IBOR)'
- Amendments to IAS 39 on 'Interest rate benchmark reform (IBOR)'

The adoption of the above did not result in any changes to previously reported net profit or net assets of the Group.

New and amended standards not yet effective, but available for early adoption

The below new and amended IFRS that are available for early adoption for financial year ended December 31, 2021 are not effective until a later period, and they have not been applied in preparing these financial statements.

Adoption not expected to impact the Group's financial statements

Effective date	Description
January 1, 2022	• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) • Annual Improvements to IFRS Standards 2018–2020 (IFRS 1, IFRS 9, IFRS 16 and IAS 41) • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Reference to the Conceptual Framework (Amendments to IFRS 3) • Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 percent' test for derecognition of financial liabilities (Amendments to IFRS 9)
January 1, 2023	• IFRS 17 'Insurance Contracts' including amendments to IFRS 17. • Classification of Liabilities as Current or Non-current (Amendments to IAS 1) • Expiry date of the deferral approach (Amendments to IFRS 4 – Insurance Contracts) • Disclosure of accounting policies (Amendments to IAS 1) • Definition of accounting estimates (Amendments to IAS 8) • Deferred tax on leases and decommissioning obligations (Amendments to IAS 12)

3- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements are set out below:

3.1. Current versus non-current classification

The Group presents assets and liabilities 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;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3.2. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Non-derivative financial assets and financial liabilities – initial recognition and derecognition

The Group classified its non-derivative financial assets, at initial recognition, as subsequently measured at amortized cost (trade and other receivables, cash and cash equivalents and due from related parties). The Group classifies its non-derivative financial liabilities into the other financial liabilities category (trade and other payables and due to related parties).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets that do not meet the criteria for being measured at amortized cost for FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Establishment is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

At amortized cost

These assets are initially recognized at fair value plus any directly attributable transaction costs. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

Non-derivative financial liabilities – measurement

Other financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs. Other financial liabilities are subsequently measured using the EIR method. Gains and losses are recognized in statement of profit or loss and other comprehensive income when the asset is derecognized or modified.

3.3. Impairment

At each balance sheet date, the Group assesses if there is any objective evidence indicating impairment of financial and non financial assets. If such evidence exists, an impairment loss is calculated as a difference between the carrying amount and recoverable amount and the same is recognized in the Income Statement. The Group assesses if there is any indication that impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversal is recognized immediately in Income Statement.

3.4. Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods received, whether or not billed to the Group.

3.5. Provisions

A provision is recognised when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Group will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting to present value the future expenditures expected to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

3.6. Foreign currency transactions and balances

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the 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. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

3.7. Revenues

The Group reconises revenue from contracts with customers based on a five step model as set out in IFRS 15:

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract.: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behlaf of third parties.
4. Allocatate the transaction price to performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each perfoamce obligation.
5. Recongise revenue when (or as) the entity satifies a performance obligation at a point in time or over time.

3.8. Expenses recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

3.9. Cash and Cash equivalents

Cash and cash equivalents for the purpose of preparing the statement of cash flows comprise cash in hand, at banks and short-term bank deposits.

4- FINANCIAL RISK

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The carrying amount of financial assets represents the maximum credit exposure.

	December 31, 2021	December 31, 2020
Deposits, prepayments and other assets	**60,950**	50,601
Cash at bank	**37,445**	53,468
	98,395	104,069

Cash at bank

The Group's cash at bank is held with banks that are independently rated by credit rating agencies. These deposits are held with credit worthy and reputable banks with high credit ratings. As a result, Management believes that credit risk in respect of these balances is minimal.

Accounts and other receivables

The Group limits its exposure to credit risk from accounts and other receivables by:

- evaluating the creditworthiness of each counter-party prior to entering into contracts;
- establishing sale limits for each customer, which are reviewed regularly;
- establishing maximum payment periods for each customer, which are reviewed regularly; and
- periodically reviewing the collectability of its receivables for identification of any impaired amounts.

As a result of the above, management believes that there is no significant credit risk on its other receivables as presented on the statement of financial position.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date. The Group's financial liabilities do not bear any interest.

The following is maturity table for the financial liabilities as of December 31, 2021:

	From 3 months to 1 year	**From 1 to 5 years**	**More than 5 years**	**Total**
Liabilities				
Trade and other payables	1,587,523	-	-	1,587,523
Bank overdraft	3,759,798	-	-	3,759,798
Total liabilities	**5,347,321**	**-**	**-**	**5,347,321**

The following is maturity table for the financial liabilities as of December 31, 2020:

	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
Liabilities				
Trade and other payables	1,155,950	-	-	1,155,950
Bank overdraft	3,348,673	-	-	3,348,673
Total liabilities	**4,504,623**	**-**	**-**	**4,504,623**

Market risks
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Foreign currencies risks arise from transactions with foreign currencies. The Group manages these risks by setting limits on transaction with other foreign currencies and counterparty and limiting its transaction business in major currencies with reputable counterparties.

Interest rate risk
Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest-bearing assets and liabilities. The Group has some insignificant fair value interest rate risk arising from the fact that its cash held in bank current accounts earn no interest.

b) Capital management
The Group objectives when managing capital are:
- To safeguard the Group's ability to continue as a going concern to be able to provide returns for shareholders and benefits for other beneficiaries, and,
- To maintain optimal returns to shareholders by pricing its products and services commensurately with risk level

The Group determines capital that is adequate for risks and manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics related to assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of profits paid to shareholders or sell assets to reduce debt.

c) Fair value measurement
Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". The carrying value of the Group financial instruments as recorded could therefore be different from the fair value. However, in management's opinion the fair values of the Group financial assets and liabilities approximate to their carrying amounts, except for investment in shares.

Fair value hierarchy:
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: 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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair value of the financial assets and liabilities of the Group approximate their carrying values.

d) Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

5- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2021	December 31, 2020
Quoted securities	**60,718,542**	42,113,040

The movement in the investments at fair value through profit or loss during the year is as follows:

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**42,113,040**	-
Additions during the year	**47,028,847**	42,286,830
Disposals during the year	**(44,697,170)**	(11,623,308)
Gain on change in fair value	**16,273,825**	11,449,518
Balance at the end of the year	**60,718,542**	42,113,040

6- DEPOSITS, PREPAYMENTS AND OTHER ASSETS

	December 31, 2021	December 31, 2020
Deposits	**1,600**	-
Prepayments	**2,158**	-
Value added tax (VAT) - net	**59,350**	50,601
	63,108	50,601

7- CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash at banks	**37,445**	53,468
Short term deposits	**638**	988
	38,083	54,456

8- SHARE CAPITAL

The Group’s paid-up capital is AED 40,000,000 comprises of 40 million shares with nominal value AED 1 each. All shares were paid in cash.

9- STATUTORY RESERVE

In accordance with the articles of association of the Group in line with the provisions of United Arab Emirates Federal Law No. (2) of 2015, the Group is required to contribute 10% of the profit for the year to the statutory reserve until such time, till it equals to 50% of the share capital of the Group. This reserve is not available for distribution.

10- GENERAL RESERVE

In compliance with the Group's Articles of Association, the Board of Directors determine a percentage of net profit to be transferred to general reserves. The transfer may be stopped by an ordinary resolution adopted by the Group as recommended by the Board of Directors. There are no restrictions on distributions from the general reserves.

11- PROVISION FOR EMPLOYEES' END OF SERVICE INDEMNITY

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**652,868**	1,593,335
Charged during the year	**24,072**	33,436
Payments during the year	**-**	(13,381)
Written off during the year	**-**	(960,522)
Balance at the end of the year	**676,940**	652,868

12- BANK OVERDRAFT

	December 31, 2021	December 31, 2020
Bank overdraft	**3,759,798**	3,348,673

The Group has bank overdraft facility to buy additional securities under investments at fair value through profit or loss (FVTPL) from Liechtensteinische Landesbank AG, a foreign bank with interest rate of 3.94% per annum with terms of payment as agreed with the bank.

13- TRADE AND OTHER PAYABLES

	December 31, 2021	December 31, 2020
Trade payables	**12,038**	-
Accrued expenses	**499,667**	280,000
Dividends payable	**812,484**	812,484
Employee benefits	**31,605**	63,466
Others	**231,729**	-
	1,587,523	1,155,950

14- GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2021	December 31, 2020
Salaries and related benefits (Note 15)	**372,962**	242,825
Professional and legal fees	**89,241**	95,000
Capital right issue	**84,443**	60,000
Rent	**20,000**	-
Others	**6,449**	902
	573,095	398,727

15- SALARIES AND RELATED BENEFITS

	December 31, 2021	December 31, 2020
Number of employees at year end	**1**	16
Salaries and wages	**300,000**	145,000
End of service benefits	**24,072**	97,825
Vacation allowance	**25,890**	-
Other allowances	**23,000**	-
	372,962	242,825

16- CONTINGENCIES AND COMMITMENTS

	December 31, 2021	December 31, 2020
Letter of guarantee	**300,000**	300,000

17- BASIC EARNINGS / (LOSSES) PER SHARE

	December 31, 2023	December 31, 2022
Profit / (Loss) for the year	**17,734,866**	(5,090,299)
Average number of ordinary shares	**40,000,000**	40,000,000
Basic earnings / (losses) per share	**0.443**	(0.127)

18- LITIGATION

As per the management; some legal cases were filed for/against the Group under previous name “Gulfa Mineral Water and Processing Industries Co. P.L.C.”. However, as per the management and sale of factory agreement note, the Group would carry no liability filed under the previous name.

19- CORRESPONDING FIGURES

The corresponding figures have been re arranged for better presentation where necessary. However, no major reclassification has been made during the year.

20- SUBSEQUENT EVENTS

- The Company “Gulfa General Investment Company PJSC” got delisted on the Abu Dhabi Securities Exchange (ADX) on 15th of December 2023.

Except for the matter discussed above, there were no significant events after the reporting date, which have a bearing on these consolidated financial statements.

21- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issuance on September 4, 2024.