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

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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 Consolidated 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, 2023, the 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 25,904 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 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 were not recorded since October 2021.
- 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 16 "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, 2023.

Independent Auditor's Report for Gulfa General Investments Company P.J.S.C and its Subsidiary for the year ended December 31, 2023 (continued)

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 audit opinion.

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 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.

The management is 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 the management 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.

Independent Auditor's Report for Gulfa General Investments Company P.J.S.C and its Subsidiary for the year ended December 31, 2023 (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal 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;
- New Board of Directors were appointed consisting of total 7 no. of individuals and certified by the Securities and Commodities Authority (SCA) on August 11, 2023.
- 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, nothing has come to our attention which casues us to believe that the Group has contravened during the financial year ended December 31, 2023 any of the applicable provisions of the UAE Federal 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, 2023.

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, 2023
(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2023**	December 31, 2022
Assets			
Current assets			
Investments at fair value through profit or loss	5	**60,718,542**	60,718,542
Deposits, prepayments and other assets	6	**77,275**	61,591
Cash and cash equivalents	7	**26,542**	34,356
Total current assets		**60,822,359**	60,814,489
Total Assets		**60,822,359**	60,814,489
Equity and Liabilities			
Shareholders' Equity			
Share capital	8	**40,000,000**	40,000,000
Statutory reserve	9	**7,661,053**	7,661,053
General reserve	10	**234,067**	234,067
Retained earnings		**6,703,869**	6,785,147
Total shareholders' equity		**54,598,989**	54,680,267
Non-current liability			
Provision for employees' end-of-service indemnity	11	**676,940**	676,940
Current liabilities			
Bank overdraft	12	**3,759,798**	3,759,798
Trade and other payables	13	**1,786,632**	1,697,484
Total current liabilities		**5,546,430**	5,457,282
Total liabilities		**6,223,370**	6,134,222
Total Shareholders' Equity and Liabilities		**60,822,359**	60,814,489

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, 2023
(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2023**	December 31, 2022
General and administrative expenses	14	**(81,278)**	(115,205)
Net (loss) for the year		**(81,278)**	(115,205)
Other comprehensive income		**-**	-
Total comprehensive (loss) for the year		**(81,278)**	(115,205)
Basic (losses) per share	15	**(0.002)**	(0.003)

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

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, 2023

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

	Share capital	Statutory reserve	General reserve	Retained earnings	Total
Balance at December 31, 2021	40,000,000	7,661,053	234,067	6,900,352	54,795,472
Total comprehensive (loss) for the year	-	-	-	(115,205)	(115,205)
Balance at December 31, 2022	40,000,000	7,661,053	234,067	6,785,147	54,680,267
Total comprehensive (loss) for the year	-	-	-	(81,278)	(81,278)
Balance at December 31, 2023	**40,000,000**	**7,661,053**	**234,067**	**6,703,869**	**54,598,989**

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

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, 2023
(All amounts are in U.A.E. Dirham)

	December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the year	**(81,278)**	(115,205)
Adjustment for non cash items	**-**	-
Operating (loss) before working capital changes	**(81,278)**	(115,205)
Changes in working capital		
(Increase)/ decrease in deposits, prepayments and other assets	**(15,684)**	1,517
Increase in trade and other payables	**89,148**	109,961
Net cash (used in) operating activities	**(7,814)**	(3,727)
Net (decrease) in cash and cash equivalents	**(7,814)**	(3,727)
Cash and cash equivalents at the beginning of the year	**34,356**	38,083
Cash and cash equivalents at the end of the year	**26,542**	34,356

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts are in U.A.E. Dirham unless otherwise stated)

1- LEGAL STATUS AND PRINCIPAL ACTIVITIES

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

The activities of the Group 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, 2023 of the Company and its subsidiary (the “Group”) as below;

Subsidiary	Activity	Ownership	Nationality
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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are as follows:

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.

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) 1. New and amended IFRS Accounting Standards that are effective for the current year
In the current year, there is a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

2. New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

- Amendments to IFRS 10 and IAS 28 _ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 _ Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 _ Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 _ Supplier Finance Arrangements
- Amendments to IFRS 16 _ Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.
The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

- **Amendments to IAS1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

- **Amendments to IAS1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

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

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

  The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

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

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

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

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

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

- **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.
The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

3- MATERIAL ACCOUNTING POLICY INFORMATION

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 consolidated financial statements of the Group, transactions in currencies other than the Group’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the 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, 2023	December 31, 2022
Cash at banks	**25,904**	33,718
Deposits, prepayments and other assets	**77,275**	61,591
Short term deposits	**638**	638
	103,817	95,947

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, 2023:

	From 3 months to 1 year	**From 1 to 5 years**	**More than 5 years**	**Total**
Liabilities				
Trade and other payables	1,786,632	-	-	1,786,632
Bank overdraft	3,759,798	-	-	3,759,798
Total liabilities	**5,546,430**	**-**	**-**	**5,546,430**

The following is maturity table for the financial liabilities as of December 31, 2022:

	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
Liabilities				
Trade and other payables	1,697,484	-	-	1,697,484
Bank overdraft	3,759,798	-	-	3,759,798
Total liabilities	**5,457,282**	**-**	**-**	**5,457,282**

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 owner and benefits for other beneficiaries, and,
- To maintain optimal returns to owner 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, 2023	December 31, 2022
Quoted securities	**60,718,542**	60,718,542

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

	2023	2022
Balance at the beginning of the year	**60,718,542**	60,718,542
Additions during the year	**-**	-
Disposals during the year	**-**	-
Gain on change in fair value	**-**	-
Balance at the end of the year	**60,718,542**	60,718,542

6- DEPOSITS, PREPAYMENTS AND OTHER ASSETS

	December 31, 2023	December 31, 2022
Deposits	**1,600**	1,600
Prepayments	**15,336**	-
Value added tax (VAT) - net	**60,339**	59,991
	77,275	61,591

7- CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash at banks	**25,904**	33,718
Short term deposits	**638**	638
	26,542	34,356

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.

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(All amounts are in U.A.E. Dirham unless otherwise stated)

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. (32) of 2021, the Group is required to contribute 10% of the profit for the year until such time, till it equals to 50% of the share capital of 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

	2023	2022
Balance at the beginning of the year	**676,940**	676,940
Charged during the year	**-**	-
Payments during the year	**-**	-
Written off during the year	**-**	-
Balance at the end of the year	**676,940**	676,940

12- BANK OVERDRAFT

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, 2023	December 31, 2022
Trade payables	**97,288**	54,558
Accrued expenses	**1,352,151**	1,362,248
Employee benefits	**31,605**	31,605
Others	**305,588**	249,073
	1,786,632	1,697,484

14- GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2023	December 31, 2022
Professional and legal fee	**31,878**	32,255
Capital right issue	**18,500**	59,400
Rent	**20,000**	20,000
Others	**10,900**	3,550
	81,278	115,205

15- BASIC (LOSSES) PER SHARE

	December 31, 2023	December 31, 2022
(Loss) for the year	**(81,278)**	(115,205)
Average number of ordinary shares	**40,000,000**	40,000,000
Basic (losses) per share	**(0.002)**	(0.003)

16- 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.

17- SUBSEQUENT EVENTS

There were no significant events after the reporting date, which have a bearing on these consolidated financial statements.

18- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

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