UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS
DECEMBER 31, 2022
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS
DECEMBER 31, 2022
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

Contents

Independent Auditor's Report

	Exhibit
Statement of financial position	A
Statement of profit or loss	B-1
Statement of other comprehensive income	B-2
Statement of changes in shareholders' equity	C
Statement of cash flows	D

	Page
Notes to the financial information	1 - 22

Rödl Middle East

Independent Auditor's Report

The Shareholders
Umm Al Qaiwain General Investments Company
Public Shareholding Company
Umm Al Qaiwain - United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Umm Al Qaiwain General Investments Company (the "Company") which comprise the statement of financial position as at December 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 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 significance in our audit of the financial statements of the current year. These matters were addressed on the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Investment property

The company owns a Land in Umm Al Qaiwain which is reclassified to Invesmtnet property during the year. The Investments property is stated at fair value.
The Investments property has been considered as an important audit matter for its materiality and the audit procedures as follows:

1) An evaluation was obtained from Umm Al Qaiwain municipality.
2) The difference between the carrying value and the value after the revaluation has been verified.
3) The difference between the carrying value of the property and its fair value has been treated.

Independent Auditor's Report for Umm Al Qaiwain General Investments Company for the year ended December 31, 2022 (continued)

Valuation of investment at fair value through other comprehensive income (FVTOCI)

The company possesses investment in securities comprised of quoted and unquoted investment carried at fair value through other comprehensive income (FVTOCI). The valuation of quoted investments is arrived at by reference to the quoted bid prices in an active market, while unquoted investments were valued based on less active parallel market prices.

Investments at fair value through other comprehensive income (FVTOCI) are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in cumulative changes in fair value reserve.

We consider the above investments at fair value through other comprehensive income (FVTOCI) a key matter due to the materiality of investments and inconsistency and fluctuation in quoted bid prices in an active market and the following are the audit procedures that we performed:

- We obtained the list of all quoted investments carried at FVTOCI and tested it for accuracy.
- We verified the fair market values of all quoted investments with quoted active bid prices in stock exchange in which they are listed.
- We verified changes in fair value reserve of investments carried at FVTOCI and accumulated in the cumulative changes in fair value reserve.
- We also assessed the adequacy of the company's disclosures in the financial statements for the re-measurement of quoted investments carried at FVTOCI and its related changes in fair value.
- The fair value of unquoted investments has been verified and matched with prices derived from parallel market.

Other Information

Management is responsible for the other information. Other information consists of information included in the company's report of 2022, other than the financial statements and our auditors' report thereon. We obtained the report of the Board of Directors, prior to the date of our auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read and other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is a material statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

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

The management is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to 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 financial statements.

Independent Auditor's Report for Umm Al Qaiwain General Investments Company for the year ended December 31, 2022 (continued)

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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Report on other legal and regulatory requirements

As required by UAE Federal Law No. (32) of 2021 we report that:

1. We have obtained all the information and explanation we considered necessary for our audit.
2. The financial statements comply, in all material respect with the applicable provisions of UAE Federal Law No. (32) of 2021 and the Articles of Association of the Company.
3. The Company has maintained proper books of accounts.
4. The financial information included in the Directors' report is consistent with the books of account of the Company.
5. Transactions and term with related parties disclosed in Note 22.
6. Investments and shares purchased by the Company during the current year disclosed in Note 6.
7. The Social Contribution made during the year disclosed in Note 23.
8. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended December 31, 2022 any of the applicable provisions of UAE Federal Law No. (32) of 2021 or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

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

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ا.ع.م.
U.A.E.
Rödl Middle East

11 March 2023

Sharjah - U.A.E.

Exhibit - A

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

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

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Investment property	5	**213,426,340**	330,925,540
Investments at fair value through other Comprehensive income (FVTOCI)	6 (A)	**218,773,167**	261,020,220
Total non-current assets		**432,199,507**	591,945,760
Current assets			
Investments at fair value through profit or loss (FVTPL)	6 (B)	**251,905,619**	219,890,521
Accounts and other receivables	7	**243,236**	1,539,928
Cash and cash equivalent	8	**4,465,871**	15,155,147
Total current assets		**256,614,726**	236,585,596
Total assets		**688,814,233**	828,531,356
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9(A)	**363,000,000**	363,000,000
Legal reserve	9(B)	**49,852,078**	44,904,118
Investments revaluation reserve-FVTOCI	9(C)	**(67,526,842)**	(62,165,969)
Lands revaluation reserve	10	**179,586,655**	297,085,855
Retained earnings		**74,829,110**	54,624,128
Total shareholders' equity		**599,741,001**	697,448,132
Non-current liabilities			
Provision for indemnity	11	**767,831**	747,214
Total non-current liabilities		**767,831**	747,214
Current liabilities			
Accounts and other payables		**50,581,632**	47,508,208
Bank overdraft	12	**37,723,769**	82,827,802
Total current liabilities		**88,305,401**	130,336,010
Total liabilities		**89,073,232**	131,083,224
Total shareholder's equity and liabilities		**688,814,233**	828,531,356

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

SALEM ABDULLA SALEM AL HOSANI

MANAGING DIRECTOR

AHMAD SULTAN ESSA AL JABER

DEPUTY CHAIRMAN

Exhibit – B-1

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2022**	December 31, 2021
Revenues			
Profit from investment in shares	13	**41,883,281**	34,643,243
Changes in fair value of investment at FVTPL	6 (B)	**15,260,339**	30,547,404
Other income	14	**4,370**	8,246
Total revenues		**57,147,990**	65,198,893
Expenses and other charges			
Finance costs		**2,930,034**	1,771,581
General and administration expenses	15	**4,738,361**	4,095,484
Total expenses and other charges		**(7,668,395)**	(5,867,065)
Net profit for the year		**49,479,595**	59,331,828
Basic earnings per share	16	**0.136**	0.163

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

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

	Notes	**December 31, 2022**	December 31, 2021
Net profit for the year		**49,479,595**	59,331,828
Other comprehensive income for the year			
Changes in fair value of investments at FVTOCI	6 (A)	**(10,134,615)**	11,626,272
Profit from sale of investments at FVTOCI		**3,577,089**	3,774,894
Land revalution		**(117,499,200)**	-
Total other comprehensive income (loss) profit		**(124,056,726)**	15,401,166
Total comprehensive (loss) profit for the year		**(74,577,131)**	74,732,994

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

Exhibit - C

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

	Share capital	Legal reserve	Investments revaluation reserve-FVTOCI	Land revaluation reserve	Retained earnings	Total
Balance at December 31, 2020	363,000,000	38,970,935	(82,032,136)	297,085,855	25,190,484	642,215,138
Net profit for the year	-	-	-	-	59,331,828	59,331,828
Other comprehensive (loss)	-	-	11,626,272	-	3,774,894	15,401,166
Total comprehensive (loss) for the year	-	-	11,626,272	-	63,106,722	74,732,994
Dividends distribution	-	-	-	-	(18,150,000)	(18,150,000)
Board of director's remuneration	-	-	-	-	(1,350,000)	(1,350,000)
Transfer to retained earnings on sale of investment at FVTOCI	-	-	8,239,895	-	(8,239,895)	-
Transfer to legal reserve	-	5,933,183	-	-	(5,933,183)	-
Balance at December 31, 2021	363,000,000	44,904,118	(62,165,969)	297,085,855	54,624,128	697,448,132
Net profit for the year	-	-	-	-	49,479,595	49,479,595
Other comprehensive income	-	-	(10,134,615)	-	3,577,089	(6,557,526)
Land Revaluation -Note (5)	-	-	-	(117,499,200)	-	(117,499,200)
Total comprehensive income for the year	-	-	(10,134,615)	(117,499,200)	53,056,684	(74,577,131)
Dividends distribution	-	-	-	-	(21,780,000)	(21,780,000)
Board of director's remuneration	-	-	-	-	(1,350,000)	(1,350,000)
Transfer to retained earnings on sale of investment at FVTOCI	-	-	4,773,742	-	(4,773,742)	-
Transfer to legal reserve	-	4,947,960	-	-	(4,947,960)	-
Balance at December 31, 2022	**363,000,000**	**49,852,078**	**(67,526,842)**	**179,586,655**	**74,829,110**	**599,741,001**

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

Exhibit - D

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

	December 31, 2022	December 31, 2021
Cash flows from operating activities		
Net profit for the year	**49,479,595**	59,331,828
Adjustment for: -		
Provision for staff indemnity	**20,617**	(58,437)
Profit from investment in shares	**(41,883,281)**	(34,643,243)
Changes in fair value of investments at FVTPL	**(15,260,339)**	(30,547,404)
Finance cost	**2,930,034**	1,771,581
Bank interest	**(3,870)**	(1,746)
Operating (loss) before working capital changes	**(4,717,244)**	(4,147,421)
Accounts and other receivables	**6,391**	89,484
Accounts and other payables	**(393,112)**	264,951
Cash used in operating activities	**(5,103,965)**	(3,792,986)
Finance cost paid	**(2,930,034)**	(1,771,581)
Net movement in investment in shares	**15,357,679**	(106,316,307)
Proceed from investments sale and dividends received	**46,750,671**	37,127,836
Net cash flows from / (used in) operating activities	**54,074,351**	(74,753,038)
Cash flows from investing activities		
Bank interest received	**3,870**	1,746
Net cash flows from investing activities	**3,870**	1,746
Cash flows from financing activities		
Paid to shareholders	**(18,313,464)**	(18,398,406)
Board of Directors' remuneration paid	**(1,350,000)**	(1,350,000)
Bank overdraft	**(45,104,033)**	82,827,802
Net cash flows (used in) / from financing activities	**(64,767,497)**	63,079,396
Net (decrease) in cash and cash equivalents	**(10,689,276)**	(11,671,896)
Cash and cash equivalents at the beginning of the year	**15,155,147**	26,827,043
Cash and cash equivalents at the end of the year	**4,465,871**	15,155,147

The accompanying notes are in integral part of these financial statements.

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

1- LEGAL STATUS AND PRINCIPLE ACTIVITIES

Umm Al Qaiwain General Investments Company (Formerly Umm Al Qaiwain Cement Industries Company), a Public Shareholding Company (hereinafter referred to as “the Company”), was incorporated in Umm Al Qaiwain by Amiri Decree number 2/82 on February 11, 1982.
The Company had obtained approval from the Securities and Commodities Authority to change the commercial activities and trade name to become Umm Al Qaiwain General Investments Company P.S.C. and obtained a commercial license number 4558 from the Department of Economic Development – Umm Al Qaiwain on April 24, 2016.

The company's business activity is development, establishment and management of real estate enterprises, funds and stocks investments (stocks and bonds), investment, establishment and institution in commercial enterprises, entertainment, agriculture, tourism, industrial, infrastructure, educational services, health, energy and ownership and investment of classes and units in the buildings of the investment areas.

The Company is domiciled at Umm Al Qaiwain, United Arab Emirates.
The registered address of the company is Umm Al Qaiwain – UAE.

2- BASIS OF PREPARATION

a) Statement of compliance
These financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) and applicable requirements of UAE Commercial Companies Law No. 32 of 2021.

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 Company’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 Company continues to monitor the situation and the Company’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 Company 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 Company's financial and non-financial assets as at December 31, 2022.

Going concern
Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company 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 Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

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

The Company's management have also considered any impairment indicators and any significant and concluded that there is no material impact due to COVID -19.

Provision for expected credit losses of trade receivables and contract assets
The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Receivables from government entities are generally excluded from ECL calculation, as the Company considers those receivable balances are fully recoverable. Further, balances due from related parties, are also excluded from ECL calculation, as credit risk is considered to be nil based on the fact that these related companies are either directly or indirectly supported by the owners for any liquidity or financial crisis situations.

Due to the uncertainties caused by the COVID -19, the Company's management have revisited, reassessed and updated the inputs and forward –looking assumptions used in the computation of expected credit losses (ECL) and have also reviewed customer balances to identify customers with significant increase in credit risk and potential defaulters.

Provision for employees' end of service benefits
Management has measured the Company's obligation for the post-employment benefits of its employees based on the provisions of the UAE Federal Decree Law No. 33 of 2021, regarding the regulation of employment relationship and its amendments. 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) New and amended IFRS Accounting Standards that are effective for the current year
In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework	The Company has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions. Contingent Liabilities and Contingent Assets. An acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use	The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. I.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management Consequently, an entity recognizes such sales proceeds and related costs in profit or loss The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of “testing whether an asset is functioning properly”. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss related to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income included) such proceeds and cost.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:Dl6 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included n the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the “10 per cent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

New and revised IFRS Accounting Standards in issue but not yet effective.
At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective (and (in some cases) had not yet been adopted by the (relevant body)).

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	insurance Contracts
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 and IFRS	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 77 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

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

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

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

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. The Management anticipate that the application of these amendments may have an Impact on the Company's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

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

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are 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 covenant 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 2023, with early application permitted. The IASB is currently considering further amendments to the requirements m IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The Management anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods.

Amendments to IAS 1 Presentation of Financial Statements—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 paragraph 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 poky information relating to material transactions, other events or conditions is itself material.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

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

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

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period with earlier application permuted.

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 nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.
Following the amendments to IAS 12, an entity is required to 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.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.
The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

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

  — Right-of-use assets and lease liabilities
  — Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related a

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Management anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods should such transactions arise.

3- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the financial statement are as follows:

3-1 Impairment of non financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3-2 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- **Financial assets**

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, financial assets at fair value through other comprehensive income (FVTOCT) and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
Financial assets are classified at fair value through profit or loss if it is obtained as "held -for- trading".

In additional to financial reporting purposes, fair values measurements are categorized into three levels based on the possibility of noting the degree of importance of inputs to the fair value measurement process in relation to the entire measurement techniques which can be described as follows:

-First Level inputs:
First level inputs are quoted prices (unadjusted) in an active market for identical assets or liabilities that the entity can obtain on the measurement date.

-Second level inputs:
Second level inputs are all inputs other than quoted prices included in first level that are observable for assets or liabilities either directly or indirectly.

-Third level inputs :
Third level inputs are non-observable inputs for assets and liabilities

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

Investments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in the fair value are recognised in other comprehensive income and added as “cumulative changes in fair value of investment at fair value through other comprehensive income” under equity. The fair value of these financial assets is its market value.
When the financial asset is disposed, the related cumulative gain or loss previously accumulated in the cumulative changes in fair value of investment at fair value through other comprehensive income is not reclassified to profit or loss, but is reclassified to retained earnings.
Dividends from investments in securities are recognized in the statement of profits or losses when the company's right to receive the dividends is established.

Financial assets at fair value through profit or loss(FVTPL)
Financial assets at fair value through profit or loss are stated at fair value, with recognition of any gain or loss arising from a re-measurement in the profits or losses and any dividends or interests acquired from the financial asset are included in the profits or losses. The fair value is determined using the income method according to which the discounted cash flow method is used to determine the present value of expected future economic benefits resulting from investment ownership unless the impact of the discount is not material.

Debt instruments carried at amortized cost or at FVTOCI
The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset. For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI). At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.
When a debt instrument measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI the cumulative gain/loss previously recognized in OCI is not subsequently to profit or loss but transferred within equity.
Debt instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

- **Reclassification**
  If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change n business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

- **Effective interest method**
  The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- **Cash and cash equivalents**
  Cash comprises cash on hand and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- **Other receivables**
  The Company's financial assets fall within the category of "Other receivables". Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables, cash and bank balances, and balances due from related parties) are measured at amortized cost using the effective interest method, less any impairment.
  Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

- **Derecognition of financial assets**
  The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

- **Financial liabilities**
  Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Other financial liabilities (including borrowings, trade and other payables and balances due to related parties) are subsequently measured at amortized cost using the effective interest method unless when the effect of discounting their future cash flows to their carrying amounts using the effective interest method is immaterial.

- **Employees' end of service benefits**
  The Company provides for employees' end of service benefits to its employees that meets or exceeds the provisions of the UAE Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

  In respect of the Emirati employees, the Company makes contributions to the General Pension and Social Security Authority, which is calculated as a percentage of the employees' salaries in accordance with the respective local laws pertaining to retirement and pensions. The Company's share of contribution to these schemes is charged to the profit or loss in the year to which they relate.
  .
- **Derecognition of financial liabilities**
  The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3-3 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the recognition of the financial asset, the estimated future cash flows of the investment have been affected.

3-4 Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, that is, the amount that the Company would rationally pay to settle the obligation at the statement of financial position date or to transfer it to a third party.

Provisions are reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

3-5 Investment property

Investment properties are non current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use but not for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes .

Investment property is measured initially at cost. The Company determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the statement of profit or loss . The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use. The fair value is determined based on an annual valuation by an independent external valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Expenses incurred for replacing component of investment properties items, which are accounted for separately are capitalised, and carrying value of replaced component is written off. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the statement of profit or loss when incurred.

Transfers are made from investment properties to development properties only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer.

3-6 Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements but are disclosed.

3-7 Dividend Distribution

The Company recognizes dividends as a liability in the financial statements in the period in which the shareholders approve the dividend distribution.

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 Foreign currency transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. The Company does not have non-monetary assets and liabilities denominated in foreign currencies at the end of the year. Foreign currency differences are recognized in profit or loss.

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

3-10 Revenues

Revenues represent the total value of profits from sale of shares and dividends of invested shares during the year, net of discounts and returns.
Income from distributed profits is recognized in the profit or loss statement when the right of the company to receive the distributed profits is established.

4 FINANCIAL INSTRUMENTS

4-1 Capital risks management

The Company use of financial instruments exposes it to financial risks such as credit risk, Liquidity risks, market risk, foreign currency risk and capital risk.
The Company continuously reviews its risk exposures and takes the necessary procedures to limit these risks at acceptable levels.

The significant risks that the Company is exposed to are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to pay an obligation causing the other party to incur a financial loss.
The financial instruments that potentially subject the Company to concentrations of credit risk consist principally of receivables on investments.

b) Liquidity risks

Liquidity risk is the risk that the company will be unable to meet its cash obligations. The management of liquidity risks consist of keeping sufficient cash, and arranging financing sources through enough facilities, managing highly liquid assets, and monitoring liquidity on a yearically basis by method of future cash flow.

The maturity of liabilities stated below based on the year from the financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time year in which the asset will be collected or disposed and the liability settled.

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

	On demand	Within 3 months	From 3 months to 1 year	From 1 to 5 years	Total
Liabilities					
Trade and other payables	-	50,581,632	-	-	50,581,632
Bank overdraft	37,723,769	-	-	-	37,723,769
Total liabilities	**37,723,769**	**50,581,632**	**-**	**-**	**88,305,401**

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

	On demand	Within 3 months	From 3 months to 1 year	From 1 to 5 years	Total
Liabilities					
Trade and other payables	-	47,508,208	-	-	47,508,208
Bank overdraft	82,827,802	-	-	-	82,827,802
Total liabilities	**82,827,802**	**47,508,208**	**-**	**-**	**130,336,010**

c) Market risk

Market risk is defined as the risk which causes fluctuation in financial instruments value as a result of change in market prices. International Financial Reporting Standards require disclosure of the financial instruments that are exposed to fluctuation in its value as a result of change in its market prices. The financial instruments that expose the Company to market price fluctuation risk as at December 31, 2022 comprise of investment in financial assets amounting to AED 470,678,786.

d) Foreign Currency risk

Foreign currency risk is defined as a risk resulting from the fluctuation in the value of financial instruments as a result of changes in the foreign currency exchange rate. On the date of the financial statements, the Company maintained recognized financial instruments which are exposed to the foreign currency risk that may cause a change in the related cash flow amounts as a result of the fluctuation of foreign currency exchange rates.

The details of the recognized financial instruments in foreign currencies stated in the attached statement of financial position as of December 31, 2022 are as follows: -

	Type of foreign currency	Carrying value in UAE Dirham
Financial assets – Kuwait	**KD**	**58,554,701**
Cash at banks – Kuwait	**KD**	**3,930,058**
Financial assets – Oman	**OMR**	**1,573,799**
Cash at banks – Oman	**OMR**	**390,561**

e) Capital risk

Regularly, the Company reviews its capital structure which includes debt and equity securities and considers the cost of capital and the risks associated with each class of the capital. The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders though the optimization of the debt and equity balance.

4-2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

The Company does not have borrowings. It is financed mainly by own equity. The Company's capital management policy remained unchanged since the previous year.

The Company is not subject to any externally imposed capital requirements.

4-3 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Company has not disclosed the fair values of its receivables, bank balances and payables because their carrying amounts are a reasonable approximation of their fair values.

4-4 Offsetting financial assets and liabilities

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

5- Investment proprty

Investment property is a Land owned by the Company with an area of 10,671,317 square feet. During the year, the Company swap a piece of land in exchange for another to become one piece of land. The Company decided at the end of the year to reclassified the Land into an Investment property which was revaluted according to the revalution certificate issued from Umm Al Qaiwain municipality on 17 January 2023.

The movement of the Investment property during the year was as follows:

	December 31, 2022	December 31, 2021
Balance at 1 January	**330,925,540**	**330,925,540**
Changes in fair value -Exibit C	**(117,499,200)**	-
	213,426,340	**330,925,540**

6- INVESTMENTS IN SECURITIES

A- Investments at fair value through other comprehensive income (FVTOCI)

	December 31, 2022	December 31, 2021
Quoted	**216,921,850**	258,239,293
Unquoted	**1,851,317**	2,780,927
	218,773,167	261,020,220

The investments distributed according to the geographical location are as follows:

<u>Quoted</u>

	December 31, 2022	December 31, 2021
In UAE	**192,916,422**	229,306,901
In GCC countries	**24,005,428**	28,932,392
	216,921,850	258,239,293

<u>Unquoted</u>

	December 31, 2022	December 31, 2021
In GCC countries	**1,851,317**	2,780,927
	1,851,317	2,780,927

The transactions during the year over these investments as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**261,020,220**	279,527,078
Net movement during the year	**(32,112,438)**	(30,133,130)
Changes in investment revaluation	**(10,134,615)**	11,626,272
	218,773,167	261,020,220

The investments above includes shares amounting of AED 113,880,738 as securities against bank facilities granted to the company

B- Investments at fair value through profit or loss (FVTPL)

All investments through profit or loss are quoted and distributed according to the geographical location as follows:

	December 31, 2022	December 31, 2021
In UAE	**217,633,864**	203,098,876
In GCC countries	**34,271,755**	16,791,645
	251,905,619	219,890,521

The transactions during the year over these investments as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**219,890,521**	52,893,680
Net movement during the year	**16,754,759**	136,449,437
Changes in investment revaluation	**15,260,339**	30,547,404
	251,905,619	219,890,521

7- ACCOUNTS AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Cash balance with brokers	**91,736**	332,037
Due from the staff	**100,300**	100,000
Bank guarantees	**1,590**	1,590
Dividends receivable	**-**	1,050,000
Others	**49,610**	56,301
	243,236	1,539,928

8- CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	**26,568**	19,809
Cash at banks- UAE	**118,684**	118,873
Cash at banks - Kuwait	**3,930,058**	14,677,100
Cash at banks - Oman	**390,561**	339,365
	4,465,871	15,155,147

9- SHAREHOLDERS' EQUITY

a) Capital:

The Company's Capital as shown in Exhibit A amounting to AED 363,000,000 consists of fully paid-up 363,000,000 shares of one Dirham per value for each share.

b) Legal Reserve:

1) In accordance with the Company's Articles of Association, 10% of the profit for the year is to be deducted and retained in legal reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the Company's paid up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the Company's paid up capital.
2) The movements over legal reserve during the year as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**44,904,118**	38,970,935
Transferred from profit	**4,947,960**	5,933,183
Balance at end of the year – Exhibit A	**49,852,078**	44,904,118

c) Cumulative changes in the fair value of investments at FVTOCI:

Cumulative changes in the fair value of investments at fair value through other comprehensive income represent accumulated gains and losses arising from the revaluation of financial assets at fair value through other comprehensive income.

10- LANDS REVALUATION RESERVE

The lands revaluation reserve represents the increase or decrease in the value of lands in previous years resulting from the revaluation of the lands at fair value by independent evaluator at the end of previous financial years.

At the end of the year, the company's management decided to reclassify the lands into an investment property, the decreased in the carrying amount of the Lands from the revaluation at the end of the year has been recognised in the land valuation reserve.

The movement of the reserve during the year were as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**297,085,855**	297,085,855
Decrease during the year	**(117,499,200)**	-
	179,586,655	297,085,855

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

11- PROVISION FOR INDEMNITY

The movements over this item during the year are as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**747,214**	805,651
Additions during the year	**20,617**	56,485
Decrease during the year	**-**	(114,922)
	767,831	747,214

12- BANK OVERDRAFT

The bank overdraft as shown in Exhibit A represents the withdrawn overdraft balances from bank facilities granted to the Company from local banks in the United Arab Emirates against garantees of securities amount of AED 113,880,738.

13- PROFIT FROM INVESTMENT IN SHARES

	December 31, 2022	December 31, 2021
Dividend received	**24,045,246**	17,405,538
Profit from sale of investment in shares	**17,838,035**	17,237,705
	41,883,281	34,643,243

14- OTHER INCOME

	December 31, 2022	December 31, 2021
Bank interest	**3,870**	1,746
Sundry income	**500**	6,500
	4,370	8,246

15- GENERAL AND ADMINISTRATION EXPENSES

	December 31, 2022	December 31, 2021
Salaries and wages	**2,045,507**	2,038,507
Employees' bonus	**258,000**	100,000
Air ticket	**37,244**	24,250
Rent	**90,000**	90,000
End of services benefits	**20,617**	56,485
Leave expenses	**158,191**	18,864
Water and electricity	**15,250**	26,000
Profissional fees	**111,188**	113,651
Sundry expenses	**2,002,364**	1,627,727
	4,738,361	4,095,484

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

16- BASIC EARNINGS PER SHARE

	December 31, 2022	December 31, 2021
Profit for the year	**49,479,595**	59,331,828
Average number of ordinary share	**363,000,000**	363,000,000
Basic earnings per share	**0.136**	0.163

17- CREDIT FACILITIES:

A) As of the attached financial statements date, the credit facilities extended to the Company by the banks are as follows:

Overdraft	AED 270,000,000
Bank guarantee (Labour)	AED 1,590

- The overdraft facility has been obtained from local banks in the UAE for the purpose financing investments and working capital requirements. The interest rate is calculated on the basis of one to three months EIBOR plus a margin.
- In case of exceeding the agreed upon granted bank facilities or any arrears in the payment of the obligations, interest shall be imposed on such excess/ overdue liability in addition to the interest agreed upon above.

b) The above facilities are extended against guaranteed shares.

18- PROPOSED DIVIDENDS AND BOARD OF DIRECTOR REMUNERATION:

Board of Directors proposed to the general assembly meeting to approve the following distribution of profit and Board of Director remuneration:
1) Proposed dividends to shareholders 6% of the paid-up capital amounting to AED 21,780,000 (6 % for 2021)
2) Proposed Board of Director remuneration is AED 1,350,000 (AED 1,350,000 for 2021)
The above-mentioned dividend and Board of Director remuneration are subject to shareholder approval at the Annual General Assembly Meeting and is not recorded as a liability in these financial statements.

19- GEOGRAPHICAL SEGMENTS

The Company's geographical segments are based on the location of the Company's assets. The two geographical segments in which the Company operates comprise of UAE and GCC.

A- Assets distribution

The following table shows the distribution of the Company's segment assets by geographical market:

	December 31, 2022	December 31, 2021
In UAE	**624,273,378**	764,676,713
In GCC countries	**64,540,855**	63,854,643
	688,814,233	828,531,356

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

B- Financial assets at fair value distribution

The following table demonstrates financial assets information, the geographical allocation and the nature of activities in which invested:

	December 31, 2022		December 31, 2021		**Total**	
1- Investments at FVTOCI	**UAE**	**GCC**	UAE	GCC	**December 31, 2022**	December 31, 2021
Banking sector	**155,730,000**	**828,702**	165,212,533	618,728	**156,558,702**	165,831,261
Finance and investment sector	**8,396,966**	**8,678,212**	10,984,347	8,982,676	**17,075,178**	19,967,023
Real estate sector	**17,945,099**	**5,383,132**	18,237,365	9,310,564	**23,328,231**	27,547,929
Industrial sector	**222,359**	**4,693,575**	277,316	6,321,801	**4,915,934**	6,599,117
Service sector	**2,720,000**	**142,054**	16,170,000	-	**2,862,054**	16,170,000
Energy sector	**-**	**-**	10,153,851	-	**-**	10,153,851
Telecommunication sector	**-**	**6,131,070**	-	6,479,550	**6,131,070**	6,479,550
Insurance sector	**7,901,998**	**-**	8,271,489	-	**7,901,998**	8,271,489
	192,916,422	**25,856,745**	229,306,901	31,713,319	**218,773,167**	261,020,220
2- Investments at FVTPL						
Banking sector	**5,370,000**	**11,735,338**	3,603,724	862,782	**17,105,338**	4,466,506
Finance and investment sector	**63,445,014**	**14,700,738**	40,334,353	13,268,126	**78,145,752**	53,602,479
Real estate sector	**6,864,901**	**3,348,807**	9,003,091	2,329,593	**10,213,708**	11,332,684
Industrial sector	**14,150,000**	**1,350,552**	21,900,000	331,144	**15,500,552**	22,231,144
Services sector	**5,847,120**	**3,136,320**	7,629,877	-	**8,983,440**	7,629,877
Energy sector	**1,160,000**	**-**	21,646,149	-	**1,160,000**	21,646,149
Telecommunication sector	**1,250,000**	**-**	-	-	**1,250,000**	-
Insurance sector	**111,086,829**	**-**	98,981,682	-	**111,086,829**	98,981,682
Basic material sector	**8,460,000**	**-**	-	-	**8,460,000**	-
	217,633,864	**34,271,755**	203,098,876	16,791,645	**251,905,619**	219,890,521
Total	**410,550,286**	**60,128,500**	432,405,777	48,504,964	**470,678,786**	480,910,741

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022
(All amounts are in U.A.E. Dirham)

20- BENEFITS OF THE KEY MANAGEMENT AND MANAGERS

The benefits of the key management members and managers are as follows:

	December 31, 2022	December 31, 2021
Salaries and management benefits	**1,840,504**	1,735,706
	1,840,504	1,735,706

The amount mentioned above is recognised as an expense during the year.

21- FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is going concern without any attention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Assets and liabilities measured at fair value in the statement of financial position are grouped at three levels of the fair value hierarchy. This Company is determined at the lowest level of significant inputs used in the measurement of fair value, as follows:

Level one: Prices offered (unadjusted) in active markets for identical assets or liabilities.

Level two: Inputs other than quoted prices within Level one that can be observable for assets or liabilities either directly (ie as prices) or indirectly (ie derived from prices).

Level three: Inputs of assets or liabilities that are not based on observable market data (unobservable inputs).

As at December 31, 2022

	Level one	Level two	Total
Quoted equity investments – FVTPL	251,905,619	-	251,905,619
Quoted equity investments – FVTOCI	216,921,850	-	216,921,850
Unquoted equity investments- FVTOCI	-	1,851,317	1,851,317
	468,827,469	**1,851,317**	**470,678,786**

As at December 31, 2021

	Level one	Level two	Total
Quoted equity investments – FVTPL	219,890,521	-	219,890,521
Quoted equity investments – FVTOCI	258,239,293		258,239,293
Unquoted equity investments- FVTOCI	-	2,780,927	2,780,927
	478,129,814	**2,780,927**	**480,910,741**

22- RELATED PARTY TRANSACTIONS

There are no transactions with related parties during the year ended December 31,2022.

23- SOCIAL CONTRIBUTION

There are no social contributions during the year ended December 31, 2022.

24- CONTINGENT LIABILITIES

Contingent liabilities as of the financial statements' date comprises of bank guarantees amounting to AED 1,590.

25- COMPARATIVE FIGURES

The comparative figures have been reclassified to be consistent with presentation adopted in the current year.

26- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 11 March 2023.