

**Unikai Foods (P.J.S.C.)
and its subsidiaries**

Interim Condensed Consolidated
Financial Statements
For the period ended March 31, 2024

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements
For the period ended March 31, 2024

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Report on review of the interim condensed consolidated financial statements To the Shareholders of Unikai Foods (P.J.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Unikai Foods (P.J.S.C.) (the “Company”) and its subsidiaries (collectively referred to as “the Group”), comprising the interim consolidated statement of financial position as at March 31, 2024, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month then ended, and explanatory notes.


Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.


**GRANT THORNTON UAE****Dr. Osama El Bakry**
Registration No. 935
Dubai, United Arab Emirates**13 MAY 2024**

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements


Interim consolidated statement of financial position
As at March 31, 2024

	Notes	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	38,096	38,342
Investment properties	5	44,100	44,100
Right-of-use assets	6	51,713	36,977
Deferred tax asset		1,045	1,010
		<u>134,954</u>	<u>120,429</u>
Current assets			
Inventories	7	52,111	44,994
Trade and other receivables	8	67,869	55,454
Financial assets at fair value through profit or loss	9	16,249	16,249
Bank balances and cash	10	14,825	13,850
		<u>151,054</u>	<u>130,547</u>
TOTAL ASSETS		<u>286,008</u>	<u>250,976</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		32,368	32,368
Statutory reserve		5,906	5,906
Revaluation surplus		6,646	6,646
Retained earnings		21,892	17,488
Total equity		<u>66,812</u>	<u>62,408</u>
Non-current liabilities			
Employees' end of service benefits		8,247	8,225
Lease liabilities	14	36,285	25,176
Deferred tax liabilities		122	-
		<u>44,654</u>	<u>33,401</u>
Current liabilities			
Interest-bearing borrowings	11	93,628	73,333
Trade and other payables	12	62,038	66,852
Lease liabilities	14	17,074	13,924
Provision for income tax	13	1,802	1,058
		<u>174,542</u>	<u>155,167</u>
Total liabilities		<u>219,196</u>	<u>188,568</u>
TOTAL EQUITY AND LIABILITIES		<u>286,008</u>	<u>250,976</u>

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on **13 MAY 2024** and signed on its behalf by:



 Director



 Director

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiaries
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Interim consolidated statement of profit or loss
For the period ended March 31, 2024

	Notes	Three-month period ended March 31,	
		2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Revenue	16	96,506	78,396
Cost of sales		(63,543)	(54,637)
GROSS PROFIT		32,963	23,759
Administrative, selling and distribution expenses	17	(24,503)	(20,870)
Allowance for expected credit losses of trade and other receivables		(1,048)	-
OPERATING PROFIT		7,412	2,889
Finance costs, net	18	(3,108)	(2,542)
Change in fair value of financial assets at FVTPL		-	1
Other non-operating income, net		931	131
PROFIT FOR THE PERIOD BEFORE TAX		5,235	479
Income tax expense	13	(831)	63
NET PROFIT FOR THE PERIOD		4,404	542
Earnings per share:			
Basic and diluted earnings per share (AED)	20	0.14	0.02

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiaries
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Interim consolidated statement of comprehensive income
For the period ended March 31, 2024

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
NET PROFIT FOR THE PERIOD	4,404	542
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,404	542

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

**Unikai Foods (P.J.S.C.) and its subsidiaries
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**Interim consolidated statement of changes in equity
For the period ended March 31, 2024**

	Share capital AED'000	Statutory reserve AED'000	Revaluation surplus AED'000	Retained earnings AED'000	Total AED'000
As at January 1, 2024 (audited)	32,368	5,906	6,646	17,488	62,408
Net profit for the period	-	-	-	4,404	4,404
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,404	4,404
As at March 31, 2024 (unaudited)	32,368	5,906	6,646	21,892	66,812
As at January 1, 2023 (audited)	32,368	3,870	6,646	566	43,450
Net profit for the period	-	-	-	542	542
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	542	542
As at March 31, 2023 (unaudited)	32,368	3,870	6,646	1,108	43,992

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements

Interim consolidated statement of cash flows
For the period ended March 31, 2024

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
OPERATING ACTIVITIES		
Profit for the period before tax	5,235	479
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,461	1,326
Depreciation of right-of-use assets	2,477	2,564
Allowance for expected credit losses of trade and other receivables	1,048	-
Change in fair value of financial assets at FVTPL	-	(1)
Gain on disposal of property, plant and equipment	(23)	(15)
Finance costs, net	3,108	2,542
Provision for employees' end of service benefits	321	356
Provision for slow moving inventories	203	90
	<u>13,830</u>	<u>7,341</u>
<i>Changes in working capital</i>		
Inventories	(7,320)	1,524
Trade and other receivables	(13,463)	(5,307)
Trade and other payables	(4,814)	10,905
Cash from operations	<u>(11,767)</u>	<u>14,463</u>
Employees' end of service benefits paid	(299)	(241)
Net cash flows (used in)/from operating activities	<u>(12,066)</u>	<u>14,222</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,226)	(1,728)
Fixed deposits placed	-	750
Finance income received	78	20
Proceeds from disposal of property, plant and equipment	32	15
Proceeds from disposal of a financial asset at FVTPL	-	13
Net cash flows used in investing activities	<u>(1,116)</u>	<u>(930)</u>
FINANCING ACTIVITIES		
Proceeds from interest-bearing borrowings	64,732	41,166
Repayment of interest-bearing borrowings	(46,767)	(51,004)
Finance costs paid	(2,524)	(2,066)
Lease liabilities paid	(3,615)	(4,337)
Net cash flows from/(used in) financing activities	<u>11,826</u>	<u>(16,241)</u>
Net change in cash and cash equivalents	<u>(1,356)</u>	<u>(2,949)</u>
Cash and cash equivalents at the beginning of the period	<u>(9,050)</u>	<u>(7,304)</u>
Cash and cash equivalents at the end of the period	<u>(10,406)</u>	<u>(10,253)</u>

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

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Notes to the interim condensed consolidated financial statements
For the period ended March 31, 2024

1 Legal status and principal activities

Unikai Foods (P.J.S.C.) (the “Company”) is a Public Shareholding Company incorporated on April 11, 1977 by a Decree issued by the late His Highness Sheikh Rashid bin Saeed Al Maktoum, the Ruler of Dubai, and listed on Dubai Financial Market.

The Company is engaged in the manufacturing of dairy, juice and ice cream products and import of various kinds of food products for distribution throughout the Gulf and other countries. The registered address of the Company is P.O. Box 6424, Dubai, UAE.

These interim condensed consolidated financial statements for the three-month period ended March 31, 2024 include the financial performance and position of the Company and its subsidiaries as listed below (collectively the “Group”).

<i>Name of subsidiaries</i>	<i>Ownership interest (%)</i>		<i>Country of operation and Incorporation</i>	<i>Principal activities</i>
	<i>2024</i>	<i>2023</i>		
Unikai and Company LLC	100	100	Sultanate of Oman	Trading of various kinds of food products
Unikai International LLC*	100	100	United Arab Emirates	Trading of various kinds of food products

* The subsidiary is dormant.

The interim condensed consolidated financial statements have been approved by the Board of Directors on May 13, 2024.

2 Basis of preparation and material accounting policies

a) Basis of preparation

The interim condensed consolidated financial statements of the Group for the three-month period ended March 31, 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2023. In addition, the results for the three-month period ended March 31, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

Accounting policies, related adjustments, estimates and assumptions adopted for the preparation of these interim condensed consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements as at and for the year ended December 31, 2023.

The interim condensed consolidated financial statements have been prepared on an accruals basis under the historical cost convention except for investment properties and financial assets at fair value through profit or loss (FVTPL), which have been measured at fair value.

b) Going concern

The interim condensed consolidated financial statements of the Group have been prepared on a going concern basis. The Group’s management and the Board of Directors have made an assessment of the Group’s ability to continue as a going concern based on the following factors:

- The Group has positive equity of AED 67,812 thousand as at period end which is improving year on year.

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Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2024

2 Basis of preparation and material accounting policies (continued)

b) Going concern (continued)

- The Group has bank balances and cash of AED 14,825 thousand as at period end which is reasonable to manage day-to-day operations.
- The Group has forecasted positive operating cash flows with expected growth in revenue and profits for the year 2024 and onwards.
- The management has undertaken a detailed review of costs during 2024 with a view to reducing the cost of sales, operational and administrative costs to improve the financial performance of the Group.
- The banks have extended their existing facilities and are also providing additional facilities for 2024. The Group has sufficient credit facilities available from banks to meet monthly cash flow requirements.

Further, management and the Board of Directors are not aware of any other material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Arab Emirates Dirham ("AED"), which is the Company's functional currency, and all the values are rounded to the nearest thousand (AED '000), except when otherwise indicated.

d) Basis of consolidation

These interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

e) Significant accounting estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

f) New Standards, Amendments and Interpretations adopted as at 1 January 2024

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023 except for the adoption of new standards effective as of January 1, 2024 where appropriate. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024 and have therefore been adopted by the Group. However, these amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group, and therefore, further disclosures have not been made.

3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2023.

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Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2024

4 Property, plant and equipment

During the three-month period ended March 31, 2024, the Group acquired property, plant and equipment amounting to AED 1.23 million (2023: AED 1.73 million).

Depreciation charge on property, plant and equipment for the three-month period ended March 31, 2024 amounted to AED 1.46 million (2023: AED 1.33 million).

5 Investment properties

Investment properties with a carrying amount of AED 44.1 million (2023: AED 44.1 million) comprise a labour accommodation, a warehouse and a right-of-use of land that are leased to third parties under operating lease arrangements. The fair values of investment properties were determined by an external independent property valuer as at December 31, 2023, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Based on the market assessment and available comparable market data as at March 31, 2024, the management assessed that there have been no significant changes in the fair value of investment properties from December 31, 2023, and therefore no change in fair value has been recognised during the period (2023: Nil). The fair value measurement of investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

6 Right-of-use assets

	2024 (Unaudited) AED'000	2023 (Audited) AED'000
As at January 1,	36,977	31,894
Additions during the period/year	17,216	12,533
Amortisation for the period/year	(2,477)	(10,180)
Other movement during the period/year	(3)	-
Transfer from investment properties	-	2,547
Lease modification	-	183
As at March 31 / December 31,	51,713	36,977

The Group has lease contracts for various plots of land, buildings and motor vehicles used in its operations.

7 Inventories

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Raw materials and packing materials	26,482	22,909
Finished goods – manufactured	8,962	6,951
Trading goods	6,050	4,752
Semi-finished goods	840	872
Consumables stores and spare parts	6,384	6,477
	48,718	41,961
Less: provision for slow-moving inventories	(1,722)	(1,519)
	46,996	40,442
Goods-in-transit	5,115	4,552
	52,111	44,994

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For the period ended March 31, 2024

8 Trade and other receivables

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Trade receivables, gross	61,914	53,336
Less: allowance for expected credit losses of trade receivables	(6,463)	(6,456)
Trade receivables, net	<u>55,461</u>	<u>46,880</u>
Prepayments	5,795	3,551
Advances to suppliers	3,972	1,547
Other receivables	4,567	4,361
Less: allowance for expected credit losses of other receivables	(1,926)	(885)
	<u>67,869</u>	<u>55,454</u>

9 Financial assets at fair value through profit or loss

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Unquoted equities – UAE	<u>16,249</u>	<u>16,249</u>

Movements during the period/year were as follow:

	2024 AED'000	2023 AED'000
As at January 1,	16,249	18,634
Change in fair value	-	(2,372)
Disposal	-	(13)
As at March 31 / December 31,	<u>16,249</u>	<u>16,249</u>

Financial assets at FVTPL represent unquoted equity instruments of an entity operating in the dairy and poultry industry and another in the logistics industry, which was disposed of during the previous year. The fair values of these instruments were determined by a third-party specialist using EBITDA multiples derived from the market for similar entities. This valuation methodology is based on market expectations after considering conditions including the economy in general, and the business and industry of the investee in particular, using market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Management, based on comparable market data, has assessed that there have been no significant changes in the fair value of the financial asset at fair value through profit or loss from December 31, 2023.

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10 Cash and cash equivalents

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Cash in hand	321	425
Bank balances – current accounts	2,581	1,502
Bank balances – fixed deposits	11,923	11,923
Bank balances and cash	14,825	13,850
Less: bank overdrafts	(13,308)	(10,977)
Less: fixed deposits with initial maturity of more than 3 months	(11,923)	(11,923)
Cash and cash equivalents	(10,406)	(9,050)

Fixed deposits are pledged against interest-bearing borrowings and carry interest at commercial rates.

11 Interest-bearing borrowings

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Trust receipts	77,770	59,749
Bank overdrafts	13,308	10,977
Term loan	2,550	2,607
	93,628	73,333

Trust receipts and bank overdrafts were obtained to finance the working capital requirements of the Group, are short-term in nature and carry interest at commercial rates.

During 2022, the Group obtained a term loan facility from a commercial bank to part finance the construction cost of a warehouse in Ras Al Khaimah. The facility is repayable in quarterly principal instalments of AED 326 thousand each plus profit accruing at competitive market rates, over a period of 2 years.

12 Trade and other payables

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Trade payables	47,188	52,783
Accruals and other payables	11,762	10,131
Advances from customers	2,333	3,203
VAT payable, net	755	735
	62,038	66,852

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For the period ended March 31, 2024

13 Income tax

UAE Corporation Tax and Income tax related to a subsidiary

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are as follows:

	March 31, 2024 AED'000	March 31, 2023 AED'000
<i>Income taxes</i>		
Current income tax expense	674	-
Deferred income tax expense relating to origination and reversal of temporary	157	(63)
Income tax expense recognised in the statement of profit or loss	831	(63)

14 Lease liabilities

	2024 (Unaudited) AED'000	2023 (Audited) AED'000
As at January 1,	39,100	39,058
Additions during the period/year	17,215	12,533
Accretion of interest	663	2,020
Other movement during the period/year	(3)	-
Payments made during the period/year	(3,616)	(14,694)
Lease modification	-	183
As at March 31 / December 31,	53,359	39,100
Current	17,074	13,924
Non-current	36,285	25,176
	53,359	39,058

15 Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management in line with the approval of the Board of Directors.

Compensation to key management personnel

The remuneration of other key members recognized in profit or loss during the year was as follows:

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Short term benefits	917	488
End of service benefits	22	22
	939	510

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15 Related party transactions and balances (continued)

Other payables

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Key management personnel	984	924

Other receivables

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Due from shareholders	720	720

Other receivables from shareholders are included in other receivables under "Trade and other receivables" (Note 8). As per the regulations, the Group's management obtained approvals by way of a special resolution for such transaction in the Annual General meeting dated April 25, 2023.

For the year ended March 31, 2024, the Group has not recorded any impairment of amounts owed by the related parties (2023: AED Nil). This assessment is undertaken each financial year.

16 Revenue

Revenue information

Set out below is the disaggregation of the Group's revenue:

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Sale of goods	96,506	78,396
	2024 AED'000	2023 AED'000
<i>Geographical market</i>		
United Arab Emirates	53,984	42,945
Oman	4,487	4,323
Others	38,035	31,128
	96,506	78,396
	2024 AED'000	2023 AED'000
<i>Timing of revenue recognition</i>		
At a point in time	96,506	78,396

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17 Administrative, Selling and distribution expenses

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Staff salaries and benefits and hired labor costs	12,806	10,916
Commercial vehicle expenses	3,022	2,497
Depreciation of right-of-use assets	2,477	2,564
Utilities	1,110	1,153
Shelf space and display costs	1,304	1,079
Depreciation of property, plant and equipment	895	736
Legal and professional expenses	473	398
Advertisement and other selling expenses	468	144
Other expenses	1,948	1,383
	<u>24,503</u>	<u>20,870</u>

18 Finance costs, net

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Interest expense on trust receipts	1,643	1,229
Interest expense on lease liabilities	662	496
Bank charges	376	312
Bank facility charges	53	57
Interest expense on bank overdrafts	395	158
Interest expense on term loan	57	310
Interest income on fixed deposits	(78)	(20)
	<u>3,108</u>	<u>2,542</u>

19 Contingencies and commitments

Guarantees and purchase commitments

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
	Letters of guarantee	<u>1,598</u>
Letters of credit	<u>375</u>	<u>1,058</u>

Capital commitments

The capital commitments outstanding represent the costs to be incurred towards a cooling system for the plant, freezers and chillers and conversion of another product line (change in specification).

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19 Contingencies and commitments (continued)

Capital commitments (continued)

	March 31, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Capital commitments	4,325	2,894

Legal cases

As at March 31, 2024, the Group has outstanding legal cases. All these cases are pending before the Court for the hearings and final decisions. The management has reviewed the status of all of these legal cases and believes that the existing provisions are adequate and reasonable.

20 Earnings per share

	Three-month period ended March 31,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Net profit for the period	4,404	542
Weighted average number of shares outstanding	32,368	32,368
Basic and diluted earnings per share	0.14	0.02

The Group has not issued any instruments which would have a dilutive impact on earnings per share.

21 Segmental reporting

The Group operates in the single reporting segment of dairy, juice, ice cream, and other food products. All the relevant information relating to this reporting/operating segment is disclosed in the interim consolidated statement of financial position, interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income and notes to the interim condensed consolidated financial statements.

IFRS also requires an entity to report its segment assets and revenue along geographical regions. All significant activities of the Group are performed on an integrated basis in the Gulf region and the Directors consider an analysis by individual country would not be meaningful (as the Oman operations are an extension of the sales and marketing activities of the Company).

Additional information required by IFRS 8, "Segment reporting", is disclosed below:

Major customers

During the period ended March 31, 2024 there were no customers of the Group with the revenues greater than 10% of the total revenue of the Group (2023: None).

22 Fair value measurement

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements

Notes to the interim condensed consolidated financial statements (continued)
For the period ended March 31, 2024

22 Fair value measurement (continued)

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

March 31, 2024 (Unaudited)	Total	Level 1	Level 2	Level 3
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through profit or loss	16,249	-	-	16,249
Investment properties	44,100	-	-	44,100
December 31, 2023 (Audited)	Total	Level 1	Level 2	Level 3
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through profit or loss	16,249	-	-	16,249
Investment properties	44,100	-	-	44,100

There were no transfers between Level 1, 2 and 3 during the current and prior periods.

23 Subsequent events

There were no material events after the reporting date which could require adjustments or disclosures in these interim condensed consolidated financial statements.

24 Comparative figures

Certain comparative figures in the interim consolidated statement of profit or loss have been reclassified, where appropriate, to confirm to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets and results of the Group and are summarised as follows:

	As previously reported	Reclassification	As currently reported
	AED'000	AED'000	AED'000
Interim consolidated statement of profit or loss for the period ended March 31, 2023			
Revenue	77,338	1,058	78,396
Cost of Sales	(54,711)	74	(54,637)
Gross profit	22,627	1,132	23,579
Administrative, selling and distribution expenses	(19,738)	(1,132)	(20,870)