

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

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2022

REPORT ON REVIEW OF 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 subsidiary (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as at 30 September 2022, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and fair 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Ernst & Young



Signed by:
Ashraf Abu Sharkh
Partner
Registration No: 690

11 November 2022

Dubai, United Arab Emirates

Unikai Foods (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three-month and nine-month period ended 30 September 2022 (Unaudited)

		<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>Notes</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Revenue	3	77,632	68,603	229,701	190,392
Cost of sales		(53,065)	(44,806)	(158,271)	(122,212)
Gross profit		24,567	23,797	71,430	68,180
Administrative, selling and distribution expenses	4	(20,837)	(19,001)	(60,195)	(54,415)
Writeback of operating accruals		-	-	-	1,393
Impairment loss on trade receivables		-	(97)	(1,440)	(234)
Operating profit for the period		3,730	4,699	9,795	14,924
Finance costs, net		(2,170)	(1,891)	(6,007)	(6,100)
Loss on fair valuation of investment properties		-	-	-	(1,925)
Gain on fair valuation of investment through profit or loss	10	-	-	1,529	-
Other income		771	481	2,575	1,631
Profit for the period before tax		2,331	3,289	7,892	8,530
Tax expense, net		(151)	(56)	(323)	(983)
Profit for the period		2,180	3,233	7,569	7,547
Profit attributable to:					
Owners of the Group		2,180	3,233	7,569	7,547
Earnings per share					
Profit per share-basic (AED)	17	0.07	0.10	0.23	0.23

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended 30 September 2022 (Unaudited)

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Profit for the period	2,180	3,233	7,569	7,547
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,180	3,233	7,569	7,547
Total comprehensive income attributable to:				
Owners of the Group	2,180	3,233	7,569	7,547

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	5	33,045	33,491
Investment properties	6	39,746	39,746
Right-of-use assets	7	34,242	34,924
Deferred tax asset	15	1,128	1,094
		108,161	109,255
Current assets			
Inventories	8	44,489	27,750
Trade and other receivables	9	57,502	51,795
Investments at fair value through profit or loss	10	17,460	15,931
Bank balances and cash	11	13,305	11,359
		132,756	106,835
TOTAL ASSETS		240,917	216,090
EQUITY AND LIABILITIES			
Equity			
Share capital		32,368	32,368
Statutory reserve		3,158	3,158
Revaluation surplus		6,646	6,646
Retained earnings/(Accumulated losses)		1,730	(4,939)
Total equity		43,902	37,233
Non-current liabilities			
Employees' end of service benefits		7,468	6,892
Lease liabilities	7	29,049	26,386
Long-term borrowings	12	661	15,990
		37,178	49,268
Current liabilities			
Short-term borrowings	12	85,097	58,251
Trade and other payables	13	62,835	56,688
Lease liabilities	7	11,547	13,995
Provision for income tax	15	358	655
		159,837	129,589
Total liabilities		197,015	178,857
TOTAL EQUITY AND LIABILITIES		240,917	216,090

Director

Director

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2022 (Unaudited)

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Revaluation surplus AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
Balance as at 1 January 2022	32,368	3,158	6,646	(4,939)	37,233
Total comprehensive income for the period (Unaudited)	-	-	-	7,569	7,569
Directors remuneration (Unaudited)	-	-	-	(900)	(900)
Balance as at 30 September 2022 (Unaudited)	32,368	3,158	6,646	1,730	43,902
	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Revaluation surplus AED'000</i>	<i>Accumulated losses AED'000</i>	<i>Total AED'000</i>
Balance as at 1 January 2021	32,368	3,158	6,188	(15,559)	26,155
Total comprehensive income for the period (Unaudited)	-	-	-	7,547	7,547
Balance as at 30 September 2021 (Unaudited)	32,368	3,158	6,188	(8,012)	33,702

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2022 (Unaudited)

		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>Notes</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
OPERATING ACTIVITIES			
Profit for the period before tax		7,892	8,530
Adjustments for:			
Depreciation	5	3,690	3,648
Amortisation on right-of-use assets	7	7,451	6,924
Impairment loss on trade receivables		1,440	234
Loss on fair valuation of investment properties		-	1,924
Gain on fair valuation of investments through profit or loss		(1,529)	-
Gain on disposal of property, plant and equipment		(31)	(5)
Dividend income		(242)	(426)
Finance costs		6,007	6,100
Provision for employees' end of service benefits		1,247	793
Retirement of leases		-	(3)
		<u>25,925</u>	<u>27,719</u>
Working capital changes:			
Inventories		(16,739)	(4,732)
Trade and other receivables		(7,147)	(9,748)
Due from a related party		-	268
Trade and other payables*		6,147	9,824
Due to related parties		-	(531)
		<u>8,186</u>	<u>22,800</u>
Net cash flows generated from operations		8,186	22,800
Employees' end of service benefits paid		(671)	(804)
Director remuneration paid		(900)	-
Income tax paid		(654)	(124)
		<u>5,961</u>	<u>21,872</u>
Net cash flows generated from operating activities			
INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(3,262)	(2,600)
(Placement)/ Withdrawal of fixed deposit		(375)	302
Proceeds from disposal of property, plant and equipment		49	35
Dividend received		242	426
		<u>(3,346)</u>	<u>(1,837)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Borrowings, net		11,845	(6,970)
Finance cost paid		(4,498)	(4,504)
Lease liabilities paid		(8,063)	(9,410)
		<u>(716)</u>	<u>(20,884)</u>
Net cash flows used in financing activities			
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,899	(849)
Cash and cash equivalents at 1 January		<u>(6,767)</u>	<u>(4,343)</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	11	<u>(4,868)</u>	<u>(5,192)</u>

* Includes non- cash transaction relating to write back of operating accruals amounting to AED 1,393 thousand during the nine-month period ended 30 September 2021.

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Unikai Foods (P.J.S.C.) (the “Company”) is a Public Shareholding Company, incorporated on 11 April 1977 by a Decree issued by His Highness, The Ruler of Dubai. The Company’s equity securities are listed on Dubai Financial Market. The Company holds 100% of the equity of Unikai and Company LLC (the “Subsidiary”), registered as a limited liability company in the Sultanate of Oman under Commercial Register No. 3/74. The principal activity of the Subsidiary is trading in dairy, juice, ice cream and other food products. The Company together with the Subsidiary is referred to as the “Group”.

The Group 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 trading activities of the Group are carried on in the name of “Unikai International” for which the Company holds two separate trade licenses with the names “Unikai International P.J.S.C.” and “Unikai International LLC”. The registered address of the Company is P.O. Box 6424, Dubai, UAE.

The interim condensed consolidated financial statements have been approved by the Board of Directors on 11 November 2022.

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the nine-month period ended 30 September 2022 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2021.

In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

These interim condensed consolidated financial statements have been presented on the historical cost basis except for investment properties and investments carried at fair value through profit or loss (“FVTPL”), which are measured at fair value.

These interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (“AED”), rounded to the nearest thousand except when otherwise indicated, which is the Company’s functional currency.

Going concern

The interim condensed consolidated financial statements of the Group have been prepared on a going concern basis as the Board of Directors and management of the Group believes that the future operations of the Group will generate sufficient profits and cashflows to meet its financial obligations as they fall due.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards with effect from 1 January 2022 which had no significant effect on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unikai Foods (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2022 (Unaudited)

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Sale of goods	77,632	68,603	229,701	190,392
<i>Geographical market</i>				
United Arab Emirates	41,209	34,525	123,172	94,584
Oman	32,890	30,542	95,596	87,356
Others	3,533	3,536	10,933	8,452
	77,632	68,603	229,701	190,392
<i>Timing of revenue recognition</i>				
At a point in time	77,632	68,603	229,701	190,392

4 ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Staff salaries and benefits	10,192	9,213	30,595	28,134
Commercial vehicle expenses	3,231	2,309	8,833	6,387
Amortisation of right of use assets	2,609	2,366	7,451	6,924
Depreciation	698	646	2,021	1,946
Advertisement and other selling expenses	38	35	144	139
Other expenses	4,069	4,432	11,151	10,885
	20,837	19,001	60,195	54,415

Commercial vehicle expenses include operating lease rentals of AED 21 thousand for three-month period ended 30 September 2022 and AED 113 thousand for the nine-month period ended 30 September 2022 (three-month period ended 30 September 2021: AED 103 thousand and nine-month period ended 30 September 2021: AED 344 thousand).

5 PROPERTY, PLANT AND EQUIPMENT

Additions

During the nine-month period ended 30 September 2022 (unaudited), the Group acquired assets amounting to AED 3.3 million (nine-month period ended 30 September 2021 (unaudited): AED 2.6 million). The depreciation expense the nine-month period ended 30 September 2022 amounted to AED 3.7 million (unaudited) (nine-month period ended 30 September 2021 (unaudited): AED 3.6 million).

6 INVESTMENT PROPERTIES

Investment properties comprise a labour accommodation, a warehouse and a right-of-use of land that are leased to third parties under operating lease arrangement. The fair value of investment properties was determined by an external, independent property valuer as at 31 December 2021 (audited), having appropriate recognised professional qualifications and experience of valuing properties in the location and category of the property being valued.

Management believes that there have been no significant changes in the fair value of the warehouse and labor accommodation since 31 December 2021 (audited), and therefore no further revaluation exercise has been undertaken as at 30 September 2022 (unaudited) (for the nine-month period ended 30 September 2021 (unaudited): recognised fair value loss of AED 1,925 thousand).

Measurement of fair value**Fair value hierarchy**

The fair value measurement of investment properties as at 30 September 2022 (unaudited) is AED 39.7 million (31 December 2021 (audited): AED 39.7 million) which has been categorised as a Level 3 fair value based on the underlying inputs to the valuation techniques used.

7 LEASES

The Group has lease contracts for plots of land, buildings and motor vehicles.

Right-of-use assets

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At 1 January	34,924	42,174
Additions during the period / year	6,769	4,185
Less: reclassification to investment property	-	(1,931)
Less: amortisation for the period / year	(7,451)	(9,390)
Less: retirements during the period / year	-	(114)
At the end of the period / year	<u>34,242</u>	<u>34,924</u>

Lease liabilities

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At 1 January	40,381	45,994
Additions during the period/year	6,769	4,185
Add: finance costs	1,509	2,110
Less: payments during the period/year	(8,063)	(11,792)
Less: retirements during the period/year	-	(116)
At the end of the period / year	<u>40,596</u>	<u>40,381</u>

Unikai Foods (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2022 (Unaudited)

7 LEASES (continued)

Presented as follows:

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Current	11,547	13,995
Non-current	29,049	26,386
Total	40,596	40,381

8 INVENTORIES

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Raw materials and packing materials	15,970	12,108
Semi-finished goods	1,344	615
Finished goods	7,495	6,148
Trading goods	4,819	2,677
Consumable stores and spare parts	6,589	6,212
	36,217	27,760
Less: Provision for slow-moving inventories	(2,006)	(1,402)
	34,211	26,358
Goods-in-transit	10,278	1,392
	44,489	27,750

9 TRADE AND OTHER RECEIVABLES

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Trade receivables	73,867	66,078
Less: allowance for expected credit losses	(24,807)	(23,542)
	49,060	42,536
Prepayments	3,294	3,040
Advances to suppliers	2,713	3,317
Other receivables	2,435	2,902
	57,502	51,795

Unikai Foods (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2022 (Unaudited)

10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Balance at the beginning of the period/year	15,931	15,773
<i>Included in profit or loss:</i>		
Change in fair value during the period/year	1,529	158
Balance at the end of period / year	17,460	15,931

Investments represents unquoted equity instruments of an entity operating in dairy and poultry industry.

As at 30 September 2022 (unaudited) and 31 December 2021 (audited), the change in fair value of the investment was estimated by the management using comparable market data.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in valuation techniques. The fair value measurement of investments has been categorised as a Level 3 fair value based on the underlying inputs to the valuation techniques used.

11 BANK BALANCES AND CASH

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Cash in hand	1,998	979
Bank balances and fixed deposits	11,307	10,380
	13,305	11,359
Less: Bank overdrafts (note 12)	(7,584)	(7,912)
Less: Fixed deposits	(10,589)	(10,214)
Cash and cash equivalents	(4,868)	(6,767)

Bank balances include fixed deposits of AED 10,589 thousand (31 December 2021 (audited): AED 10,214 thousand) having an original maturity of one year and carry interest at normal commercial rates.

Unikai Foods (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2022 (Unaudited)

12 BORROWINGS

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Long term borrowings:		
Term loan	23,518	41,465
Less: short term portion of term loan	(22,857)	(25,475)
	<u>661</u>	<u>15,990</u>
Short term borrowings:		
Trust receipts	54,656	24,864
Current portion of term loan	22,857	25,475
Bank overdrafts (note 11)	7,584	7,912
	<u>85,097</u>	<u>58,251</u>

- i) During the prior year, the Group converted the outstanding balance of invoices discounted of AED 25 million into a term loan repayable over 25 installments which commenced in June 2021, as an initial 12 monthly installments of AED 750 thousand each, then 12 monthly instalment of AED 1,250 thousand each and a final installment of AED 1,000 thousand. The loan carries interest of 4.5% per annum over 3 months EIBOR with minimum 6% per annum.
- ii) During the period, the Group has obtained term loan facility from a commercial bank to part finance construction cost for warehouse in Ras Al Khaimah. The term loan carries interest of 4.5% per annum over 3 months EIBOR. The Group has availed AED 778 thousand as at period end of which AED 661 thousand has been classified as non-current.
- iii) Bank borrowings are secured by pledge over plant and equipment, inventories and assignment of receivables.

13 TRADE AND OTHER PAYABLES

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Trade payables	52,494	44,640
Accruals and other payables	8,391	8,959
Advances received	1,479	2,753
VAT payable	386	251
Dividends payable	85	85
	<u>62,835</u>	<u>56,688</u>

14 RELATED PARTY TRANSACTIONS AND BALANCES**a) Compensation of key management personnel**

The remuneration of directors and other key members of management during the period were as follows:

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Short term benefits	419	402	1,477	1,223
End of service benefits	22	50	123	85
	441	452	1,600	1,308

Short term benefits include bonus of AED 203 thousand for the nine-month period ended 30 September 2022 (unaudited) (nine-month period ended 30 September 2021 (unaudited): AED 113 thousand).

b) Other payables:

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Key management personnel	867	706

15 PROVISION FOR INCOME TAX

The provision for taxation is in respect of the Group's operations carried out by a subsidiary in the Sultanate of Oman ("Oman"). The Subsidiary is liable to income tax in accordance with the income tax laws of Oman depending on the level of its taxable profit. The Subsidiary has recognised income tax expense of AED 323 thousand for the nine-month period ended 30 September 2022 (unaudited) (nine-month period ended 30 September 2021: AED 983 thousand (unaudited)) as per applicable tax laws in Oman.

In the opinion of the Group's management, the provision for taxation of AED 358 thousand (unaudited) (31 December 2021(audited): AED 655 thousand) as at reporting date is adequate to meet the Group's tax liabilities.

Deferred tax asset of AED 1,128 thousand as at 30 September 2022 (unaudited) (31 December 2021 (audited): AED 1,094 thousand) relate to unused carried forward tax losses and other temporary timing differences of AED 7,522 thousand (31 December 2021(audited): relate to unused carried forward tax losses and other temporary differences of AED 7,293 thousand), at the prevailing tax rate based on the management's assessment to utilise against expected tax profits in following years.

Unikai Foods (P.J.S.C.) and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2022 (Unaudited)

16 CONTINGENCIES AND COMMITMENTS

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Letters of credit	833	-
Letters of guarantee	1,598	1,598

Capital commitments

The capital commitments outstanding as at 30 September 2022 (unaudited) amount to AED 2.74 million (31 December 2021(audited): AED 4.32 million) representing costs to be incurred towards construction of warehouses and cooling system for the plant.

Legal Cases

As at 30 September 2022 (unaudited), the Group has few 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 no additional provision is required as at 30 September 2022 (unaudited) (31 December 2021(audited): Nil).

17 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	Three-months period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2022 AED	2021 AED	2022 AED	2021 AED
Profit for the period (in AED'000)	2,180	3,233	7,569	7,547
Weighted average number of shares (share)	32,367,500	32,367,500	32,367,500	32,367,500
Basic earnings per share	0.07	0.10	0.23	0.23

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

18 SEGMENTAL REPORTING

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

The Board of Directors are the Chief Operating Decision Maker (CODM) and monitor the operating results of the segment for the purpose of making decisions about performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. The entity wide disclosures as required by IFRS 8 on information about products and geographical areas is reflected in note 3 of these interim condensed consolidated financial statements.

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

Major customers:

During the nine-month period ended 30 September 2022 (unaudited), there were no customers of the Group with the revenues greater than 10% of the total revenue of the Group (nine-month period ended 30 September 2021 (unaudited): None).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, trade and other receivables, due from a related party and investments at fair value through profit and loss. Financial liabilities consist of borrowings, trade and other payables and due to related parties.

The fair values of financial instruments are not materially different from their carrying values. As at 31 December 2021, the long term borrowings carry interest at variable rates which gets repriced at regular intervals.

Fair value hierarchy

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

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.

As at 30 September 2022 and 31 December 2021, the Group held the following financial instruments and investment properties measured at fair value:

Assets measured at fair value

		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
<i>30 September 2022 (Unaudited)</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Investments at FVTPL	<u>17,460</u>	<u>-</u>	<u>-</u>	<u>17,460</u>
Investment properties	<u>39,746</u>	<u>-</u>	<u>-</u>	<u>39,746</u>
<i>31 December 2021 (Audited)</i>	<i>AED'000</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Investments at FVTPL	<u>15,931</u>	<u>-</u>	<u>-</u>	<u>15,931</u>
Investment properties	<u>39,746</u>	<u>-</u>	<u>-</u>	<u>39,746</u>

20 SEASONALITY

Due to seasonal nature of the business of the Group, the results of operations of certain quarters, which fall in off peak periods may be substantially different from other quarters, which fall in the peak seasons (i.e. during summer season). Therefore, revenue from operations may not be evenly distributed over the four quarters of the financial year and thus the results of operations of each quarter may not be entirely comparable to other quarters of the year.