



INTEGRATED
REPORT
2022

Gulf General Investments Co. (P.S.C)
and its subsidiaries

Consolidated financial statements
For the year ended 31 December 2022

<i>Contents</i>	<i>Page</i>
Directors' report	1
Independent auditor's report	2
Consolidated statement of financial position	8
Consolidated statement of profit or loss	10
Consolidated statement of comprehensive income	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	14
Notes to the consolidated financial statements	16

Directors' report

The Directors submit their report on the consolidated financial statements for the year ended 31 December 2022.

Incorporation and registered offices

Gulf General Investments Co. (P.S.C) (the "Company") is incorporated under Emiri Decree No. 2/73 dated 27 July 1973 as a Public Shareholding Company. The duration of the Company is ninety nine years commencing from the date of issuance of the above Emiri Decree. The registered address of the Company is P. O. Box 22588, Dubai, United Arab Emirates. The Company is listed on the Dubai Financial Market.

Principal activities

The principal activities of the Group are to act as a real estate agent, manufacturing, real estate development, writing of insurance of all types, hospitality and other services.

Financial position and results

The financial position and results of the Group for the year ended 31 December 2022 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the year ended 31 December 2022:

Mr. Abdalla Juma Majid Al Sari	Chairman
Mr. Majid Abdalla Juma Al Sari	Deputy Chairman
Mr. Hamad Saif Hamad Al Mheiri	Director
Mr. Mohamed Ali Abdalla Al Sari	Director

Auditors

The consolidated financial statements for the year ended 31 December 2022 have been audited by Grant Thornton UAE and, being eligible, offer themselves for reappointment for the year ended 31 December 2023.

By order of the Board of Directors.

Chairman
22 March 2023



Independent Auditor's Report To the Shareholders of Gulf General Investments Co. (P.S.C)

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Gulf General Investments Co. (P.S.C) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

During the year, interest on borrowings of the Group aggregates to an amount of AED 106 million (2021: AED 94.5 million). The interest cost has not been recorded in the consolidated financial statements since 1 January 2020. Had these interest been recognised in the consolidated financial statements for the year, the Group's finance costs and loss for the year would have increased by AED 106 million and the accumulated losses, net current liabilities and total liabilities of the Group would have increased by AED 323 million.

During the year, the Group settled AED 187 million of its borrowing by disposing its investments in shares and property which was pledged to the bank. However, we were unable to obtain sufficient appropriate audit evidence to confirm that the borrowings had been reduced by the aforementioned amount. Consequently, we were unable to determine whether any adjustments to the borrowing were necessary.

We draw attention to note 31 of the consolidated financial statements, which indicates that the group has several ongoing litigations initiated by creditors. No provision has been recorded against these litigations as the matter is sub judice. We were unable to obtain sufficient appropriate audit evidence to determine the impact of these litigations and if any adjustments were necessary in relation to the borrowings.

We draw attention to note 2 of the consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by AED 2,720 million as at 31 December 2022 (2021: AED 2,908 million). Furthermore, the group has defaulted on its payment obligations to creditors and several creditors have initiated legal proceedings against the group. These events and conditions indicate that a material uncertainty exists that cast significant doubt on the Group's ability to continue as a going concern.

Independent Auditor's Report

To the Shareholders of Gulf General Investments Co. (P.S.C)

Report on the Audit of the Consolidated Financial Statements (continued)

Basis for Qualified Opinion (continued)

We draw attention to note 36 to the consolidated financial statements, which indicates that audited financial statements were not available for certain associates with a carrying amount of AED 66 million as of 31 December 2022 (2021: AED 66 million). Due to the unavailability of the required information, we were unable to determine whether any adjustment to this amount was necessary.

Emphasis of matter

We draw attention to note 7 to the consolidated financial statements which discloses information on assets that are held by a related party for the beneficial interest of the Company. Our opinion is not modified in respect of this matter.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *basis for qualified opinion and emphasis of matter section* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

i) Valuation of investment properties and properties held for development and sale

The Group's investment properties portfolio is carried at AED 2,220 million and properties held for development and sale carried at AED 185 million. The Group engaged professionally qualified external valuers to fair value its investment properties. The valuers performed their work in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation Global Standards (2017 Edition). The fair value definition as per RICS Valuation Standards, adopted by the external valuers, complies with the fair value definition under IFRS. The valuation of the portfolio is a significant judgement area and is underpinned by a number of assumptions. The existence of significant estimation uncertainty warrants specific audit focus in this area as any error in determining the fair value, could have a material impact on the value of the Group's investment properties and the fair value gain or loss recognised in respect of these investment properties.

Our audit procedures, among others, included:

- We assessed the competence, independence and integrity of the external valuers to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work;
- We obtained the external valuation reports for all properties valued by the valuers and assessed the valuation approach used by the valuer in determining the fair value of the properties;

Independent Auditor's Report**To the Shareholders of Gulf General Investments Co. (P.S.C)****Report on the Audit of the Consolidated Financial Statements (continued)****Key Audit Matters (continued)****i) Valuation of investment properties and properties held for development and sale (continued)**

- We have tested on a sample basis whether property specific data supplied to the external valuers by management reflected the underlying property records; and
- Based on the outcome of our evaluation, we assessed the adequacy of the disclosure in the consolidated financial statements.

ii) Valuation of trade and insurance receivables

The Group has trade and insurance receivables that are overdue and not impaired (as disclosed in note 14 to these consolidated financial statements). The key associated risk is the recoverability of receivables. Management's related allowance for expected credit losses (ECL) is subjective and is influenced by assumptions concerning the probability of default and probable losses in the event of default.

Our audit procedures, among others, included:

- We obtained an understanding of the Group's process for estimating ECL and assessed the appropriateness of ECL methodology against the requirements of IFRS 9;
- We assessed the reasonableness of managements' key assumptions and judgements made in determining the allowance for ECL, segmenting of receivables and macroeconomic factors; and
- We tested the key inputs of model such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also assessed reasonableness of forward-looking factors used by the Group by corroborating with publicly available information.

iii) Valuation of insurance contract liabilities

The estimation of liabilities arising from insurance contracts such as unearned premium reserve, outstanding claims reserve, incurred but not reported reserve, unallocated loss adjustment expense reserve and mathematical reserve, as disclosed in note 15 to these financial statements, involves a significant degree of judgement. These liabilities are based on the pattern of risk distributions over coverage period, the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs, mortality and persistency (including consideration of policyholder behavior). Actuarial computations have been used to determine these provisions. Underlying these computations are a number of explicit or implicit

assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a provision requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

We assessed management's calculations of the technical reserves by performing the following procedures:

- Understood the governance process in place to determine the insurance contract liabilities.
- Tested the underlying company data to source documentation on sample basis;
- Evaluated competence, capabilities and objectivity of management's actuarial specialist;
- Using our actuarial specialist team members, we applied our industry knowledge and experience, and compared the methodology, models and assumptions used against recognised actuarial practices; and
- Using our actuarial specialist team members, we checked the mathematical accuracy of the methodology applied on selected classes of business, particularly focusing on the largest and most uncertain reserves.

Independent Auditor's Report**To the Shareholders of Gulf General Investments Co. (P.S.C)****Report on the Audit of the Consolidated Financial Statements (continued)****Other information**

Management is responsible for the other information. The other information comprises of the Directors' report, which we obtained prior to the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report**To the Shareholders of Gulf General Investments Co. (P.S.C)****Report on the Audit of the Consolidated Financial Statements (continued)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report
To the Shareholders of Gulf General Investments Co. (P.S.C)

Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;
- iii) the Group has maintained proper books of accounts;
- iv) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of accounts of the Group;
- v) other than those disclosed in note 10 to the consolidated financial statements, the Group has not purchased any shares and has not made any social contributions during the year ended 31 December 2022;
- vi) note 13 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or in respect of the Group, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2022.



GRANT THORNTON

Dr. Osama El-Bakry
Registration No: 935
Dubai, United Arab Emirates



22 March 2023

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of financial position
As at 31 December 2022

	Notes	2022 AED '000	2021 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	6	389,838	484,962
Investment properties	7	2,220,466	2,525,081
Goodwill	8	4,000	11,500
Investments in associates	9	165,974	184,839
Investments in securities	10	71,103	74,682
Trade and other receivables	14	3,948	23,052
		<u>2,855,329</u>	<u>3,304,116</u>
Current assets			
Properties held for development and sale	11	184,855	174,102
Inventories	12	19,766	40,819
Due from related parties	13	5,844	10,288
Trade and other receivables	14	420,238	530,408
Reinsurance contract assets	15	246,344	258,689
Investments in securities	10	100,510	101,868
Cash in hand and at banks	16	307,125	310,288
		<u>1,284,682</u>	<u>1,426,462</u>
TOTAL ASSETS		<u>4,140,011</u>	<u>4,730,578</u>

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of financial position (continued)
As at 31 December 2022

	Notes	2022 AED '000	2021 AED '000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1,791,333	1,791,333
Legal reserve	18	49,645	49,645
Additional reserve	18	7,068	7,068
Asset revaluation surplus	18	76,315	120,337
Cumulative change in fair value of investments measured at fair value through other comprehensive income		(2,716)	577
Accumulated losses		(1,969,934)	(1,787,975)
Equity attributable to owners of Parent Company		(48,289)	180,985
Non-controlling interests	35	170,234	200,427
TOTAL EQUITY		121,945	381,412
LIABILITIES			
Non-current			
Provision for employees' end of service benefits	19	13,155	15,005
Current			
Due to related parties	13	354,390	436,249
Insurance contract liabilities	15	573,184	512,308
Borrowings	20	2,048,405	2,295,240
Trade and other payables	21	1,027,459	1,081,738
Lease liabilities		1,473	8,626
		4,004,911	4,334,161
TOTAL LIABILITIES		4,018,066	4,349,166
TOTAL EQUITY AND LIABILITIES		4,140,011	4,730,578

The consolidated financial statements including comparatives were authorised for issue by and on behalf of the Board of Directors on 22 March 2023



Abdalla Juma Majid Al Sari
Chairman

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of profit or loss
For the year ended 31 December 2022

	Notes	2022 AED '000	2021 AED '000
Revenue	22	419,330	455,498
Cost of revenue	23	(338,850)	(408,925)
Gross profit		80,480	46,573
Administrative and general expenses	24	(135,474)	(107,022)
Selling and distribution expenses		(1,476)	(4,405)
Other income	20	114,871	4,987
Investment properties (loss) / income – net	25	(29,628)	9,095
Share of loss in associates	9	(18,865)	(20,795)
Provision for expected credit loss	32	(148,246)	-
Impairment of goodwill	8	(7,500)	-
Investment loss – net	26	(26,425)	(28,909)
Finance income	27	3,453	4,585
Finance cost	28	(43,326)	(31,457)
Loss for the year		(212,136)	(127,348)
<i>Loss attributable to:</i>			
Owners of Parent Company		(181,950)	(92,686)
Non-controlling interests		(30,186)	(34,662)
		(212,136)	(127,348)
Loss per share - Basic and Diluted (AED fils per share)	29	(10.16)	(5.17)

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of comprehensive income
For the year ended 31 December 2022

	Notes	2022 AED '000	2021 AED '000
Loss for the year		<u>(212,136)</u>	<u>(127,348)</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Change in fair value of investments in securities - net (FVTOCI)	10	(3,302)	5,458
(Loss) / income on revaluation of land and buildings	6	<u>(44,029)</u>	<u>88,037</u>
Other comprehensive (loss) / income for the year		<u>(47,331)</u>	<u>93,495</u>
Total comprehensive loss for the year		<u>(259,467)</u>	<u>(33,853)</u>
<i>Total comprehensive loss attributable to:</i>			
Owners of Parent Company		(229,274)	(4,638)
Non-controlling interests		<u>(30,193)</u>	<u>(29,215)</u>
Total comprehensive loss for the year		<u>(259,467)</u>	<u>(33,853)</u>

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of changes in equity
For the year ended 31 December 2022

Attributable to owners of Parent Company

	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Asset revaluation surplus AED '000	Cumulative change in fair value of investments measured at FVTOCI AED '000	Accumulated losses AED '000	Equity attributable to owners of Parent Company AED '000	Non – controlling interests AED '000	Total equity AED '000
At 1 January 2022	1,791,333	49,645	7,068	120,337	577	(1,787,975)	180,985	200,427	381,412
<i>Total comprehensive loss for the year</i>									
Loss for the year	-	-	-	-	-	(181,950)	(181,950)	(30,186)	(212,136)
Other comprehensive loss	-	-	-	(44,022)	(3,302)	-	(47,324)	(7)	(47,331)
Total comprehensive loss	-	-	-	(44,022)	(3,302)	(181,950)	(229,274)	(30,193)	(259,467)
<i>Other movements</i>									
Transfer to accumulated losses on disposal of investments at FVTOCI	-	-	-	-	9	(9)	-	-	-
Loss transfer to retained earnings on disposal of equity interest in associate	-	-	-	-	-	-	-	-	-
At 31 December 2022	1,791,333	49,645	7,068	76,315	(2,716)	(1,969,934)	(48,289)	170,234	121,945

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of changes in equity (continued)
For the year ended 31 December 2022

Attributable to owners of Parent Company									
	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Asset revaluation surplus AED '000	Cumulative change in fair value of investments measured at FVTOCI AED '000	Accumulated losses AED '000	Equity attributable to owners of Parent Company AED '000	Non – controlling interests AED '000	Total equity AED '000
At 1 January 2021	1,791,333	49,645	7,068	37,747	(27,004)	(1,672,402)	186,387	230,413	416,800
<i>Total comprehensive loss for the year</i>									
Loss for the year	-	-	-	-	-	(92,686)	(92,686)	(34,662)	(127,348)
Other comprehensive income	-	-	-	82,590	5,458	-	88,048	5,447	93,495
Total comprehensive income / (loss)	-	-	-	82,590	5,458	(92,686)	(4,638)	(29,215)	(33,853)
<i>Other movements</i>									
Director's fees paid by a subsidiary	-	-	-	-	-	(764)	(764)	(771)	(1,535)
Transfer to accumulated losses on disposal of investments at FVTOCI	-	-	-	-	18,903	(18,903)	-	-	-
Loss transfer to retained earnings on disposal of equity interest in associate	-	-	-	-	3,220	(3,220)	-	-	-
At 31 December 2021	1,791,333	49,645	7,068	120,337	577	(1,787,975)	180,985	200,427	381,412

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of cash flows
For the year ended 31 December 2022

	Notes	2022 AED '000	2021 AED '000
Cash flows from operating activities			
Loss for the year		(212,136)	(127,348)
<i>Adjustments for:</i>			
Depreciation	6	11,532	13,915
Loss on sale of investment properties	25	93,400	10,297
Fair value (gain)/loss on investment properties	7	(63,772)	(19,392)
Share of loss in associates	9	18,865	20,795
Change in fair value of investments measured at fair value through profit or loss	10	(967)	(5,925)
Provision /(reversal) of employees' end of service benefits	19	1,158	(5,794)
(Gain) / loss on sale of investments in securities	26	(350)	172
Allowance for ECL		148,246	-
Impairment of goodwill		7500	-
Loss of disposal of equity interest in an associate	26	-	32,891
Provision for inventory	12	7,328	-
Interest on lease liability		111	448
Finance income	27	(3,453)	(4,585)
Finance costs	28	43,326	31,457
Operating profit / (loss) before working capital changes		50,788	(53,069)
Changes in trade and other receivables		12,784	30,573
Changes in properties held for development and sale		(10,753)	(16)
Changes in inventories		13,725	21,404
Changes in due from/due to related parties		(77,415)	39,394
Changes in reinsurance contract assets		12,345	(37,646)
Changes in insurance contract liabilities		60,876	(2,559)
Changes in trade and other payables		(54,279)	(71,301)
		8,071	(73,220)
Employees' end of service benefits paid	19	(3,008)	(2,517)
Directors' fees paid		-	(1,535)
Net cash generated from /(used in) operating activities		5,063	(77,272)

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Consolidated statement of cash flows (continued)
For the year ended 31 December 2022

	Notes	2022 AED '000	2021 AED '000
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3,286)	(2,014)
Purchase of investments in securities	10	(2,750)	(29,227)
Proceeds from sale of investments in securities		5,702	13,768
Proceeds from disposal of property, plant and equipment		69	7,955
Proceeds from sale of investment properties	7	275,300	68,900
Proceeds from disposal of equity interest in an associate	9	-	19,200
Finance income	27	3,453	4,585
Net cash generated from investing activities		<u>278,488</u>	<u>83,167</u>
Cash flows from financing activities			
Dividend received		1,213	-
Net movement in borrowings		(246,835)	(55,818)
Payment of lease liability		(2,005)	(4,755)
Finance costs	28	(43,326)	(31,457)
Net cash used in financing activities		<u>(290,953)</u>	<u>(92,030)</u>
Net decrease in cash and cash equivalents		<u>(7,402)</u>	<u>(86,135)</u>
Cash and cash equivalents at the beginning of the year		155,482	241,617
Cash and cash equivalents at the end of the year	16	<u>148,080</u>	<u>155,482</u>

The accompanying notes 1 to 37 are an integral part of these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

1 Reporting entity

Gulf General Investments Co. (P.S.C) (the "Company") is incorporated under Emiri Decree No. 2/73 dated 27 July 1973 as a Public Shareholding Company. The duration of the Company is ninety nine years commencing from the date of issuance of the above Emiri Decree. The registered address of the Company is P. O. Box 22588, Dubai, United Arab Emirates. The Company is listed on the Dubai Financial Market.

These consolidated financial statements present the financial position and results of operations of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates (refer to notes 2 and 9).

The principal activities of the Group are to act as a real estate agent, manufacturing, real estate development, writing of insurance of all types, hospitality and other services.

The Company is a subsidiary of Investment Group (Pvt) Limited, a company registered in UAE.

As of 2 January 2023, the Company is subject to compliance with UAE Federal Law No. 32 of 2021, which replaces UAE Federal Law No. 2 of 2015. The financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021. The Shareholders of the Company are currently in the process of amending the statutory documents, to reflect the changes required due to application of the UAE Federal law No. (32) of 2021.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. There is no impact of this announcement on the financial statements of the Company for the year ended 31 December 2022.

2 Basis of preparation

Going concern

These consolidated financial statements have been prepared on a going concern basis notwithstanding the fact that the Group has incurred a net loss of AED 212 million (2021: loss of AED 127 million), current liabilities exceeding current assets by AED 2,720 million (2021: AED 2,908 million) and accumulated losses of AED 1,970 million (2021: AED 1,788 million) as at that date. The continuation of the Group's operations is dependent upon future profitable operations and the ability of the Group to generate sufficient cash flows from operations and sale of investments and properties to meet its future obligations. Also refer to note 4.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board ("IASB") and applicable requirements of U.A.E Federal Law (32) of 2021.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except in respect of certain property, plant and equipment, investment properties and investments in marketable equity securities which are stated at their fair values.

Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Basis of consolidation

These consolidated financial statements comprise a consolidation of the audited financial statements of the Company and its subsidiaries on a line-by-line basis together with the Group's interest in the net assets of its associates. For a list of the subsidiaries and associates refer the below and note 9 respectively.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name of the subsidiaries	Place of incorporation	Proportion of ownership	Proportion of ownership	Principal activities
		(%) 2022	(%) 2021	
Al-Sagr National Insurance Co. (PSC)	U.A.E.	50	50	Writing of insurance of all types.
Time Hotels Management (L.L.C.)	U.A.E.	51	51	Hotels management.
Time Oak Hotel & Suites L.L.C	U.A.E.	51	51	Hospitality.
Oil Lab & Marine Surveyors Co. L.L.C.	U.A.E.	50	50	Marine inspection, testing of petroleum products.
Dubai Al Ahlia Quick Transport L.L.C.	U.A.E.	50	50	Transportation of general materials by trucks.
Acorn Industries Co. L.L.C.	U.A.E.	50	50	Vehicle body manufacturing, steel, structure parts.

Certain percentage of investment in Al Sagr National Insurance Co. (PSC) is registered in the name of related parties in trust and for the benefit of the Company. Certain percentage of investments in 100% owned subsidiaries are held by the Company through nominee arrangements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

During the year, the Group has liquidated the following subsidiaries:

Name of the subsidiaries	Place of incorporation	Proportion of ownership (%) 2022	Proportion of ownership (%) 2021	Principal activities
Concept Piping Systems Industries LLC	U.A.E	-	100	Manufacturing and trading of plastic goods.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Interests in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, until the date on which significant influence ceases.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated income statement.

The details of significant associates are as follows:

Name of the associates	Place of incorporation	Ownership (%) 2022	Ownership (%) 2021
Arab Real Estate Development P.S.C. (Arab Corp)	Jordan	30.8	30.8
Ghadah General Trading and Contracting Co. L.L.C. (Khalid Mustafa Karam Sons & Partners)	Kuwait	38.0	38.0
Al Sagr Cooperative Insurance Company	Saudi Arabia	20.0	20.0

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Standards, interpretations and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective in 2022

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

Standard number	Title	Effective date
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IAS 16	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IAS 37	Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018–2020	1 January 2022

These standards have been adopted by the Group and did not have a material impact on these consolidated financial statements.

Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied)

The scope of IFRS 17 for the Company is materially consistent with that of IFRS 4. Investment contracts will be measured under IFRS 9. IFRS 17 requires that contracts are divided into groups for the purposes of recognition and measurement. Portfolios of contracts are identified by grouping together contracts which have similar risks and are managed together. These groups are then further divided into groups based on their expected profitability.

Contracts which are onerous at inception cannot be grouped with contracts which are profitable at inception. Contracts which are issued more than one year apart are not permitted to be included within the same group, although there is some relief from this requirement for business in-force at the date of transition under the transitional arrangements.

The standard introduces three measurement approaches, of which one, the general model and the premium allocation approach, are applicable to the Company's business. The main features of these models are the measurement of an insurance contract as the present value of expected future cash flows including acquisition costs, plus an explicit risk adjustment, remeasured at each reporting period using current assumptions, and a contractual service margin ("CSM").

The risk adjustment represents the compensation the Company requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the obligations under the insurance contract are fulfilled.

The CSM represents the unearned profit of a group of insurance contracts and is recognised in profit or loss as the insurance service is provided to the customer using coverage units. Coverage units are a measurement of the quantum of service provided across the life of the contract and are used to measure the service provided in the reporting period and release a corresponding amount of profit to the income statement. If a group of contracts becomes loss-making after inception the loss is recognised immediately in the income statement.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Standards, interpretations and amendments to existing standards (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

This treatment of profits and losses in respect of services is broadly consistent with the principles of IFRS 15 and IAS 37 applicable to other industries.

Under the general model the CSM is adjusted for non-economic assumption changes relating to future periods. For certain contracts with participating features the variable fee approach is applied, this allows changes in economic assumptions and experience to adjust the CSM as well as non-economic assumptions, reflecting the variable nature of the entity's earnings driven by investment returns. IFRS 17 requires the standard to be applied retrospectively. Where this is assessed as impracticable the standard allows the application of a simplified retrospective approach or a fair value approach to determine the contractual service margin. The measurement principles set out in IFRS 17 will significantly change the way in which the Company measures its insurance contracts and associated reinsurance contracts.

These changes will impact the pattern in which profit emerges when compared to IFRS 4 and add complexity to valuation processes, data requirements and assumption setting. The introduction of IFRS 17 will simplify the presentation of the statement of financial position. It requires the presentation of groups of insurance (or reinsurance) contracts that are in an asset position separately from those in a liability position. The presentation of the income statement will change more significantly with IFRS 17 setting out how components of the profitability of contracts are disaggregated into an insurance service result and insurance finance income/expenses. IFRS 17 also requires extensive disclosures on the amounts recognised from insurance contracts and the nature and extent of risks arising from them.

Premium allocation approach: The Premium allocation approach is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. The Company expects that it will apply the PAA to all contracts except for the liability line of business where the General Measurement Model (GMM) to account for insurance contracts based on the following criteria:

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the Company is one year or less.

Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Company expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under IFRS 17 insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

2 Basis of preparation (continued)

Standards, interpretations and amendments to existing standards (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

IFRS 17 Insurance Contracts (effective for accounting period beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied) (continued)

Impact assessment – Non-Life Insurance

Although the PAA is similar to the Company's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts.

Changes from IFRS 4	Impact on equity on transition to IFRS 17
Under IFRS 17, the Company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Company does not currently discount such future cash flows.	Increase
IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	Decrease
The Company's accounting policy under IFRS 17 to expense eligible insurance acquisition cash flows when they are incurred differs from the current practice under which these amounts are recognised separately as deferred acquisition costs.	Decrease

The Company implementation project continued through 2022 with a focus on finalising methodologies and developing the operational capabilities required to implement the standard including data, systems and business processes. The current focus is on embedding the operational capabilities and determining the transition balance sheet and comparatives required for 2023 reporting.

Since the implementation project is currently ongoing, management believes that it is impractical to determine the amount of the effect of IFRS 17 in the current period.

3 Significant accounting policies

Investment properties

Recognition

Land and buildings owned by the Group for the purposes of generating rental income or capital appreciation or both are classified as investment properties. Properties that are being constructed or developed for future use as investment properties are also classified as investment properties.

Measurement

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are accounted for using the fair value model under International Accounting Standard No. 40 "Investment Property". Any gain or loss arising from a change in fair value is recognised in the profit or loss.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains as an investment property, which is measured based on fair value model and is not reclassified as property held for development and sale property during the redevelopment with respect to as an investment property.

However, where fair value of investment property under construction is not reliably determinable, the property is measured at cost until the earlier of the date when the construction is complete and the date at which fair value becomes reliably measurable.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Investment properties (continued)

Transfer from property, plant and equipment to investment properties

Properties held for own use are accounted for as property, plant and equipment up to the date of the change in use. Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognised as a revaluation of property, plant and equipment. Any existing or arising revaluation surplus previously recognised in other comprehensive income is not transferred to the profit or loss at the date of transfer or on subsequent disposal of the investment property. However, on subsequent disposal, any existing revaluation surplus that was recognised when the Group applied the revaluation model to the property is transferred to retained earnings.

Transfer from properties held for development and sale to investment properties

Certain properties held for development and sale are transferred to investment properties when those properties are either released for rental or for capital appreciation or both. The properties held for sale are transferred to investment properties at fair value on the date of transfer and gain arising on transfer is recognised in the profit or loss. Subsequent to initial measurement, such properties are valued at fair value in accordance with the measurement policy for investment properties. Any gain arising on this re-measurement is recognised in the consolidated income statement on the specific property.

Transfer from investment properties to properties held for development and sale

When a property is transferred from investment property measured at fair value to properties held for development and sale, the transfer is accounted for at fair value. The fair value at the date of transfer is then deemed to be the property's cost. Any difference between the carrying amount of the property before transfer and its fair value on the date of transfer is recognised in the profit or loss in the same way as any other change in the fair value of investment property.

Sale of investment properties

Certain investment properties are sold in the ordinary course of business. No revenue and direct costs are recognised for sale of investment properties. Any gain or loss on disposal of sale of investment properties (calculated as the difference between the net proceeds from disposal and carrying amount) is recognised in the consolidated income statement.

Properties held for development and sale

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of land, infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities that are necessary to get the assets ready for the intended use are in progress. Net realisable value represents the estimated selling price of the asset in the present condition less costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date.

Financial instruments

Non-derivative financial assets and liabilities

Recognition

The Group initially recognises trade receivables and trade payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes party to the contractual provision of the instrument.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Financial instruments (continued)

Non-derivative financial assets and liabilities (continued)

Recognition (continued)

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification

At inception a financial asset is classified as measured at amortised cost or fair value.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

The Group makes an assessment of a business model at portfolio level as this reflect the best way the business is managed, and information is provided to the management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in to collect contractual cash flows, the Group considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focus on earning contractual interest revenue;
- the degree of frequency of any expected asset sales;
- the reason of any asset sales; and
- Whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets at FVTPL

Financial assets held for trading are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Group has designated certain financial assets at fair value through profit or loss because designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Financial assets at FVTOCI

At initial recognition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in certain equity instruments as at FVTOCI (fair value through other comprehensive income). Designation to FVTOCI is not permitted if the equity instrument is held for trading.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Financial instruments (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Dividend in these investments in equity instruments are recognised in the consolidated profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represents a recovery of part of the cost of the investment.

Gains and losses on such equity instruments are never reclassified to consolidated income statement and no impairment is recognised in consolidated income statement.

Financial assets are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing financial assets.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Loans and receivables comprise mainly trade and other receivables and due from related parties.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits with original maturities of three months or less from the acquisition date

Cash and cash equivalents (continued)

that are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Equity securities

Ordinary shares of the Group are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Non-derivative financial liabilities

The Group's financial liabilities includes due to related parties, insurance contract liabilities, borrowings, trade and other payables and lease liabilities. All financial liabilities (including liabilities designated at fair value through consolidated statement of other comprehensive income) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in consolidated income statement are included within finance costs or finance income.

De-recognition of financial assets and financial liabilities

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the transferred asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Group is recognised as separate asset or liability in the consolidated statement of financial position.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Financial Instruments (continued)

De-recognition of financial assets and financial liabilities (continued)

On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated income statement.

The Group derecognises a financial liability when its contractual obligation are discharged or cancelled or expire.

Impairment and uncollectability of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

The Group measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

Measurement of ECL

ECL are probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Revenue from contracts with customers

Group's revenue streams

Sale of plots of land

Revenue from the sale of plots of land is recognised in the profit or loss when the significant risks and rewards of ownership are transferred to the buyer, the Group has no further substantial acts to complete under the respective sales contract, access has been granted to the plots and the buyer has provided sufficient evidence of his commitment to complete the payment towards purchase of plots of land and the amount of revenue and associated costs can be measured reliably. Revenue from sale of plots is presented net of returns/sale cancellations.

Revenue from sale of properties held for development and sale

Revenue from sale of properties held for development and sale is recognised in the profit or loss when the significant risks and rewards of ownership are transferred to the buyer. Significant risks and rewards of

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

Group's revenue streams (continued)

ownership are deemed to be transferred to the buyer when price risk is transferred to the buyer by signing of the sales contract and the buyer has been granted access to the property when the construction is complete.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Securities

Gains and losses on sale of securities are recognised when the securities are sold and title has passed.

Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental income from other property is recognised as other income.

Hotel revenue

Income from hotel services rendered to guests and customers is recognised pro-rata over the periods of occupancy. Revenue from sale of food and beverages is recognised upon issuance of related sales invoices on delivery to guests and customers.

Leases

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the consolidated profit or loss if the carrying amount of the right-to-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment properties in 'Property and equipment' and the lease liabilities as a separate item in the consolidated statement of financial position.

Operating leases

The Group has entered into commercial property leases on its investment properties. The Group, as a lessor, has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases. Payments made under operating leases are recognised in the consolidated income statement on a straight line basis over the term of the lease.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are initially recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the profit or loss. The estimated useful lives of property, plant and equipment for the current and comparative period is as follows:

	Useful life (in years)
Buildings	5 to 50
Plant and equipment	5 to 20
Motor vehicles and trucks	4 to 10
Furniture and fixtures	4 to 7
Storage tanks	20
Other assets	5 to 8

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

Land is not depreciated and is stated at their revalued amounts, being the fair value at the date of revaluation. Any revaluation increase arising on the revaluation of land is credited in other comprehensive income to the land revaluation reserve, except to the extent that it reverses a revaluation decrease for the land previously recognised in the profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Property, plant and equipment (continued)

such land is charged to the profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings. No transfer is made from the land revaluation reserve to retained earnings except when the land is derecognised.

Inventories

Raw materials and spare parts

Raw materials and spare parts are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Finished and semi-finished goods

Finished and semi-finished goods are stated at lower of cost (comprising direct labour, material cost, direct expenses and an appropriate allocation of production overheads) and the net realisable value, which is arrived at after providing for anticipated losses, if any, when the possibility of loss is ascertained.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Employee benefits

Defined contribution plan

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority which is a defined contribution plan. The Group's contribution, for eligible UAE National employees is calculated as a percentage of the employees' salaries and charged to the profit or loss, in accordance with the provisions of Federal Law No. (7) of 1999 relating to Pension and Social Security Law. The Group has no legal or constructive obligation to pay any further contributions.

Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

Provision for employees' end of service benefits to non-UAE nationals

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Employee benefits (continued)

The provision for end of service benefits is based on the liability that would arise if the employment of all staff were terminated at the reporting date and is calculated in accordance with the provisions of UAE Federal Labour Law and the relevant local laws applicable to overseas subsidiaries. Management considers these as long-term obligations and accordingly they are classified as long-term liabilities.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

Finance income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

Finance costs

Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Insurance contracts

Classification

The Group issues contracts that transfer either insurance risk or both insurance and financial risks.

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts. Insurance risk is significant if an insured event could cause the Group to pay significant additional benefits as a result of an insured event occurring.

Insurance contracts may also transfer some financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts where insurance risk is not significant are classified as investment contracts.

Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

Recognition and measurement

Premiums

Gross premiums written reflect business incepted during the year, and exclude any fees and other amounts collected with and calculated based on premiums. These are recognised when underwriting process is complete and policies are issued.

The earned proportion of premiums is recognised as income. Premiums are earned from the date of attachment of risk over the indemnity period and unearned premium is calculated using the basis described below:

Unearned premium reserve (UPR)

The unearned premium considered in the insurance contract liabilities comprise the estimated proportion of the gross premiums written which relates to the periods of insurance subsequent to the statement of financial position date. UPR are calculated using the 1/365 method except for marine cargo and general accident. The UPR for marine cargo is recognised as fixed proportion of the written premiums as required in the financial regulation and UPR for general accident assumes a linear increase in risk with the duration of the project such that the risk faced is 100% at the expiry of the contract. The rate at which the premium

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Insurance contracts (continued)

Recognition and measurement (continued)

is earned is deemed to increase at the same rate at which the risk faced increases over the lifetime of the policy.

Claims

Claims incurred comprise the settlement and the internal and external handling costs paid and changes in the provisions for outstanding claims arising from events occurring during the financial period. Where applicable, deductions are made for salvage and their recoveries.

Claims outstanding comprise provisions for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expense reduced by expected salvage and other recoveries. Claims outstanding are assessed by reviewing individual reported claims. Provisions for claims outstanding are not discounted. Adjustments to claims provisions established in prior periods are reflected in the financial statements of the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly. Provision is also made for any claims incurred but not reported ("IBNR") at the date of statement of financial position on the basis of management estimates. The basis of estimating outstanding claims and IBNR are detailed in note 15.

Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Amounts due to and from reinsurers are accounted for in a manner consistent with the related insurance policies and in accordance with the relevant reinsurance contracts. Reinsurance premiums are deferred and expensed using the same basis as used to calculate unearned premium reserves for related insurance policies. The deferred portion of ceded reinsurance premiums is included in reinsurance assets.

Reinsurance assets are assessed for impairment at each reporting date. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. Impairment losses on reinsurance assets are recognised in statement of income in the period in which they are incurred.

Profit commission in respect of reinsurance contracts is recognised on an accrual basis.

Deferred acquisition cost

For general insurance contracts, the deferred acquisition cost asset represents the portion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the reporting date. Commission income related to underwriting activities are recognised on a time proportion basis over the effective period of policy using the same basis as described for unexpired risk premium.

Insurance receivables and payables

Amounts due from and to policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables, and not in insurance contract provisions or reinsurance assets.

Insurance contract provision and reinsurance assets

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Group and still unpaid at the consolidated statement of financial position date, in addition for claims incurred but not reported. The unearned premium considered in the insurance contract liabilities comprise the estimated

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

3 Significant accounting policies (continued)

Insurance contracts (continued)

Recognition and measurement (continued)

proportion of the gross premiums written which relates to the periods of insurance subsequent to the reporting date.

The reinsurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as reinsurance contract assets in the consolidated financial statements.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

4 Funding and liquidity

The Group has third party commitments amounting to AED 3,685 million as at 31 December 2022 (2021: AED 4,085 million) of which AED 3,672 million (2021: AED 4,070 million) is payable within one year from the reporting date.

These third party commitments include loans and borrowings including accrued interest of AED 2,684 million (2021: AED 2,931 million) which is payable within one year from the reporting date.

The Board of Directors expect that the Group will meet its funding requirements through future income generated from operations, sale of investments and properties, existing cash and bank balances and restructuring of its certain existing loan facilities.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

4 Funding and liquidity (continued)

Furthermore, the Board of Directors and the management have undertaken a variety of initiatives and are continuing with the plans as outlined above, which they believe to be realistic and achievable to ensure the Group's ability to meet its financial commitments as they fall due. Also refer to notes 20 and 21.

5 Key accounting judgements and uncertainty

In the application of the Group's accounting policies, which are described in note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described on the next page:

Key judgements in applying accounting policies

Going concern

The Group's management has performed an assessment of the Group's ability to continue as a going concern, which covers a period of twelve months from the reporting date, based on certain identified events and conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as going concern.

The Group's management has prepared its business forecast and the cash flow forecast for the twelve months from the reporting date on a conservative basis. On the basis of such forecasts, the Group's management is of the opinion that the Group will be able to continue its operations for the next twelve months from the reporting date and that the going concern assumption used in the preparation of these consolidated financial statements is appropriate. The appropriateness of the going concern basis of accounting shall be reassessed next year.

Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for development and sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and properties held for development and resale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management. Properties held for development and sale are grouped under current assets as intention of the management is to sell it within one year from the end of the reporting date.

Key sources of estimation

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. Refer to note 7 for details.

Such estimations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

5 Key accounting judgements and uncertainty (continued)

Key sources of estimation (continued)

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. In the absence of an active market for these investments or any recent transactions that could provide evidence of the current fair value, these investments are carried at cost less recognised impairment losses, if any. Management believes that the carrying values of these unquoted equity investments are not materially different from their fair values. Valuation techniques and key inputs are mentioned in note 32 to these consolidated financial statements.

Impairment of investments in associates

Management regularly reviews its investments in associates for indicators of impairment. This determination of whether investments in associates are impaired entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in profit or loss. Management is satisfied that no impairment provision is necessary on its investments in associates in excess of amounts already provided.

Impairment of trade and other receivables (including due from related parties)

The Group reviews its receivables to assess impairment at least on an annual basis. The Group's credit risk is primarily attributable to its trade receivables, due from related parties and bank balance. In determining whether impairment losses should be recognised in profit and loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made in accordance with the 'expected credit loss' (ECL) model. This requires considerable judgement about how the changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Impairment of properties held for development and sale

The Group's management reviews the properties held for development and sale to assess impairment, if there is an indication of impairment.

In determining whether impairment losses should be recognised in the consolidated income statement and other comprehensive income, the management assesses the current selling prices of the property units and the anticipated costs for completion of such property units for properties which remain unsold at the reporting date. If the current selling prices are lower than the anticipated costs to complete, an impairment provision is recognised for the identified loss event or condition to reduce the cost of properties held for development and sale to its net realisable value.

Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the holder of the contract to the Group.

There are a number of contracts sold where the Group exercises judgement about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether there are any scenarios with commercial substance in which the Group is required to pay significant additional benefits. These benefits are those which exceed the amounts payable if no insured event were to occur. These additional amounts include claims liability and assessment costs, but exclude the loss of the ability to charge the holder of the contract for future services.

Provision for outstanding claims, whether reported or not

Considerable judgement by the management is required in the estimation of amounts due to the contract holders arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

5 Key accounting judgements and uncertainty (continued)

Key sources of estimation (continued)

judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the date of consolidated statement of financial position and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the date of consolidated statement of financial position. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation and are presented in note 15.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred and IBNR claims regularly.

Liability adequacy test

At each consolidated statement of financial position date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the consolidated income statement.

Impairment of goodwill

Goodwill is tested annually for impairment and at other times when such indications exist. The impairment calculation requires the use of estimates. Management has performed impairment test during the year and based on the consolidated financial position, performance and expansion plans of the entities, have concluded that expected future cash flows to arise from each subsidiaries will be adequate, accordingly no impairment is required.

Inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Consolidation - de facto control

As per control model of IFRS 10, the Group has assessed for all its investees whether it has power over an investee, exposure or right to variable returns from its involvement with the investee and ability to use its power to affect those returns. In determining control, judgements have been exercised on the relationship of the Group with the investees based on which conclusions have been drawn.

Such estimations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

6 Property, plant and equipment

2022	Right of use assets AED '000	Land AED '000	Buildings AED '000	Plant and equipment AED '000	Motor vehicles and trucks AED '000	Furniture and fixtures AED '000	Storage tanks AED '000	Other assets AED '000	Total AED '000
Cost									
At 1 January	16,308	308,597	162,173	53,136	78,040	63,566	3,571	22,173	707,564
Additions	-	-	1,222	20	1,286	625	-	133	3,286
Revaluation	-	(31,046)	(12,983)	-	-	-	-	-	(44,029)
Disposals	(7,748)	-	(25,315)	(27,976)	(2,454)	(1,879)	-	(17,098)	(82,470)
At 31 December	8,560	277,551	125,097	25,180	76,872	62,312	3,571	5,208	584,351
Accumulated depreciation									
At 1 January	7,989	-	53,255	32,972	54,491	60,370	1,116	12,409	222,602
Charge for the year	1,802	-	3,364	616	4,303	1,193	145	109	11,532
Disposals	(2,583)	-	(9,880)	(14,774)	(2,259)	(1,786)	-	(8,339)	(39,621)
At 31 December	7,208	-	46,739	18,814	56,535	59,777	1,261	4,179	194,513
Net book value									
At 31 December	1,352	277,551	78,358	6,366	20,337	2,535	2,310	1,029	389,838

Allocation of depreciation expense

	2022 AED '000	2021 AED '000
Cost of sales	5,070	4,928
Right of use asset	1,802	4,385
Administrative and general expenses	4,660	4,602
Total	11,532	13,915

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

6 Property, plant and equipment (continued)

	Right of use assets AED '000	Land AED '000	Buildings AED '000	Plant and equipment AED '000	Motor vehicles, and trucks AED '000	Furniture and fixtures AED '000	Storage tanks AED '000	Other Assets AED '000	Total AED '000
2021									
Cost									
At 1 January 2021	13,013	239,568	167,986	66,816	87,947	42,077	3,572	23,416	644,395
Additions	7,748	-	-	38	1,220	752	-	4	9,762
Revaluation	-	75,230	12,807	-	-	-	-	-	88,037
Reclassification	-	(6,201)	(17,037)	1,123	(5,037)	25,640	(1)	6,720	5,207
Disposals	(4,453)	-	(1,583)	(14,841)	(6,090)	(4,903)	-	(7,967)	(39,837)
At 31 December 2021	16,308	308,597	162,173	53,136	78,040	63,566	3,571	22,173	707,564
Accumulated depreciation									
At 1 January 2021	5,789	-	68,500	53,409	57,499	37,924	1,083	13,246	237,450
Charge for the year	4,385	-	2,561	698	3,807	1,836	145	483	13,915
Reclassification	-	-	(17,806)	(7,660)	(856)	24,718	(112)	5,210	3,494
On disposals	(2,185)	-	-	(13,475)	(5,959)	(4,108)	-	(6,530)	(32,257)
At 31 December 2021	7,989	-	53,255	32,972	54,491	60,370	1,116	12,409	222,602
Net book value									
At 31 December 2021	8,319	308,597	108,918	20,164	23,549	3,196	2,455	9,764	484,962

Land represents plots of land in the Emirates of Sharjah and Dubai. In the opinion of the Group's management, based on their internal estimate, fair value of land as at the reporting date approximates its carrying value.

Certain plots of land, buildings and plant and machinery with a carrying amount of AED 244 million (2021: AED 277 million) are mortgaged to local banks against credit facilities granted to the Group (refer to note 20).

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

7 Investment properties

	2022 AED '000	2021 AED '000
At 1 January	2,525,081	2,585,089
Additions during the year	318	-
Disposals (refer to note (i) below)	(368,705)	(79,400)
Change in fair value (refer to note (ii) below)	63,772	19,392
At 31 December	2,220,466	2,525,081

- (i) During the current year, the Group disposed three investment properties for an amount of AED 275 million. The carrying value of this investment property at the time of disposal was AED 369 million. This resulted in a loss of AED 93 million.
- (ii) The fair value of investment properties has been determined by external, qualified and independent Chartered Surveyors and Property Consultants who have recent experience in the locations and categories of the investment properties valued. The valuation has been conducted in accordance with the RICS Valuation Global Standards (2017 Edition).

The fair value of certain properties amounting to AED 648 million (2021: AED 411 million) has been determined by the 'Income Capitalisation' method. This process involves deducting running costs from the Gross Rental Income of the property in order to achieve the net rental income. The net rent is then capitalised at a yield to reflect the risks involved with the current and future cash flows.

The significant assumptions applied in determining the fair value of investment properties are given below:

	2022 AED '000	2021 AED '000
Gross operating income	46,742	29,257
Annual net rental income	42,730	26,179
Risk adjusted capitalisation rate	<u>6.5%</u>	<u>7.5% - 8.5%</u>

A significant change in the estimated rental income in isolation would result in significant movement in fair value measurement. Similarly, significant movement in the risk adjusted capitalisation rate in isolation would result in significant movement in fair value measurement.

The fair value of certain properties amounting to AED 1,000 million (2021: AED 351 million) has been determined by the 'Sales Comparison' method which is carried out on the basis of recent market transactions for similar properties in the same location. These values are adjusted for differences in key attributes such as property size, location, rezoning permits etc.

The fair value of certain properties amounting to AED 473 million (2021: AED 1,604 million) has been determined by taking into account the Gross Development Value when completed and deducting all the costs including construction costs, soft costs, developer's profit and finance costs. Further adjustments are applied in terms of the various characteristics of the property.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

7 Investment properties (continued)

The fair value measurement for the investment properties has been categorised as Level 3 based on the inputs to the valuation techniques used. For all investment properties, the current use of the property is the considered to be highest and best use.

Based on the above valuations, the Group has recognised a gain on fair valuation of AED 64 million (2021: gain on fair valuation of AED 19 million) on investment properties.

Investment properties amounting to AED 234 million (2021: AED 769 million) are registered in the name of related parties in trust and for the beneficial interest of the Group. Investment properties amounting to AED 1,298 million (2021: AED 1,751 million) are mortgaged to banks towards credit facilities granted to the Group (refer to note 20).

Investment properties includes certain properties amounting to AED 120 million (2021: AED 120 million) which are under process of registration / transfer in the name of the Group.

8 Goodwill

Goodwill represents AED 4 million as at 31 December 2022 (2021: AED 11.5 million). An impairment test for goodwill has been carried out based on the "value in use" calculation. The calculation uses cash flow projections over a period based on estimated operating results of the entities. The projected cash flows have been discounted using a discount rate that reflects the industry specific risk. The Group's Directors based on the review of the impairment test for goodwill believe that there was an impairment on goodwill amounting to AED 7.5 million (2021: Nil).

9 Investments in associates

	2022 AED '000	2021 AED '000
At 1 January	184,839	286,437
Share of loss for the year	(18,865)	(20,795)
Disposal of interest in an associate (refer to note below)	-	(80,803)
At 31 December	165,974	184,839

The investments in associate includes AED 66 million (2021: AED 66 million) representing Ghadah General Trading and Contracting Co. LLC amounting to AED 40 million (2021: AED 40 million) and Arab Real Estate Development P.S.C. (Arab Corp) amounting to AED 26 million (2021: AED 26 million)

The details of significant associates are as follows:

Name of the associates	Place of incorporation	Ownership (%)	
		2022	2021
Arab Real Estate Development P.S.C. (Arab Corp)	Jordan	30.8	30.8
Ghadah General Trading and Contracting Co. L.L.C. (Khalid Mustafa Karam Sons & Partners)	Kuwait	38.0	38.0
Al Sagr Cooperative Insurance Company	Saudi Arabia	20.0	20.0

Investments in associates include payments made against the share capital of the companies under formation.

Summarised financial information in respect of material associates are set out in note 36 to these consolidated financial statements.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

10 Investments in securities

	2022 AED '000	2021 AED '000
<i>Investments measured at fair value through other comprehensive income ("FVTOCI")</i>		
At 1 January	74,682	49,343
Addition during the year	-	28,712
Disposal during the year	(277)	(8,831)
Change in fair value	<u>(3,302)</u>	<u>5,458</u>
At 31 December	<u>71,103</u>	<u>74,682</u>
<i>Investments measured at fair value through profit or loss ("FVTPL")</i>		
At 1 January	101,868	95,864
Additions	2,750	515
Disposal during the year	(5,075)	(436)
Change in fair value	<u>967</u>	<u>5,925</u>
At 31 December	<u>100,510</u>	<u>101,868</u>
Presented in statement of financial position as:		
Non-current portion	71,103	74,682
Current portion	<u>100,510</u>	<u>101,868</u>
	<u>171,613</u>	<u>176,550</u>

Investments measured at FVTPL and investments measured at FVTOCI include investments of AED 79 million (2021: AED 86 million) pledged to banks (note 20).

11 Properties held for development and sale

	2022 AED '000	2021 AED '000
At 1 January	174,102	174,086
Additions during the year	10,753	16
At 31 December	<u>184,855</u>	<u>174,102</u>
<i>This comprise of:</i>		
Construction cost - net	129,083	118,330
Cost of land - net	<u>55,772</u>	<u>55,772</u>
	<u>184,855</u>	<u>174,102</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

11 Properties held for development and sale (continued)

- (i) Management has performed an assessment of the recoverable amount of the properties held for development and sale mainly on the basis of the independent fair valuation with no properties written down during the current year (2021: Nil).
- (ii) For certain properties that are under construction, the recoverable amount of the construction cost cannot be reliably determined until the construction is complete and cash flows can be reliably estimated. As at the reporting date, management has assessed that the recoverable amount of the construction cost approximates its carrying value.

12 Inventories

	2022 AED '000	2021 AED '000
Raw materials	11,837	15,674
Work-in-progress	-	268
Finished goods	17,291	24,650
	<u>29,128</u>	<u>40,592</u>
Less: allowance for slow moving inventories	(10,339)	(3,011)
	<u>18,789</u>	<u>37,581</u>
Stores and spares	977	3,238
	<u>19,766</u>	<u>40,819</u>

Movement in the allowance for slow moving inventories is as follows:

	2022 AED '000	2021 AED '000
At 1 January	3,011	10,707
Charge / (written) off during the year	7,328	(7,696)
At 31 December	<u>10,339</u>	<u>3,011</u>

Certain inventories along with the assignment of insurance policies against those inventories are hypothecated to banks against credit facilities granted to the Group (note 20).

13 Related party transactions and balances

The Group in the ordinary course of business, enters into transaction with other business enterprises that fall within the definition of a related party as contained in International Accounting Standard 24. Pricing policies and terms of transactions with related parties are mutually agreed. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders, directors and key management personnel of the Group, their close family members and entities controlled, jointly controlled or significantly influenced by such parties.

Significant transactions carried out with related parties during the period, other than those disclosed elsewhere in the consolidated financial statements are as follows:

	2022 AED '000	2021 AED '000
Interest charged by a related party	30,868	29,103
Gross premium	2,728	3,240
Claims paid	(393)	(863)
Commission paid on rented properties	<u>620</u>	<u>669</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

13 Related party transactions and balances (continued)

Compensation to key management personnel:

	2022 AED '000	2021 AED '000
Salaries and benefits	<u>6,970</u>	<u>5,911</u>

The balances with related parties are as under:

	2022 AED '000	2021 AED '000
<i>Due from related parties</i>		
Associates	-	2,707
Other related parties	<u>5,844</u>	<u>7,581</u>
	<u>5,844</u>	<u>10,288</u>

The balances with related parties are as under:

	2022 AED '000	2021 AED '000
<i>Due to related parties</i>		
Associates	-	-
Other related parties	<u>354,390</u>	<u>436,249</u>
	<u>354,390</u>	<u>436,249</u>

The amounts outstanding are unsecured and repayable on demand. The above balance is net of impairment allowance of AED 4 million (2021: AED 10 million).

Certain related party balances carry interest at agreed rates.

Investment properties amounting to AED 234 million (note 7) (2021: AED 769 million) are registered in the name of related parties in trust and for the beneficial interest of the Group.

14 Trade and other receivables

	2022 AED '000	2021 AED '000
Trade receivables	79,757	118,966
Notes receivable	157,376	189,350
Insurance receivables	312,570	260,047
Less: allowance for expected credit losses (note 32)	<u>(234,873)</u>	<u>(92,815)</u>
	314,830	475,548
Prepayment and other receivables	107,610	76,315
Value added taxes recoverable	<u>1,746</u>	<u>1,597</u>
	424,186	553,460
Less: non-current portion – Trade receivables	<u>(3,948)</u>	<u>(23,052)</u>
	<u>420,238</u>	<u>530,408</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

15 Reinsurance contract assets and insurance contract liabilities

	2022 AED '000	2021 AED '000
Gross		
Reserve for outstanding claims	166,687	205,522
Unallocated loss adjustment expense reserve	3,752	6,337
Unexpired risk reserve	4,688	5,796
Mathematical reserve	252	1,157
Reserve for incurred but not reported claims (IBNR)	73,360	74,865
Reserve for outstanding claims (including IBNR)	248,739	293,677
Unearned premium reserve	324,445	218,631
Total insurance contract liabilities (gross)	573,184	512,308
 Less: recoverable from reinsurers		
Reinsurer share of outstanding claims	(128,000)	(156,950)
Reinsurer share of incurred but not reported claims (IBNR)	(21,610)	(26,313)
Reinsurer share of mathematical reserve	(251)	(1,150)
Reinsurance share of unexpired risk reserve	-	(395)
Reinsurer share of outstanding claims (including IBNR)	(149,861)	(184,808)
Unamortised reinsurance premium reserve	(96,483)	(73,881)
Total reinsurance contract assets	(246,344)	(258,689)
Net insurance contract liabilities	326,840	253,619

Movement in outstanding claims reserve, IBNR reserve, unexpired risk reserve and unallocated loss adjustment expense reserve:

	Gross AED '000	Reinsurance AED '000	Net AED '000
2022			
At 1 January	292,520	(183,659)	108,861
Add: provision made during the year	412,399	(145,438)	266,961
Less: provision released during the year	(456,432)	179,487	(276,945)
At 31 December	248,487	(149,610)	98,877
 2021			
At 1 January	247,401	(164,915)	82,486
Add: provision made during the year	457,948	(114,500)	343,448
Less: provision released during the year	(412,829)	95,756	(317,073)
At 31 December	292,520	(183,659)	108,861

Movement in unearned premium reserve:

	Gross AED '000	Reinsurance AED '000	Net AED '000
2022			
At 1 January	218,631	(73,881)	144,750
Add: provision made during the year	324,445	(96,483)	227,962
Less: provision released during the year	(218,631)	73,881	(144,750)
At 31 December	324,445	(96,483)	227,962
 2021			
At 1 January	266,320	(54,989)	211,331
Add: provision made during the year	218,631	(73,881)	144,750
Less: provision released during the year	(266,320)	54,989	(211,331)
At 31 December	218,631	(73,881)	144,750

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

15 Reinsurance contract assets and insurance contract liabilities (continued)

Assumptions and sensitivities

Process used to determine the assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market practices or other published information.

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises.

The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate.

The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

The method used by the Group for provision of IBNR takes into account historical data, past estimates and details of the reinsurance programme, to assess the expected size of reinsurance recoveries. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

The assumptions that have the greatest effect on the measurement of insurance contract provisions are the expected loss ratios for the most recent accident years.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process. The Group believes that the liability for claims reported in the consolidated statement of financial position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

15 Reinsurance contract assets and insurance contract liabilities (continued)

Assumptions and sensitivities (continued)

Claim and development table

	2019 & Prior AED '000	2020 AED '000	Underwriting year		Total AED '000
			2021 AED '000	2022 AED '000	
Gross					
Estimate of net incurred claims cost					
- At the end of underwriting year	984,282	390,603	420,013	354,376	-
- One year later	1,021,602	407,966	460,813	-	-
- Two years later	1,036,525	415,506	-	-	-
- Three years later	1,039,208	-	-	-	-
- Four year later	797,682				
- Five years later	582,574				
- Six years later	341,998				
Current estimate of incurred claims	1,056,947	415,506	460,813	354,376	2,287,642
Cumulative payments to date	(1,052,547)	(345,992)	(439,767)	(283,063)	(2,121,369)
Liability recognised	4,400	69,514	21,046	71,313	166,273
Liability in respect of prior years					414
Total liability included in the consolidated statement of financial position					166,687
Net					
Estimate of net incurred claims cost					
- At the end of underwriting year	585,207	210,655	312,617	210,416	-
- One year later	665,211	227,753	360,332	-	-
- Two years later	670,476	241,396	-	-	-
- Three years later	676,278	-	-	-	-
- Four year later	507,737				
- Five years later	373,648				
- Six years later	228,816				
Current estimate of incurred claims	704,262	241,396	360,332	210,416	1,516,406
Cumulative payments to date	(704,744)	(241,278)	(358,828)	(172,979)	(1,477,829)
Liability recognised	(482)	118	1,504	37,437	38,577
Liability in respect of prior years					110
Total liability included in the consolidated statement of financial position					38,687

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

16 Cash in hand and at banks

	2022 AED '000	2021 AED '000
Cash in hand	1,731	1,827
Bank balances:		
- Current accounts (refer to note below)	108,019	117,322
- Deposit accounts (refer to note below)	197,409	191,173
Less: expected credit losses	(34)	(34)
Cash in hand and at banks	307,125	310,288

Cash and cash equivalents comprise the following amounts:

Less: fixed deposits under lien/deposits with maturity of more than three months	(256)	(256)
Less: bank overdrafts (note 20)	(158,789)	(154,550)
Cash and cash equivalents	148,080	155,482

Bank balances in current accounts includes AED 3.4 million (2021: AED 3.4 million) held in escrow accounts as at 31 December 2022.

Deposits include fixed deposits of AED 168.5 million (2021: AED 158.4 million) held under lien (note 20) against facilities granted (bank overdraft) to the Group and also include a deposit amounting to AED 10.3 million (2021: AED 10.3 million) deposited in the name of the Group to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law No. (6) of 2007 relating to the Insurance Authority.

17 Share capital

	2022 AED '000	2021 AED '000
<i>Authorised, issued and paid up</i>		
1,791 million shares of AED 1 each paid up in cash	1,791,333	1,791,333

18 Reserves

Legal reserve

In accordance with UAE Federal Commercial Companies Law No. (32) of 2021, the Company and its subsidiaries registered in UAE are required to establish a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid up share capital. This reserve is not available for distribution except as stipulated by the Law.

Additional reserve

The Company's Articles of Association requires that 10% of the annual profit be appropriated to an additional reserve until a decision by the Ordinary General Assembly Meeting on the strength of proposal by the Board of Directors or if such reserve equals 50% of paid-up share capital of the Company.

Asset revaluation surplus

The revaluation reserve represents the surplus arising on the revaluation of land and buildings. This reserve is non-distributable unless the land and buildings are either disposed or withdrawn from use.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

19 Provision for employees' end of service benefits

	2022 AED '000	2021 AED '000
At 1 January	15,005	23,316
(Reversal)/charge for the year	1,158	(5,794)
Payments during the year	(3,008)	(2,517)
At 31 December	<u>13,155</u>	<u>15,005</u>

20 Borrowings

	2022 AED '000	2021 AED '000
Term loans (refer to note below)	1,889,616	2,140,690
Bank overdrafts (note 16)	158,789	154,550
	<u>2,048,405</u>	<u>2,295,240</u>

The below table provides movement of interest bearing borrowings in the following years:

	2022 AED '000	2021 AED '000
At 1 January	2,295,240	2,274,314
<i>Cash flow items</i>		
Repayment of borrowings during the year	(251,074)	(55,818)
Net movement in bank overdrafts	4,239	95,901
Net movement in trust receipts	-	(19,157)
At 31 December	<u>2,048,405</u>	<u>2,295,240</u>

On 2 July 2012, the Company concluded the restructuring agreement with a group of banks covering the outstanding debt of AED 2,778 million ("Earlier Restructured Loan"). The restructured loan was repayable in annual instalments up to 31 December 2018.

In previous years, the Company initiated a negotiation with the lenders to further restructure its outstanding debt. As at 10 December 2017, the Company concluded the revised restructuring agreement after obtaining approvals from the majority of the banks covering a total debt of AED 2,147 million (including interest payable of AED 74 million up to 31 December 2016). Under the revised agreement, 66.08% of the Earlier Restructured Loan was repayable in annual instalments until 31 December 2023 and the remaining 33.92% as a final settlement in a manner to be renegotiated at that time.

Of the total restructured loan, the repayment of AED 607 million (principal) (2021: AED 520 million), due and payable as at 31 December 2022, was defaulted by the Company. The Company's Directors reviewed the facts and circumstances of the default in 2018 and have accordingly classified the entire loan amount as current liability.

The revised restructured facility carries interest at the rate of 2.75% per annum above 6-month EIBOR for term facilities denominated in AED and 6-month LIBOR for term facilities denominated in USD charged on a semi-annual basis. Further, effective from the revised restructuring agreement date, a payment-in-kind (PIK) at 0.25% will be additionally charged on a semi-annual basis on the outstanding debt and is due to be repaid on 31 December 2023. Commencing 31 December 2018, in the event of default, the interest rate will be increased by 0.25% per annum on a semi-annual basis. The Company has been in default in 2020 and therefore the interest rate has increased from 2.75% to 3.00% per annum for the year ended 31 December 2020 and 2021. Any such increase in the interest rate will no longer be applicable for future periods if no event of default subsists.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

20 Borrowings (continued)

There is no change in the security and covenant requirements as per the revised restructuring agreement. The Company is required to maintain a minimum Asset Cover Ratio of 1.2:1 and is also subject to the general covenants including dividend restriction in accordance with the restructuring agreement. Further, certain subsidiaries of the Company are subject to maintain certain level of financial indebtedness as guarantors of the restructured loan. These borrowings are secured against certain assets of the Group. Refer to notes 6, 7, 9, 10, 11 and 12.

The Group has been in negotiations with its lenders to settle its outstanding loans and settled the liability amounting to AED 295 during the year. Further, the group has made settlement with a few lenders, and it has resulted in a gain of AED 109 million (2021: nil).

During the year, the Group repaid the borrowing through proceeds from sale of investment properties for AED 182 (2021: AED 69 million) and sale of shares for AED 5 million (2021: AED 28 million).

Furthermore, the Company is in the process of negotiation with a financial institution to restructure a credit facility amounting to AED 257 million (included in trade and other payables) and interest of AED 39 million (2021: AED 39 million) (refer to note 21).

Other borrowings

Other borrowings mainly include borrowings by the subsidiaries of the Company. These borrowings are subject to certain financial covenants at the respective subsidiary level and are at the below terms and conditions:

- Pledge of assets;
- Promissory note in favour of the banks; and
- Hypothecation over goods financed by trust receipts.

21 Trade and other payables

	2022 AED '000	2021 AED '000
Trade payables	103,380	113,619
Accrued expenses (refer to note below)	307,389	397,726
Notes payable (refer to note below)	257,040	257,040
Provisions and other payables	227,910	223,067
Due to insurance and reinsurance companies	65,238	56,875
Insurance customers payable	61,091	29,375
Value added taxes payable	3,973	2,838
Advance from customers	1,438	1,198
	<u>1,027,459</u>	<u>1,081,738</u>

Notes payable represents capital protected notes carrying interest at the rate of 2% above 6-month LIBOR and are secured by investments in quoted securities of the Group. The Group is in the process of negotiation with a financial institution to restructure a credit facility amounting to AED 257 million which became due for repayment on 30 September 2016 (refer to note 20).

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

22 Revenue

	2022 AED '000	2021 AED '000
Insurance income	282,526	333,234
Trading, service and rental income	106,663	90,515
Sale of properties held for development and sale	4,770	8,584
Sale of manufactured goods	23,699	20,926
Dividend income	1,672	2,239
	<u>419,330</u>	<u>455,498</u>

23 Cost of revenue

	2022 AED '000	2021 AED '000
Cost of insurance	266,955	343,448
Cost of property sold	4,654	8,285
Cost of trading, services and rentals	50,186	42,447
Cost of goods manufactured and sold	17,055	14,745
	<u>338,850</u>	<u>408,925</u>

24 Administrative and general expenses

	2022 AED '000	2021 AED '000
<i>These include:</i>		
Staff salaries and benefits	63,232	59,109
Depreciation	4,660	4,602
Legal and professional fee	12,380	9,819
Utilities	7,113	6,863
Rent expense	7,297	5,142
Repair and maintenance	5,394	3,323
	<u>5,394</u>	<u>3,323</u>

25 Investment properties (loss) / income - net

	2022 AED '000	2021 AED '000
Change in fair value of investment properties (note 7)	63,772	19,392
Loss on sale of investment properties (note 7)	(93,400)	(10,297)
	<u>(29,628)</u>	<u>9,095</u>

26 Investment loss - net

	2022 AED '000	2021 AED '000
Change in fair value of investments in securities (note 10)	967	5,925
Gain / (loss) on sale of investments in securities	350	(172)
Loss on disposal of interest in an associate	-	(32,891)
Loss on liquidation of subsidiaries (refer to note below)	(27,742)	(1,771)
	<u>(26,425)</u>	<u>(28,909)</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

26 Investment loss – net (continued)

During the year, the Group has liquidated one of its subsidiaries (2021: two subsidiaries) and written off its assets and liabilities which resulted in a net loss of AED 27.7 million (2021: loss of AED 1.8 million) (refer to note 2).

27 Finance income

	2022 AED '000	2021 AED '000
Interest on bank deposits	<u>3,453</u>	<u>4,585</u>

28 Finance cost

	2022 AED '000	2021 AED '000
Bank overdraft	12,458	2,354
Interest charged by a related party	<u>30,868</u>	<u>29,103</u>
	<u>43,326</u>	<u>31,457</u>

29 Loss per share

	2022	2021
Loss attributable to owners of the :		
Company (AED '000)	<u>(181,950)</u>	<u>(92,686)</u>
Number of shares ('000)	<u>1,791,333</u>	<u>1,791,333</u>
Basic and diluted loss per share (AED fils per share)	<u>(10.16)</u>	<u>(5.17)</u>

30 Short term lease commitments

At the end of the reporting date, the minimum lease commitments of the Group were as follows:

	2022 AED '000	2021 AED '000
Less than one year	<u>189</u>	<u>154</u>

31 Commitments and contingent liabilities

Commitments

	2022 AED '000	2021 AED '000
<i>Building construction contracts</i>		
Group	<u>43,077</u>	<u>699,194</u>

Contingent liabilities

	2022 AED '000	2021 AED '000
<i>Group</i>		
Letters of guarantee	<u>12,612</u>	<u>15,832</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

31 Commitments and contingent liabilities (continued)

Certain claims and contingent liabilities may arise during the normal course of business. The Board of Directors review these on a regular basis as and when such claims are received and each case is treated according to its merit. Based on the terms of the relevant contracts and circumstances, the Group determines if a counter claim should be lodged. Based on the opinion of the Group's independent legal counsel and information presently available, the Board of Directors have assessed that the final outcome of outstanding legal claims (initial judgement in some cases is in favour and in some cases against the Company) cannot be reliably determined considering these cases are sub-judice. On the basis of their review of the current position of these legal claims, the Company's Directors are of the view that the existing provision as at the reporting date is adequate to cover any possible cash outflows arising from the final outcome of these claims. The Company has elected not to present the complete disclosures as required by IAS 37 *"Provision and Contingent Liabilities and Contingent Assets"* as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters (note 24).

Furthermore, certain other contingent liabilities may arise during the normal course of business, which based on the information presently available, either cannot be quantified at this stage or in the opinion of the management is without any merit. However, in the opinion of management, these contingent liabilities are not likely to result in any cash outflows for the Group in addition to any related existing provisions currently in the books.

The Group is in discussion to terminate naming rights with Road Transport Authority (RTA), the premature termination may result in additional liability.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments

Financial assets of the Group include investments in securities, due from related parties, reinsurance contract assets, trade and other receivables (excluding prepayment) and cash in hand and at banks. Financial liabilities of the Group include term loans, due to related parties, insurance contract liabilities, trade and other payables and borrowings. The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and comparative year:

	Designated as FVTPL AED '000	Designated as FVTOCI AED '000	Others at amortised cost AED '000	Carrying amount AED '000	Fair value AED '000
2022					
<i>Financial assets</i>					
Investments in securities	100,510	71,103	-	171,613	171,613
Due from related parties	-	-	5,844	5,844	5,844
Reinsurance contract assets	-	-	246,344	246,344	246,344
Trade and other receivables	-	-	416,021	416,021	416,021
Cash at banks	-	-	307,125	307,125	307,125
	100,510	71,103	975,334	1,146,947	1,146,947
<i>Financial liabilities</i>					
Borrowings	-	-	2,048,405	2,048,405	2,048,405
Due to related parties	-	-	354,390	354,390	354,390
Insurance contract liabilities	-	-	573,184	573,184	573,184
Trade and other payables	-	-	1,027,459	1,027,459	1,027,459
	-	-	4,003,438	4,003,438	4,003,438
2021					
<i>Financial assets</i>					
Investments in securities	101,868	74,682	-	176,550	176,550
Due from related parties	-	-	10,288	10,288	10,288
Reinsurance contract assets	-	-	258,689	258,689	258,689
Trade and other receivables	-	-	525,880	525,880	525,880
Cash at banks	-	-	308,461	308,461	308,461
	101,868	74,682	1,103,318	1,279,868	1,279,868
<i>Financial liabilities</i>					
Borrowings	-	-	2,295,240	2,295,240	2,295,240
Due to related parties	-	-	436,249	436,249	436,249
Insurance contract liabilities	-	-	512,308	512,308	512,308
Trade and other payables	-	-	1,081,738	1,081,738	1,081,738
	-	-	4,325,535	4,325,535	4,325,535

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments (continued)

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022 AED '000	2021 AED '000
Trade and other receivables (excluding prepayments and advances)	416,021	525,880
Due from related parties (note 13)	5,844	10,288
Reinsurance contract assets (note 15)	246,344	258,689
Cash at banks (note 16)	307,125	308,461
	<u>975,334</u>	<u>1,103,318</u>

Impairment losses

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

Movement in the allowance for expected credit losses in respect to trade receivables during the year is as follows:

	2022 AED '000	2021 AED '000
At 1 January	92,815	123,610
Charge for the year – trade receivable	143,942	-
Write off of allowance for impairment	(1,884)	(30,795)
At 31 December	<u>234,873</u>	<u>92,815</u>

Based on historical default rates and review of trade receivable balances, the Group's management is of the view that no further allowance of impairment is required against outstanding trade receivables.

	2022 AED '000	2021 AED '000
Provision for expected credit loss		
Provision for trade receivable	143,942	-
Provision for due from related parties	4,304	-
At 31 December	<u>148,246</u>	<u>-</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of the Group's financial liabilities at the reporting dates:

	Carrying value AED '000	Contractual cash flows AED '000	Less than 1 year AED '000
2022			
<i>Financial liabilities</i>			
Bank borrowings (note 20)	2,048,405	2,048,405	2,048,405
Due to related parties (note 13)	354,390	354,390	354,390
Trade and other payables (note 14)	1,027,459	1,027,459	1,027,459
	<u>3,430,254</u>	<u>3,430,254</u>	<u>3,430,254</u>
2021			
<i>Financial liabilities</i>			
Bank borrowings (note 20)	2,295,240	2,295,240	2,295,240
Due to related parties (note 13)	436,249	436,249	436,249
Trade and other payables (note 14)	1,081,738	1,081,738	1,081,738
	<u>3,813,227</u>	<u>3,813,227</u>	<u>3,813,227</u>

Interest rate risk

The Group's exposure to interest rate risk relates to its deposits with banks and bank borrowings.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2022 AED '000	2021 AED '000
Variable rate instruments		
Financial assets	168,500	191,173
Financial liabilities	<u>(2,048,405)</u>	<u>(2,295,240)</u>
	<u>(1,879,905)</u>	<u>(2,104,067)</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis as 2021.

	Equity	
	Increase AED '000	Decrease AED '000
At 31 December 2022		
Variable rate instruments	<u>18,799</u>	<u>(18,799)</u>
At 31 December 2021		
Variable rate instruments	<u>21,041</u>	<u>(21,041)</u>

Equity price risk

The Group's exposure to equity price rate risk relates to its investments measured at fair value through profit or loss and investments measured at fair value through other comprehensive income.

At the reporting date, the equity price profile of the Group's interest bearing financial instruments was:

	2022 AED '000	2021 AED '000
Investments measured at FVTPL (note 10)	100,510	101,868
Investments measured at FVTOCI (note 10)	<u>71,103</u>	<u>74,682</u>
	<u>171,613</u>	<u>176,550</u>

Cash flow sensitivity analysis for equity instruments

A change of 1% in equity rates at the reporting date would have increased/(decreased) equity by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2021.

	Equity	
	Increase AED '000	Decrease AED '000
At 31 December 2022		
Equity instruments	<u>1,716</u>	<u>1,716</u>
At 31 December 2021		
Equity instruments	<u>1,766</u>	<u>(1,766)</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000
2022			
Financial assets			
Investments measured at fair value through other comprehensive income (FVTOCI)			
Quoted equity investments	67,758	-	-
Unquoted equity investments	-	-	3,345
	<u>67,758</u>	<u>-</u>	<u>3,345</u>
Investments measured at fair value through profit or loss (FVTPL)			
Quoted equity investments	30,369	-	-
Unquoted equity investments	-	-	70,141
	<u>30,369</u>	<u>-</u>	<u>70,141</u>
2021			
Financial assets			
Investments measured at fair value through other comprehensive income (FVTOCI)			
Quoted equity investments	71,265	-	-
Unquoted equity investments	-	-	3,417
	<u>71,265</u>	<u>-</u>	<u>3,417</u>
Investments measured at fair value through profit or loss (FVTPL)			
Quoted equity investments	30,391	-	-
Unquoted equity investments	-	-	71,477
	<u>30,391</u>	<u>-</u>	<u>71,477</u>

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

32 Financial instruments (continued)

Fair value hierarchy (continued)

During the current year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The fair values of unquoted equity investments have been determined by an external, qualified and independent valuer who has experience in equity investments valuations.

33 Financial risk management objectives

Overview

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

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

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that value of a financial instrument will fluctuate because of change in foreign exchange rate. The Group does not have any significant exposure to foreign currency risk since the majority of transactions are denominated in AED.

Equity price risk

The Group is exposed to equity price risk through investments held by the Group and classified as fair value through profit or loss and fair value through other comprehensive income.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

33 Financial risk management objectives (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group has bank deposits, loans and borrowings which carries normal commercial interest rates.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, reinsurance contract assets, due from related parties and cash at banks.

Trade and other receivables (excluding insurance receivables) and due from related parties

The Group's credit risk is primarily attributable to its trade and other receivables and due from related parties. The amounts presented in the consolidated statement of financial position are net of the allowances for expected credit losses.

In monitoring credit risk, customers and related parties are grouped according to their credit characteristics, including their legal status, geographic location, industry, aging profile, maturity and evidence of previous financial difficulties.

The Group's exposure to credit risk is influenced mainly by individual characteristics of the customers; however, the Group is collecting advances from customers on a periodical basis and the handover of properties to the customers will take place only after final settlement of all dues by them.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Reinsurance contract assets (including insurance receivables)

Reinsurance is placed with reinsurers' approved by the management, which are generally international reputed companies. To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

At each reporting date, management performs an assessment of creditworthiness of reinsurers' and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment if required. Compliance with the policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.

Cash at banks

The Group limits its exposure to credit risk by placing balances with local and international banks. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations. All the bank balances are held with banks of repute.

Impairment of cash at banks has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash at banks have low credit risk based on the external credit ratings of the counterparties.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

33 Financial risk management objectives (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities (refer to note 20).

Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of bank borrowings cash and cash equivalents and equity; comprising share capital, reserves (other than land revaluation and cumulative change in fair value) and accumulated losses.

Gearing ratio

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated with capital.

The gearing ratio at the year-end was as follows:

	2022 AED'00	2021 AED'00
Debt (notes 20 and 21)	2,606,968	2,930,980
Cash in hand and at banks (note 16)	<u>(307,125)</u>	<u>(310,288)</u>
Net debt	<u>2,299,843</u>	<u>2,620,692</u>
Equity	<u>121,945</u>	<u>381,412</u>
Net debt to equity ratio (times)	<u>18.9</u>	<u>6.9</u>

Insurance - Asset liability management ("ALM")

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Group faces due to the nature of its investments and liabilities is interest rate risk and equity price risk. The Group manages these positions within an ALM framework that has been developed by management to achieve long-term investment returns in excess of its obligations under insurance and investment contracts.

The Group's ALM is also integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Group's ALM also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

33 Financial risk management objectives (continued)

Insurance - Asset liability management ("ALM") (continued)

Insurance risks

The Group accepts insurance risk through its written insurance contracts. The Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Group writes the following types of general insurance and life assurance contracts:

General insurance contracts	Life assurance contracts
- Liability insurance	- Group life insurance
- Property insurance	- Credit life insurance
- Motor insurance	
- Fire insurance	
- Medical insurance	
- Marine insurance	
- Engineering insurance	

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group only issue short term insurance contracts in connection with property, motor, marine and casualty risks.

34 Segment information

The internal management reports that are prepared under IFRS are reviewed by the Board of Directors based on the different sectors in which the Group operates. The Group has identified the following different sectors as its basis of segmentation:

Reportable segments	Operations
<i>Manufacturing</i>	Includes manufacture and sale of oil, lubricants, grease, prefabricated houses, concrete, carpentry, restaurant, ovens, kitchens and central air conditioning systems.
<i>Investments</i>	Includes investments in real estate properties and equity securities.
<i>Insurance services and others</i>	Service and other operations include writing of insurance and various other services including hospitality.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are regular transactions between the segments and any such transaction is priced on mutually agreed terms.

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

34 Segment information (continued)

	Manufacturing		Investments		Insurance services and others		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Segment assets	13,511	60,440	3,079,489	3,677,512	734,041	672,051	312,970	320,575	4,140,011	4,730,578
Segment liabilities	3,409	20,758	2,727,080	3,049,780	953,514	688,611	334,063	590,017	4,018,066	4,349,166
Revenue	23,285	20,414	20,823	23,707	375,222	411,377	-	-	419,330	455,498
Finance income	-	-	3,453	4,585	-	-	-	-	3,453	4,585
Finance cost	(12)	(11)	(39,433)	(29,103)	(3,881)	(2,343)	-	-	(43,326)	(31,457)
(Loss) for the year	(28,763)	(10,923)	(134,632)	(59,264)	(48,741)	(57,161)	-	-	(212,136)	(127,348)

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

35 Details of non-wholly owned subsidiaries that have material non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

	Al Sagr National Insurance Co. P.S.C.				Dubai Al Ahlia Quick Transport LLC				Others		Total	
	2022		2021		2022		2021		2022		2022	
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Current assets	798,341		716,797		29,319		23,730		44,406		872,066	
Non-current assets	338,163		364,794		36,046		38,078		9,208		383,417	
Current liabilities	923,570		818,175		17,886		12,170		40,353		981,809	
Non-current liabilities	6,575		7,612		2,107		2,327		1,616		10,298	
												10,351
Net assets attributable to:												
Non-controlling interest	103,675		128,515		22,685		23,656		43,874		170,234	
Revenue	284,499		336,337		54,259		47,959		48,076		35,968	
Expenses	(333,944)		(400,220)		(56,198)		(45,567)		(56,845)		(43,485)	
(Loss) / profit for the year	(49,445)		(63,883)		(1,939)		2,392		(8,769)		(7,517)	
Attributable to NCI:												
(Loss) / profit for the year	(24,841)		(32,095)		(969)		1,196		(4,376)		(3,763)	
												(34,662)

Gulf General Investments Co. (P.S.C) and its subsidiaries
Notes to the consolidated financial statements
For the year ended 31 December 2022

36 Details of associates that are material to the Group

The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs (adjusted by the Group for equity accounting purposes).

	Ghadah General Trading & Contracting Co. L.L.C.		Al Sagr Cooperative Insurance Co.		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Total assets	45,500	45,500	746,265	897,123	2,067	2,067	793,832	944,690
Total liabilities	(28,327)	(28,327)	(523,896)	(587,225)	(3,393)	(3,393)	(555,616)	(618,945)
Net assets	17,173	17,173	222,369	309,898	(1,326)	(1,326)	238,216	325,745
Group's share of net assets	6,526	6,526	44,474	61,979	39,815	39,815	90,815	108,320
Revenue	-	3,892	384,070	431,825	-	-	384,070	435,717
Loss for the year	-	(3,005)	(87,528)	(90,575)	-	-	(87,528)	(93,580)
Group's share of loss for the year	-	(1,142)	(17,506)	(18,115)	-	-	(17,506)	(19,257)

The investment in associates includes AED 66 million (2021: AED 66 million) representing Ghadah General Trading and Contracting Co. LLC amounting to AED 40 million (2021: AED 40 million) and Arab Real Estate Development P.S.C. (Arab Corp) amounting to AED 26 million (2021: AED 26 million). The latest financial statements of these associates are not available to the Group therefore the Group has not recorded any income or loss during the year related to these associates.

37 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these consolidated financial statements.



Annual Corporate Governance Report

تقرير الحوكمة السنوى

2022

S. N	Table of Contents	رقم الصفحة Page Number	بيان المحتويات	تسلسل
1	Company's Governance Practices	3	بيان بالاجراءات التي تم اتخاذها لاستكمال نظام حوكمة الشركات خلال عام 2022 وكيفية تطبيقها.	1
2	Dealings of Board Members and their First-Degree Relatives in Securities of the Company.	4	بيان بملكية وتعاملات اعضاء مجلس الادارة وأقاربهم من الدرجة الاولى في الأوراق المالية للشركة خلال العام 2022 .	2
3	Board of Directors Composition	6	تشكيل مجلس الادارة	3
4	Statutory Auditors	16	مدقق الحسابات الخارجي	4
5	Audit Committee	19	لجنة التدقيق	5
6	Nomination & Remuneration Committee	24	لجنة الترشيحات و المكافآت	6
7	Insiders' Trading Follow up & Supervision Committee	26	لجنة متابعة والاشراف على تعاملات الاشخاص المطلعين	7
8	Internal Control System	27	نظام الرقابة الداخلية	8
9	Details of violations and non-conformity during 2022	29	تفاصيل المخالفات المرتكبة خلال السنة المالي 2022	9
10	Community development & environmental conservation contribution (Cash and/or In-kind) during 2022	29	بيان بالمساهمات النقدية و العينية التي قامت بها الشركة خلال 2022 في تنمية المجتمع المحلي و الحفاظ على البيئة.	10
11	General Information	30	معلومات عامة	11

1- Company's Governance Practices for the year 2022

Gulf General Investments Co. PSC is committed to the application of the principles of corporate governance, to its highest level, and has derived its values from a system which integrates ethics, corporate integrity and leading compliant practices. Transparency, fairness, disclosure, and accountability have been central to the working philosophy of the company, its management, and Board of Directors. To this end, the company's Corporate Governance framework considers the principles adopted and standards set by the Securities & Commodities Authority (SCA), Dubai Financial Market (DFM) and the Federal law No (2) of 2015 on Commercial Companies in setting the direction and requirements for GGICO. The company has applied SCA's Resolution No. (7 R.M) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, which is considered as an integral part of the Company's Articles of Association,

The following are some examples of the company's application of the principles of corporate governance:

- During 2022, a total of 5 meeting was held periodically and convened by the Board of Directors,. The BoDs discharged their responsibilities according to the powers granted to them.
- The BOD appointed financial and legal advisors last year to have better decision making as per

1- بيان بالاجراءات التي تم اتخاذها لاستكمال نظام حوكمة الشركات خلال عام 2022، و كيفية تطبيقها

تلتزم الشركة الخليجية للاستثمارات العامة في تطبيق أعلى مستوى لحوكمة الشركات ، وتستمد قيمها من النظام الذي يدمج الأخلاق والنزاهة والمتوافق مع ممارسات الشركات الرائدة، حيث تم اعتماد الشفافية والنزاهة والإفصاح والمسائلة كمركزية لعمل الشركة و لجميع مستويات إدارتها ومجلس الإدارة هذا ويأخذ إطار حوكمة الشركة بعين الاعتبار المبادئ التي تبنتها والمعايير التي وضعتها هيئة الأوراق المالية والسلع وسوق دبي المالي و كذلك القانون الإتحادي رقم (2) لسنة 2015 في شأن الشركات التجارية، في تحديد الاتجاه والمتطلبات اللازمة للشركة الخليجية للاستثمارات العامة. هذا و يلتزم مجلس الادارة وادارة الشركة بتطبيق قرار مجلس إدارة هيئة الأوراق المالية والسلع رقم (7/ر.م) لسنة 2016 بشأن "معايير الانضباط المؤسسي وحوكمة الشركات المساهمة العامة" والذي يعتبر جزء اساسي من نظام الشركة الداخلي وسياساتها.

وفيما يلي بعض الامثلة على تطبيق الشركة لمبادئ الحوكمة:

- عقد مجلس الإدارة اجتماعاته بشكل دوري ومنتظم حيث بلغ عددها 5 اجتماعات، وقام مجلس الإدارة بإبراء ذمتهم وفق الصلاحيات الممنوحة لهم. لها.
- عين مجلس الإدارة مستشارين ماليين وقانونيين العام الماضي لتحسين عملية اتخاذ القرار وفقاً لمتطلبات هيئة الأوراق

the SCA requirement. Both advisors are able to support the company within their capacity.

- It's been ensured that the transactions carried out by the Board members and senior officers follow the prevailing laws and regulations.
- The company adhered to the regulations concerning the transparency in disclosures made including the disclosures of the Board's meetings dates and any decisions that might have an effect over the share price.

2- Board of Directors Disclosure

In practicing their duties, the Board of Directors are fully aware of, and clearly understand all applicable laws, rules, and regulations to comply with them under any circumstances. Therefore, the Directors fulfil their responsibilities diligently and in accordance with the principles of integrity, fairness, and in compliance with the professional standards.

It is worth mentioning that there are no transactions by the Board of Directors or their first-degree relatives in the company's shares during the year 2022.

المالية والسلع. كلا المستشارين قادرين على دعم الشركة في حدود قدراتهما.

- تم التقيد بتعليمات تعاملات أعضاء مجلس الإدارة وكبار الموظفين .
- تم التقيد بتعليمات الإفصاح والتي شملت الإفصاح عن مواعيد واجتماعات مجلس الإدارة والقرارات التي لها تأثير على سعر الورقة المالية وذلك من منطلق الشفافية التامة في التعامل.

2- بيان ملكية وتعاملات أعضاء مجلس الادارة

لممارسة واجباتهم ، يجب ان يكون مجلس الإدارة والعاملين على علم تام ، وفهم واضح لكل القوانين والقواعد واللوائح من اجل ان يتمكنوا من الامتثال لها في جميع الظروف ، يجب ان تتوافق جميع المزايا التي يمكن أن تقدم إلى الموظفين ، والفرص المتاحة لهم او المنافع النقدية وغير النقدية ، بالإضافة إلى المنافع المالية التي تدفعها الشركة مع سياسة تضارب المصالح لذلك ينبغي للموظفين إنجاز مهامهم مع مبادئ النزاهة والإنصاف ، ووفقا للمعايير المهنية.

و تجدر الإشارة الى انه لا يوجد تعاملات لأعضاء مجلس الإدارة وأقاربهم من الدرجة الأولى في الأوراق المالية للشركة خلال عام 2022.

- بيان بتعاملات أعضاء مجلس الإدارة:

2-Board of Directors Disclosure "cont'd"

Statement of the Board of Directors, their spouse and first-degree relatives' dealings on the company's securities during 2022:

بيان بتعاملات أعضاء مجلس الإدارة و أزواجهم و أبنائهم في الأوراق المالية للشركة خلال العام 2022 وفقا للجدول التالي:

الاسم	المنصب	الاسهم المملوكة كما في 2022/12/31	اجمالي عملية البيع	اجمالي عملية الشراء	SN
Name	Title	Shares owned as of 31/12/2022	Total Shares Sold	Total Shares Purchased	
السيد/عبدالله جمعه السري *	رئيس مجلس الإدارة	لا يوجد	لا يوجد	لا يوجد	1
Mr. Abdalla Juma Al Sari*	Chairman of the Board	/	/	/	
		Nil	Nil	Nil	
السيد/ ماجد عبد الله السري *	نائب الرئيس	لا يوجد	لا يوجد	لا يوجد	2
Mr. Majid Abdalla Al Sari*	Deputy Chairman	لا يوجد	لا يوجد	لا يوجد	
		Nil	Nil	Nil	
- الزوجة	-	9,531,103	لا يوجد	لا يوجد	
Spouse			Nil	Nil	
- الأبناء	-	4,165,605	لا يوجد	لا يوجد	
Children -			Nil	Nil	
السيد/حمد سيف حمد عبد الله المهيري *	عضو	لا يوجد	لا يوجد	لا يوجد	3
Mr. Hamad Saif Hamad Abdalla Al Mheiri	Member	/	/	/	
		Nil	Nil	Nil	
السيد / محمد علي عبد الله السري *	عضو	لا يوجد	لا يوجد	لا يوجد	4
Mr. Mohamed Ali Abdalla Al Sari*	Member	/	/	/	
		Nil	Nil	Nil	

* First degree relatives (wife and children) for the above-mentioned Board members, did not have any dealings in securities of the company in 2022.

* الأقرباء من الدرجة الأولى (الزوجة و الأبناء) للسادة المذكورين اعلاه لا يوجد لديهم اية تعاملات في الأوراق المالية للشركة خلال عام 2022.

3- Board of Directors Composition

3- تشكيل مجلس الادارة

a. Statement of qualifications of the BoDs

أ- تشكيل مجلس الادارة حسب بيان مؤهلات اعضائه و وفقا

للمجدول التالي:

الاسم Name	المنصب Title	مستقل Independent	غير مستقل Non-Independent	تنفيذي Executive	غير تنفيذي Non-Executive	عضو منذ Member Since	الخبرات والمؤهلات Academic Qualification & Experience	SN
السيد/عبدالله جمعه السري Mr. Abdalla Juma Al Sari	رئيس مجلس الادارة Chairman of the Board		✓		✓	1990	حاصل على شهادة وست رايدنج للشرطة - يوركشاير - المملكة المتحدة عضو في العديد من الشركات High academic and professional qualification from West Riding Constabulary - UK, sitting as a board member on various companies	1
السيد/ ماجد عبد الله جمعه السري Mr. Majid Abdalla Juma Al Sari	نائب الرئيس Deputy Chairman		✓		✓	2017/10/5	يحمل شهادة بكالوريوس في إدارة الأعمال من الولايات المتحدة الامريكية وشهادة مختصة في إدارة المخاطر من جامعة أوكسفورد في المملكة المتحدة. رجل أعمال يراس شركات مختلفة Bachelor's degree in business administration from the USA and a professional certification in Risk Management from Oxford University -UK. Businessman running different companies.	2
السيد/حمد سيف حمد عبد الله المهيري Mr. Hamad Saif Hamad Abdalla Al Mheiri	عضو Member	✓			✓	2012	يحمل شهادة بكالوريوس آداب سنة 1984 من جامعة العين ، وشغل سابقا نائب مدير منطقة الشارقة التعليمية لشؤون التعليم الخاص . Bachelor's Degree in literature from Al Ain University - 1984. Former Deputy General Manager of Sharjah educational zone for private education.	3

أ- تشكيل مجلس الإدارة حسب بيان مؤهلات أعضائه "يتبع"/"Continued"

الاسم Name	المنصب Title	مستقل Independent	تنفيذي Executive	غير تنفيذي Non-Executive	عضو منذ Member Since	الخبرات والمؤهلات Academic Qualification & Experience	SN
السيد / محمد علي عبد الله السري*	عضو Member		✓		14/5/2018	<p>حاصل على شهادة البكالوريوس في الإعلام والعلاقات الدولية من جامعة الإمارات. له خبرة 30 سنة في إدارة الشركات الصناعية والتجارية والخدماتية. شغل منصب رئيس مجلس إدارة شركة تكافل الإمارات للتأمين. عضو مجلس إدارة شركة الصقر الوطنية للتأمين. عضو مجلس إدارة منتدب للعديد من الشركات الصناعية والتجارية والخدماتية</p> <p>Holds a bachelor's degree in Media and International Relations from the UAE University. He has 30 years' experience in managing industrial, commercial, and service companies. He served as Chairman of Takaful Al Emarat Insurance Company. Member of the Board of Directors of Al Sagr National Insurance Company. Managing director of several industrial, commercial, and service companies</p>	4

3- Board of Directors Composition

BoDs membership in other publicly listed companies and their titles in any other prominent entities

3- تشكيل مجلس الإدارة

عضوية أعضاء مجلس الإدارة في أية شركة مساهمة أخرى و مناصبهم في أي من الجهات المهمة الأخرى.

العضو / Member	الشركة / Company	المنصب / Title
السيد / ماجد عبد الله جمعه السري Mr. Majid Abdalla Juma Al Sari	شركة الصقر الوطنية للتأمين Al Sagr National Insurance Company PSC	رئيس مجلس الإدارة Chairman of the Board
السيد / حمد سيف المهيدي Mr. Hamad Saif Hamad Abdalla Al Mheiri	لا يوجد None	لا يوجد None
السيد / محمد علي عبد الله السري Mr. Mohamed Ali Abdalla Al Sari	شركة الصقر الوطنية للتأمين Al Sagr National Insurance Company PSC	عضو مجلس إدارة Board Member

b- Females' representation in the company's BOD during the year 2022.

ب - بيان بنسبة تمثيل العنصر النسائي في مجلس الإدارة للعام 2022.

c- There is currently no female representation in the Board of Directors. We will call for nomination for a female representative during the meetings of the Board of Directors, where an item will be included in the invitation to the next General Assembly.

ت - لا يوجد حالياً تمثيل نسائي في مجلس الإدارة، سندعو للترشيح لممثلة خلال انتخابات مجالس الإدارة حيث سيدرج بند من بنود دعوة الجمعية العمومية القادمة.

3- تشكيل مجلس الإدارة

"يتبع"

3- Board of Directors Composition "cont'd"

ج - مكافآت أعضاء مجلس الإدارة:

d- BOD Remuneration:

1	Total Remunerations paid to the Board of Directors in 2022	لا يوجد None	مجموع مكافآت أعضاء مجلس الإدارة المدفوعة عن العام 2022	1
2	Total Remunerations proposed to be paid to the Board of Directors in 2022	لا يوجد None	مجموع مكافآت أعضاء مجلس الإدارة المقترحة عن العام 2022	2
3	The Board of Directors fees for attending meetings during the year 2022, total Board members were 4 and the total meeting reached 5 Board meetings.	لا يوجد None	بدلات حضور جلسات مجلس الإدارة واللجان المنبثقة عن المجلس عن عام 2022 حيث بلغ عدد أعضاء المجلس 4 أعضاء وإجمالي جلسات المجلس واللجان 5 جلسة .	3
4	Details of the additional allowances, salaries, or fees charged by the Board of Director, other than the fees for attending the committees and their reasons	لا يوجد None	تفاصيل البدلات أو الرواتب أو الاتعاب الإضافية التي تقاضاها عضو مجلس الإدارة بخلاف بدلات حضور اللجان وأسبابها	4

3- تشكيل مجلس الادارة

"يتبع"

3- Board of Directors Composition "cont'd"

e - BoDs meetings convened during 2022.

ج - عدد اجتماعات مجلس الادارة التي عقدت خلال 2022.

السيد محمد علي عبد الله السري Mr. Mohamed Ali Abdalla Al Sari	السيد / حمد المهيري Mr. Hamad Saif Hamad Abdalla Al Mheiri	السيد/ ماجد السري Mr. Majid Abdalla Juma Al Sari	السيد/ عبد الله السري Mr. Abdalla Juma Al Sari	التاريخ / Date	رقم الاجتماع Meeting No.
حاضر Attended	حاضر Attended	حاضر Attended	حاضر Attended	23/03/2022	الأول First
حاضر Attended	حاضر Attended	حاضر Attended	حاضر Attended	28/04/2022	الثاني Second
حاضر Attended	حاضر Attended	حاضر Attended	حاضر Attended	12/05/2022	الثالث Third
حاضر Attended	حاضر Attended	حاضر Attended	حاضر Attended	11/08/2022	الرابع Fourth
حاضر Attended	حاضر Attended	حاضر Attended	حاضر Attended	10/11/2022	الخامس Fifth

3- Board of Directors Composition "cont'd"

- f- There was no Board of Directors meeting held by circulation during 2022.
- g- Duties carried out by executive management based on the mandate from BoDs.

The Board has the full authorities and powers necessary to achieve the objectives of the company which is stated as per its Memorandum and Articles of Association, through written instructions the Board delegated some of those powers as required to manage the company's day-to-day operations, the results of such delegated powers are translated into periodic reports submitted to the Board of Directors for exercising proper accountability by linking the authorities granted with the responsibilities discharged.

- h- Statement of transactions with related parties.

As of 31/12/2022 the balance due from/to related parties were as follows:

3- تشكيل مجلس الادارة "يتبع"

- ح- لم يتم إصدار أية قرارات بالتمرير خلال السنة.
 - خ- مهام و اختصاصات مجلس الادارة التي قامت بها الادارة التنفيذية بناءا على تفويض من المجلس الى الادارة
- يتمتع مجلس الادارة بكامل الصلاحيات اللازمة لتحقيق أهداف الشركة وذلك وفقا لعقد التأسيس والنظام الأساسي للشركة ، ويقوم مجلس الإدارة بموجب تعليمات خطية بمنح بعض من تلك الصلاحيات لتسيير الاعمال اليومية للشركة ويتم ترجمة هذه الصلاحيات المفوضة الى تقارير دورية ترفع لمجلس الإدارة من خلال ربط الصلاحيات الممنوحة بالمسؤوليات التي تم تفويضها.

- د- بيان بتفاصيل التعاملات التي تمت مع الاطراف ذات العلاقة (اصحاب المصالح) مع توضيح طبيعة العلاقة و نوع التعامل.

كما بتاريخ 2022/12/31 كانت الأرصدة المطلوبة من /الى أطراف ذات علاقة كما يلي:

<u>Due from Related Parties</u>	Thousand AED / الف درهم	<u>مستحقات من أطراف ذات علاقة</u>
Associates and Joint Ventures	-	شركات زميلة
Other Related Parties	5,844	أطراف أخرى ذات علاقة

<u>Due To Related Parties</u>		<u>مستحقات لأطراف ذات علاقة</u>
Associates and Joint Ventures	-	شركات زميلة
Other Related Parties	354,390	أطراف أخرى ذات علاقة

Transactions

المعاملات :

During 2022, the Group entered the following transactions with related parties who are not members of the Group

تم خلال عام 2022 التعاملات التالية مع اطراف ذات العلاقة ليست أعضاء في المجموعة

Interest charged by a related party	30,868	فوائد لطرف ذات علاقة
Gross premium	2,728	اجمالي الاقساط
Claims paid	(393)	مطالبات مدفوعة
Commission paid on rented properties	620	عمولة مدفوعة مقابل تأجير وحدات

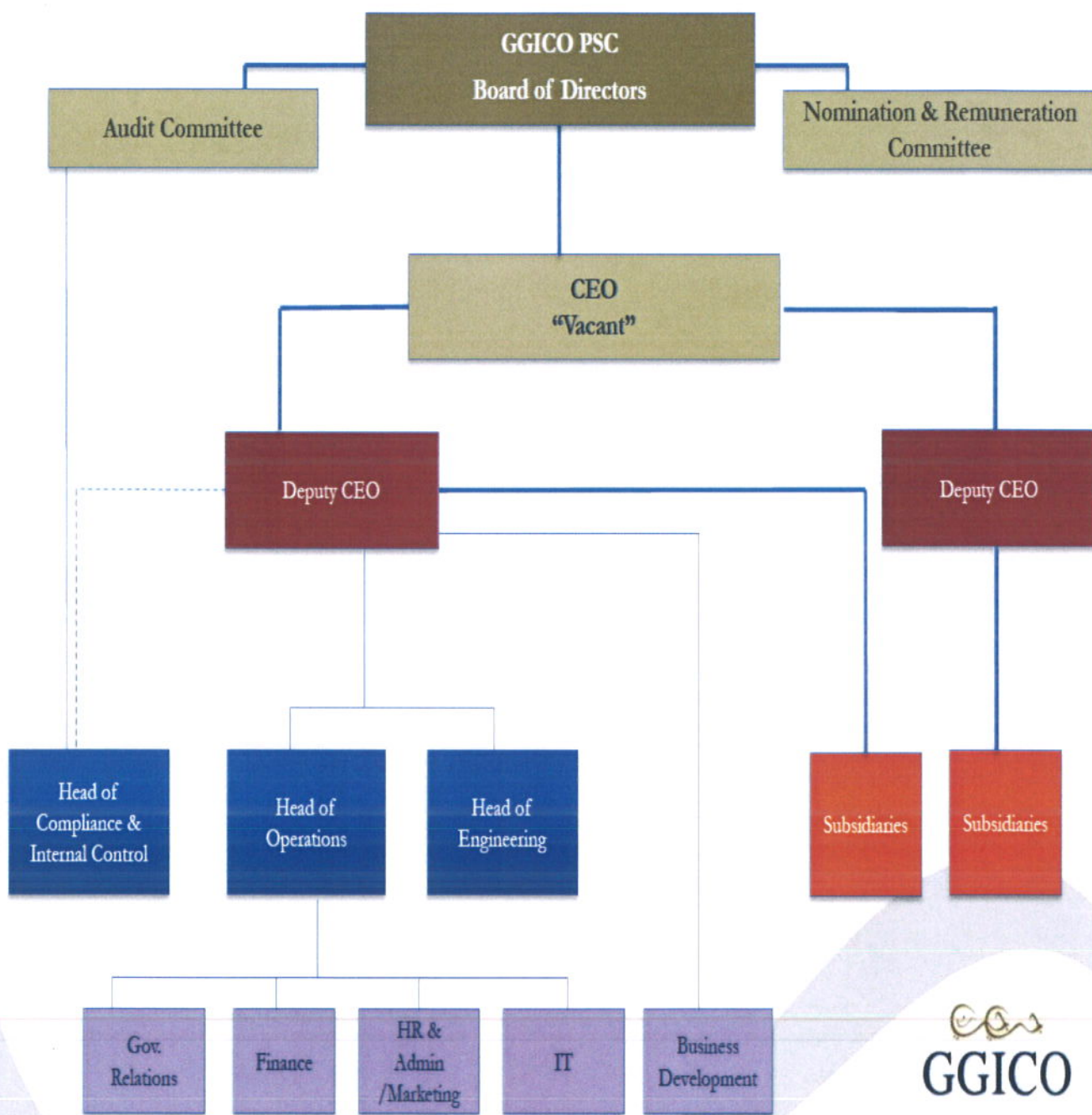
3- Board of Directors Composition "cont'd"

يتبع

3- تشكيل مجلس الإدارة

i- Company's Organization Chart.

ذ- الهيكل التنظيمي الخاص بالشركة.



3- Board of Directors Composition “cont'd”

يتبع

3- تشكيل مجلس الإدارة

j- Statement of the company's Senior Management.

ر- بيان تفصيلي لكبار الموظفين التنفيذيين:

First line

الصف الاول

الرقم SN	الإسم Name	المنصب Job Title	تاريخ التعيين Date of Join	مجموع الرواتب المدفوعة والبدايات لعام 2022 (درهم) Total Remuneration 2022 (AED)	مجموع المكافآت المدفوعة لعام 2022 (درهم) Total Bonuses for 2022 (AED)
1	منصب شاغر Vacant position	العضو المنتدب/ الرئيس التنفيذي* Managing Director/CEO*		-	-

* شاغر منذ تاريخ 2016/8/31

*Vacant since 31/8/2016

لا يوجد اية مكافآت اخرى نقدية/عينية للعام 2022 او تستحق مستقبلا

There are no other cash Bonus or in kind for the year 2022 or is due in the future.

الرقم	المنصب	تاريخ التعيين	مجموع الرواتب المدفوعة والبدلات لعام (درهم)	مجموع المكافآت المدفوعة لعام 2022 (درهم)
SN	Job Title	Date of Join	Total Remuneration 2022 (AED)	Total 2022 Bonuses for (AED)
1	نائب الرئيس التنفيذي Deputy Chief Executive Officer	1990/02/22	1,761,564	-
2	نائب الرئيس التنفيذي Deputy Chief Executive Officer	2010/02/01	1,144,944	-
3	مدير القسم الهندسي Head of Engineering	2014/08/13	396,970	-

لا يوجد اية مكافآت اخرى نقدية/عينية للعام 2022 او تستحق مستقبلا

There were no other cash Bonuses or in kind for the year 2022 or is due in the future.

4- مدقق الحسابات الخارجي

أ- نبذة عن مدقق الحسابات الخارجي:

تعتبر شركة جرانث ثورنتون واحدة من كبريات شركات التدقيق الخارجي في العالم، و قد تأسست الشركة في دولة الامارات العربية المتحدة في عام 1966، و تمتلك الشركة فروع داخل دولة الامارات في كل من ابوظبي و دبي، كما تمتلك فروع لها في منطقة الشرق الاوسط وشمال إفريقيا و حول العالم .

قامت الجمعية العمومية للشركة الخليجية للاستثمارات العامة ش.م.ع في عام 2022 بتعيين شركة جرانث ثورنتون مدقق خارجي للشركة و ذلك بناء على قرار الجمعية العمومية للمساهمين المنعقدة في 28 أبريل 2022 ، للقيام باعمال المراجعة الربع سنوية و اعمال التدقيق المالي السنوي للبيانات المالية للشركة وذلك للتأكد من مدى نزاهة القوائم المالية (المركز المالي/ نتائج العمليات ، التدفقات النقدية والحسابات) و مدى التزامها بالقوانين المعمول بها في الدولة و مطابقتها للمعايير المحاسبية المقبولة عموماً و معايير التقارير المالية الدولية هذا و قد حددت اتعابهم بمبلغ 250,000 درهم اماراتي.

لمزيد من المعلومات الرجاء زيارة الموقع:

<http://www.grantthornton.ae>

4- Statutory Auditor

a- About the Statutory Auditor

Grant Thornton is one of the largest external audit firms in the world, was founded in the U.A.E. in 1966, the firm has branches in the UAE in Abu Dhabi and Dubai, also owns branches in the Middle East countries, North Africa and around the world.

GGICO's Annual General Assembly held in 2022 appointed Grant Thornton as the company's statutory auditor based on the decision of the General Assembly Meeting held on 28th April 2022, for carrying out quarterly reviews and yearend audits over the company's financial statements to determine whether, the statements present fairly in all material respects – this includes the company's financial position, results of operations, and cash flows, and to ensure that they are in conformity with the local laws and regulations and the Generally Accepted Accounting Principles GAAP and the International Financial Reporting Standards IFRS. The agreed fees for providing such services amounted to AED 250,000.

For more information, please visit the

website: <http://www.grantthornton.ae>

4- Statutory Auditor

"continued"

"يتبع"

4- مدقق الحسابات الخارجي

b- Details of the Statutory Auditor

ب- الاتعاب و التكاليف الخاصة بالتدقيق او الخدمات التي قدمها مدقق الحسابات الخارجي

Statutory Auditor's Name	جرانت ثورنتون Grant Thornton	اسم مكتب التدقيق
Name of the partner	د. أسامة البكري Dr. Osama El-Barky	اسم الشريك
Number of years as a Statutory Auditor	4	عدد السنوات التي قضاها كمحقق خارجي للشركة
Professional fee, in AED, for Financial Statements Audit/review for the year 2022	درهم/AED 250,000	اجمالي اتعاب التدقيق / المراجعة للبيانات المالية لعام 2022
Nature & Details of other services provided:	لا يوجد/Nil	تفاصيل وطبيعة الخدمات المقدمة الأخرى:
Professional fee for any other services other than the audited financial statements for the year 2022	لا يوجد/Nil	اتعاب وتكاليف الخدمات الخاصة الأخرى بخلاف تدقيق البيانات المالية لعام 2022
Professional services provided by statutory audit firms other than Grant Thornton and relate to 2022:	درهم / AED 4,500	خدمات مهنية مقدمة من مكاتب تدقيق خارجي اخرى غير جرانت ثورنتون وخاصة بالعام 2022:
- UHY James Chartered Accountants: RERA Audit		- يو اتش واي جيمس: اعمال تدقيق لدائرة الاراضي و الاملاك

4- Statutory Auditor

"continued"

"يتبع"

4- مدقق الحسابات الخارجي

c- Qualified opinions made by the company's statutory auditor in the interim and annual financial statements for 2022

ج- التحفظات التي قام مدقق حسابات الشركة بتضمينها بالقوائم المالية المرحلية والسنوية للعام 2022

During the year, statutory auditor has made some qualified opinion as per below.

The interest on borrowings of the Group aggregates to an amount of AED 106 million (2021: AED 94.5 million). The interest cost has not been recorded in the consolidated financial statements since 1 January 2020. Had these interest been recognized in the consolidated financial statements for the year, the Group's finance costs and loss for the year would have increased by AED 106 million and the accumulated losses, net current liabilities and total liabilities of the Group would have increased by AED 323 million.

The Group settled AED 187 million of its borrowing by disposing its investments in shares and property which was pledged to the bank. However, the auditors were unable to obtain sufficient appropriate audit evidence to confirm that the borrowings had been reduced by the aforementioned amount. Consequently, the auditors were unable to determine whether any adjustments to the borrowing were necessary.

The auditors draw attention to note 31 of the consolidated financial statements, which indicates that the group has several ongoing litigations initiated by creditors. No provision has been recorded against these litigations as the matter is sub judice. The auditors were unable to obtain sufficient appropriate audit evidence to determine the impact of these

خلال العام ، أبدى المدقق القانوني بعض التحفظات على لنحو المبين أدناه ؛

خلال السنة، بلغ إجمالي الفائدة على قروض المجموعة مبلغ 106 مليون درهم إماراتي (2021: 94.5 مليون درهم إماراتي). لم يتم تسجيل تكلفة الفائدة هذه في القوائم المالية المجمعة منذ 1 يناير 2020. لو تم الاعتراف بهذه الفائدة في القوائم المالية المجمعة للسنة، لكانت تكاليف وخسائر تمويل المجموعة للسنة قد زادت بمقدار 106 مليون درهم إماراتي وكانت الخسائر المتراكمة وصافي الالتزامات المتداولة وإجمالي الالتزامات للمجموعة قد زادت بمقدار 323 مليون درهم إماراتي.

خلال السنة، قامت المجموعة بتسوية مبلغ 187 مليون درهم إماراتي من القروض عن طريق استبعاد استثماراتها بالحصص والعقارات التي كانت مرهونة لدى البنك. بالرغم من ذلك، لم نتمكن من الحصول على أدلة تدقيق كافية للتأكد من أنه تم تخفيض القروض إلى المبلغ المذكور أعلاه، ونتيجة لذلك، لم نتمكن من تحديد أي ضرورة لتعديل تلك القروض.

نود أن نلفت الانتباه إلى الإيضاح رقم 31 حول القوائم المالية المجمعة، والذي يشير إلى أن المجموعة طرفاً في العديد من الدعاوى القضائية القائمة المرفوعة من جانب الدائنين. لم يتم رصد أي مخصص لهذه الدعاوى القضائية حيث أن الأمر لا يزال قيد نظر القضاء. لم نتمكن من الحصول على أدلة تدقيق

<p>litigations and if any adjustments were necessary in relation to the borrowings.</p> <p>The auditors draw attention to note 2 of the consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by AED 2,720 million as at 31 December 2022 (2021: AED 2,908 million). Furthermore, the group has defaulted on its payment obligations to creditors and several creditors have initiated legal proceedings against the group. These events and conditions indicate that a material uncertainty exists that cast significant doubt on the Group's ability to continue as a going concern.</p>	<p>كافية ومناسبة لتحديد تأثير هذه الدعاوى القضائية وما إذا كانت هناك أية تعديلات ضرورية فيما يتعلق بهذه القروض.</p> <p>نود أن نلفت الانتباه إلى الإيضاح رقم 2 حول القوائم المالية المجمعة، والذي يشير إلى أن الالتزامات المتداولة للمجموعة تجاوزت أصولها المتداولة بمقدار 2,720 مليون درهم كما في 31 ديسمبر 2022 (2021: 2,908 مليون درهم). علاوة على ذلك، تخلفت المجموعة عن الوفاء بالتزاماتها في السداد للدائنين وبدأ العديد من الدائنين إجراءات قانونية ضد المجموعة. تشير هذه الأحداث والظروف إلى وجود عدم يقين جوهري من شأنه إثارة شك جوهري حول قدرة المجموعة على مواصلة أعمالها وفقاً لمبدأ الاستمرارية.</p>
<p>5- Audit Committee</p> <p>a- Acknowledgement of the Audit Committee</p> <p>The Audit Committee acknowledges the responsibility for the committee's system in the company and for the review of its work mechanism and ensuring its effectiveness. The Audit Committee contributes to the Board of Directors carrying out the responsibilities imposed by the company's corporate governance in us related to risk management, internal control systems, accounting policies and the preparation of financial reports.</p> <p>b- Composition of the Audit Committee</p> <p>The Audit Committee is composed as follows:</p> <p>1- Mr. Majid Abdalla Al Sari / Member</p> <p>2- Mr. Hamad Saif Almheiri / Member</p>	<p>5- لجنة التدقيق</p> <p>أ - إقرار من رئيس لجنة التدقيق</p> <p>تقر لجنة التدقيق بمسؤوليتها عن نظام اللجنة في الشركة وعن مراجعته لآلية عملها والتأكد من فعاليتها . تسهم لجنة التدقيق في قيام مجلس الإدارة بالمسؤوليات التي تفرضها حوكمة الشركات فيما يتعلق بإدارة المخاطر وأنظمة الرقابة الداخلية وسياسات العمل المحاسبية وأعداد التقارير المالية .</p> <p>ب - أعضاء لجنة التدقيق</p> <p>تتكون لجنة التدقيق من السادة التالية اسماؤهم :</p> <p>1- السيد / ماجد عبدالله السري - عضو</p> <p>2- السيد حمد سيف المهيري - عضو</p>

ج- مهام و مسؤوليات لجنة التدقيق:

- 1- مراجعة السياسات والإجراءات المالية والمحاسبية في الشركة.
- 2- مراقبة سلامة البيانات المالية للشركة وتقاريرها (السنوية و نصف السنوية وربع السنوية) ومراجعتها كجزء من عملها العادي خلال السنة، وعليها التركيز بشكل خاص على ما يلي:

ج- بيان مهام و مسؤوليات لجنة التدقيق

- أ- أية تغييرات في السياسات والممارسات المحاسبية.
 - ب- إبراز النواحي الخاضعة لتقدير الإدارة.
 - ج- التعديلات الجوهرية الناتجة عن التدقيق.
 - د- افتراض استمرارية عمل الشركة.
 - هـ- التقيد بالمعايير المحاسبية التي تقرها الهيئة.
 - و- التقيد بقواعد الإدراج والإفصاح وغيرها من المتطلبات القانونية المتعلقة بإعداد التقارير المالية.
- 3- والإدارة التنفيذية العليا والمدير المالي أو المدير القائم بنفس المهام في الشركة في سبيل أداء مهامها.
- 4- النظر في أية بنود هامة وغير معتادة ترد أو يجب إيرادها في تلك التقارير والحسابات، وعليها إيلاء الاهتمام اللازم بأية مسائل يطرحها المدير المالي للشركة أو المدير القائم بنفس المهام أو ضابط الامتثال أو مدقق الحسابات.

c- Roles & Responsibilities of the Audit Committee

1. Review of the company's financial and accounting policies and procedures.
2. Monitoring the integrity of the company's reports and financial information (annual, half-annual, and quarterly) and review thereof as part of the normal work duties during the year, and the committee shall particularly focus on the following:

c-Roles & Responsibilities of the Audit Committee

- a. Any changes in accounting policies and practices.
 - b. Highlighting the aspects that are subject to the management's discretion.
 - c. Substantial amendments resulting from auditing.
 - d. Supposing continuity of the company's business.
 - e. Abidance by the accounting standards approved by the Authority.
 - f. Abidance by the rules of listing and disclosure and any other legal requirements related to preparation of financial reports.
- 3- Coordinating with the company's management, senior executive management, and the financial manager or the manager doing such role in the company, for the purpose of performing its duties.
- 4- Considering important and unusual clauses that are or shall be mentioned in such reports and accounts and, accordingly, giving the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.

- 5- Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendations of the auditing committee in this regard, the Board of Directors shall include in the governance report a statement clarifying the recommendations of the auditing committee and the reasons for the Board of Directors' rejection thereof.
- 6- Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken.
- 7- Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the company's articles of association, and following up and monitoring his/her independence.
- 8- Meeting with the company's auditor without attendance of any of the personnel of the senior executive management or representative thereof, at least once annually, and discussing with him/her the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.
- 9- Studying all that is related to the job and work plan of the auditor, his/her correspondence with the company, his/her comments, proposals, concerns, and any substantial inquiries posed by the auditor to the senior executive management concerning accounting books, financial accounts, or

5- رفع توصية لمجلس الادارة بشأن إختيار أو إستقالة أو عزل مدقق الحسابات وفي حالة عدم موافقة مجلس الإدارة على توصيات لجنة التدقيق بهذا الشأن، فعلى مجلس الإدارة أن يضمن في تقرير الحوكمة بياناً يشرح توصيات لجنة التدقيق والأسباب التي دعت مجلس الإدارة لعدم الأخذ بها

6- وضع وتطبيق سياسة التعاقد مع مدقق الحسابات ، ورفع تقرير لمجلس الإدارة تحدد فيه المسائل التي ترى أهمية اتخاذ إجراء بشأنها مع تقديم توصياتها بالخطوات اللازم اتخاذها.

7- التأكد من إستيفاء مدقق الحسابات للشروط الواردة في القوانين والانظمة والقرارات المعمول بها والنظام الاساسي للشركة ومتابعة ومراقبة إستقلاليته.

8- الاجتماع بمدقق حسابات الشركة دون حضور أي من أشخاص الإدارة التنفيذية العليا، مرة واحدة على الأقل في السنة، ومناقشته حول طبيعة ونطاق عملية التدقيق ومدى فعاليتها وفقاً لمعايير التدقيق.

9- بحث كل ما يتعلق بعمل مدقق الحسابات وخطة عمله ومراسلاته مع الشركة وملاحظاته ومقترحاته وتحفظاته وأية استفسارات جوهرية يطرحها المدقق على الإدارة التنفيذية العليا بخصوص السجلات المحاسبية أو الحسابات المالية

<p>control systems and following up the company's management response thereto and provision of the facilities required for performing his/her job.</p>	<p>أو أنظمة الرقابة ومتابعة مدى استجابة إدارة الشركة لها وتوفيرها للتسهيلات اللازمة للقيام بعمله</p>
<p>10- Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.</p>	<p>10- التأكد من رد مجلس الإدارة في الوقت المطلوب على الإستيضاحات والمسائل الجوهرية المطروحة في رسالة مدقق الحسابات.</p>
<p>11- Review and assessment of internal control and risk management systems in the company.</p>	<p>11- مراجعة وتقييم أنظمة الرقابة الداخلية وإدارة المخاطر في الشركة.</p>
<p>12- Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.</p>	<p>12- مناقشة نظام الرقابة الداخلية مع مجلس الإدارة، والتأكد من أدائها لواجبها في إنشاء نظام فعال للرقابة الداخلية.</p>
<p>13- Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.</p>	<p>13- النظر في نتائج التحقيقات الرئيسية في مسائل الرقابة الداخلية التي يكلفها بها مجلس الإدارة أو تتم بمبادرة من اللجنة وموافقة مجلس الإدارة.</p>
<p>14- Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.</p>	<p>14- الاطلاع على تقييم المدقق لإجراءات الرقابة الداخلية والتأكد من وجود التنسيق فيما بين مدقق الحسابات الداخلي ومدقق الحسابات الخارجي</p>
<p>15- Ensuring availability of the resources required for the internal control department and monitoring effectiveness of such department.</p>	<p>15- التأكد من توفر الموارد اللازمة لإدارة الرقابة الداخلية ومراجعة ومراقبة فعالية تلك الإدارة.</p>
<p>16- Studying internal control reports and follow up implementation of corrective measures for the comments arising from such reports.</p>	<p>16- دراسة تقارير الرقابة الداخلية ومتابعة تنفيذ الإجراءات التصحيحية للملاحظات الواردة فيها.</p>
<p>17- Setting the rules that enable the company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures</p>	<p>17- وضع الضوابط التي تمكن موظفي الشركة من الإبلاغ عن أية مخالفات محتملة في التقارير المالية أو الرقابة</p>

sufficient for conducting independent and just investigations concerning such violations.	الداخلية أو غيرها من المسائل بشكل سري والخطوات الكفيلة بإجراء تحقيقات مستقلة وعادلة لتلك المخالفات.
18- Monitoring the extent to which the company abides by code of conduct rules.	18- مراقبة مدى تقييد الشركة بقواعد السلوك المهني.
19- Review of related party transactions with the company, ensuring that no conflict of interests exists, and submitting recommendations concerning such transactions to the Board of Directors before concluding contracts.	19- مراجعة تعاملات الأطراف ذات العلاقة مع الشركة والتأكد من عدم وجود أي تضارب في المصالح والتوصية بشأنها لمجلس الإدارة قبل إبرامها.
20- Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.	20- ضمان تطبيق قواعد العمل الخاصة بمهامها والصلاحيات الموكلة إليها من قبل مجلس الإدارة.
21- Submitting reports and recommendations to the Board of Directors concerning the above-mentioned issues as stipulated in this article.	21- تقديم التقارير والتوصيات إلى مجلس الإدارة عن المسائل المذكورة أعلاه والواردة في هذه المادة.
22- Considering any other issues determined by the Board of Directors.	22- النظر في أية موضوعات أخرى يحددها مجلس الإدارة.

a- Audit Committee meetings held during 2022: أ- عدد إجتماعات لجنة التدقيق خلال عام 2022

م الاجتماع Meeting No.	تاريخ الاجتماع Meeting Date	السيد /حمد المهيري Mr. Hamad Al Mheiri	السيد/ ماجد عبدالله جمعة السري Mr. Majid Abdalla Juma Al Sari
الأول First	12/05/2022	حاضر Attended	حاضر Attended
الثاني Second	10/11/2022	حاضر Attended	حاضر Attended

<p>6-Nomination & Remuneration Committee</p> <p>a- Acknowledgement of the Chairman of the Committee</p> <p>The Nomination and Remuneration Committee, acknowledges the responsibility for the committee's system in the company and for the review of its work mechanism and verification of its effectiveness. The Nomination and Remuneration Committee reports to the Board of Directors and make recommendations regarding the challenges facing the company and the skills and experience needed in the future.</p> <p>b- Composition of the Committee</p> <p>The Nomination and remuneration Committee is composed as follows:</p> <p>1- Mr. Hamad Saif Almheiri / Member</p> <p>2- Mr. Majid Abdalla Juma Al Sari / Member</p> <p>c-Roles & Responsibilities of the Committee</p> <p>1. Setting a policy for nomination for Board and executive management membership with the aim of varying between the two genders respecting formation of both and encouraging female nominees and submitting a copy of such policy to the Authority and any amendments thereof.</p>	<p>6- لجنة الترشيحات والمكافآت</p> <p>أ- إقرار من رئيس اللجنة:</p> <p>تقر لجنة الترشيحات والمكافآت بمسؤوليتها عن نظام اللجنة في الشركة وعن مراجعته لآلية عملها والتأكد من فعاليتها . تقدم لجنة الترشيحات والمكافآت تقريرها الى مجلس الادارة كما تقدم توصياتها بشأن التحديات التي تواجه الشركة وما تحتاجه من مهارات وخبرات مستقبلية .</p> <p>ب - اعضاء اللجنة:</p> <p>تتكون لجنة الترشيحات والمكافآت من السادة التالية اسماؤهم :</p> <p>1- السيد / حمد سيف المهيري - عضو</p> <p>2- السيد / ماجد عبدالله السري - عضو</p> <p>ج- مهام و مسؤوليات لجنة الترشيحات و المكافآت:</p> <p>1. وضع سياسة خاصة بالترشح لعضوية مجلس الإدارة والادارة التنفيذية تهدف إلى مراعاة التنوع بين الجنسين ضمن التشكيل وتشجيع المرأة، وموافاة الهيئة بنسخة عن هذه السياسة وبأي تعديلات تطرأ عليها.</p>
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<p>2. Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and the provisions of this resolution.</p> <p>3. Constantly verifying independence of independent Board members.</p> <p>4. If the committee finds out that one of the members has lost independence, the committee shall bring the issue before the Board of Directors to serve a registered letter to such member at his/her address registered at the company, clarifying the reasons for the loss of independency.</p> <p>5. Setting the policy on which basis bonuses, privileges, incentives, and salaries shall be granted to the company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the senior executive management are reasonable and in line with the company's performance.</p> <p>6. Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member.</p> <p>7. Review of the structure of the Board of Directors and submitting recommendation respecting the changes that may be made.</p>	<p>2. تنظيم ومتابعة الإجراءات الخاصة بالترشيح لعضوية مجلس الإدارة بما يتفق والقوانين والأنظمة المعمول بها وأحكام هذا القرار.</p> <p>3. التأكد من إستقلالية الأعضاء المستقلين بشكل مستمر.</p> <p>4. إذا تبين للجنة أن أحد الأعضاء فقد شروط الاستقلالية وجب عليها عرض الأمر على المجلس ليقوم بإخطار العضو بكتاب مسجل على عنوانه الثابت بالشركة بمبررات انتفاء صفة الاستقلالية عنه.</p> <p>5. إعداد السياسة الخاصة بمنح المكافآت والمزايا والحوافز والرواتب الخاصة بأعضاء مجلس إدارة الشركة والعاملين فيها، ومراجعتها بشكل سنوي، وعلى اللجنة أن تتحقق من أن المكافآت والمزايا الممنوحة للإدارة التنفيذية العليا معقولة وتتناسب وأداء الشركة.</p> <p>6. المراجعة السنوية للإحتياجات المطلوبة من المهارات المناسبة لعضوية مجلس الإدارة وإعداد وصف للقدرات والمؤهلات المطلوبة لعضوية مجلس الإدارة، بما في ذلك تحديد الوقت الذي يلزم أن يخصصه العضو لأعمال مجلس الإدارة.</p> <p>7. مراجعة هيكل مجلس الإدارة ورفع التوصيات في شأن التغييرات التي يمكن إجراؤها.</p>
<p>8. Determining the company's need of competencies at the level of the senior executive management and the staff and the basis for selection thereof.</p>	<p>8. تحديد إحتياجات الشركة من الكفاءات على مستوى الإدارة التنفيذية العليا والموظفين وأسس اختيارهم.</p>

Setting the policy of human resources and training in the company, monitoring implementation of such policy and review thereof on annual basis.	إعداد السياسة الخاصة بالموارد البشرية والتدريب في الشركة ومراقبة تطبيقها، ومراجعتها بشكل سنوي.
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a - N & R Committee meetings held in 2022

There was no N&R committee meeting held during the year.

د- عدد إجتماعات لجنة الترشيحات والمكافآت خلال 2022

لم يتم عقد اي اجتماع للجنة الترشيحات والمكافآت خلال السنة

<p>7- Insiders' Trading Follow up & Supervision Committee</p> <p>a- Acknowledgement of the Chairman of the Committee</p> <p>Mr. Mohamed Ali Al Sari , Head of Committee, acknowledges his responsibility for the committee's system in the company and for his review of its work mechanism and verification of its effectiveness.</p> <p>b- Composition of the Committee</p> <p>The Committee is composed as follows:</p> <ol style="list-style-type: none"> 1. Mr. Mohamed Ali Al Sari- Head of Committee 2. Mr. Ali Naji Kaddoura - Member 3. Mr. Zakaria Dadi Attassouli - Member <p>Roles & Responsibilities of the Committee</p> <ul style="list-style-type: none"> - Prepare written rules and procedures to govern the trading of Board members and employees in the securities issued by the company or its parent company, subsidiaries, or its sister companies. This 	<p>7- لجنة متابعة و الاشراف على تعاملات الاشخاص المطلعين</p> <p>أ- إقرار من رئيس اللجنة:</p> <p>يقر السيد محمد علي السري ، رئيس اللجنة ، بمسؤوليته عن نظام اللجنة في الشركة ومراجعتها لآلية عملها والتحقق من فعاليتها.</p> <p>ب- اعضاء اللجنة:</p> <p>تتكون لجنة من السادة التالية اسماؤهم :</p> <ol style="list-style-type: none"> 1- السيد / محمد علي السري - رئيس اللجنة 2- السيد / علي ناجي قدوره - عضو 3- السيد زكريا دادي التسولي - عضو <p>مهام و مسؤوليات اللجنة:</p> <ul style="list-style-type: none"> - إعداد قواعد مكتوبة بخصوص تعاملات أعضاء مجلس إدارة الشركة وموظفيها في الأوراق المالية المصدرة من قبل الشركة أو الشركة الأم أو الشركات التابعة أو الشقيقة لها. ثم عرض
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<p>manual will then be presented to management for endorsement and to the Board of Directors for approval.</p> <ul style="list-style-type: none"> - Prepare a special and comprehensive register of all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the company prior to publication. - The committee will also be responsible for the management, follow-up, and supervision of insiders' trading and their holdings, maintain the register and submit periodic reports to DFM. <p>c-Summary of the Committee's work in 2022:</p> <p>No trades on the company's shares, by insiders, took place during the year 2022.</p>	<p>هذا القواعد على الإدارة العليا لإقرارها و ثم عرضها على مجلس الإدارة للموافقة عليها</p> <ul style="list-style-type: none"> - إعداد سجل خاص ومتكامل لجميع الأشخاص المطلعين بما في ذلك الأشخاص الذين يمكن اعتبارهم أشخاص مطلعين بصورة مؤقتة والذين يحق أو يتوافر لهم الإطلاع على المعلومات الداخلية للشركة قبل نشرها، كما يتضمن السجل الإفصاحات المسبقة واللاحقة الخاصة بالمطلعين. - تشكيل لجنة تتولى مسؤولية إدارة ومتابعة والإشراف على تعاملات الأشخاص المطلعين وملكياتهم والإحتفاظ بالسجل الخاص بهم ورفع تقارير دورية الى السوق <p>ج- ملخص عن تقرير اعمال اللجنة خلال العام 2022:</p> <p>لم يتم إجراء أي صفقات على أسهم الشركة ، من قبل المطلعين ، خلال عام 2022 .</p>
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<p>8- Internal Control System</p> <p>a- Board of Directors' acknowledgment Summary</p> <p>The Internal Control Department performs its duties in accordance with governance requirements and corporate discipline standards detailed in the Internal Control Department's Charter, which includes ensuring the Operational effectiveness of the company's risk management, compliance standards and system of internal Control. The internal control department reports to the Board of</p>	<p>8- نظام الرقابة الداخلية</p> <p>أ- اقرار مجلس الإدارة و الية العمل</p> <p>يقر مجلس الإدارة بمسؤوليته تجاه كفاءة نظام الرقابة الداخلية وتطبيقه عن طريق وضع آلية نظام رقابة داخلي قوي وفعال و قد ألزم مجلس الإدارة بتعزيز و نشر أفضل ممارسات إدارة المخاطر و تطبيق احديث قواعد الحوكمة السليمه والتحقق من إمتثال الشركة وموظفيها من خلال تطبيق القوانين والقواعد والقرارات التي تحكم عملياتها كما هو الحال بالنسبة للإجراءات والسياسات الداخليه ومراجعة المعلومات الماليه التي تقدم للإدارة العليا للشركة والمستثمرين والمساهمين.</p>
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<p>Directors and its employees perform their duties objectively and independently.</p> <p>b- Head of Internal Control & Compliance: Name & Qualifications</p> <p>Mr. Sharij Hamza is the company's Internal Control and Compliance Officer. Mr. Sharij is holding Master's degree in Business Administration with specialization in Finance. In addition to holding a Master's degree, he has extensive experience in the field of accounting and financial analysis for more than 10 years.</p> <p>c- Internal Control Department Updates.</p> <p>As part of the cost reduction company, the internal control department did not carry out any activity as the audit committee and the board of directors decided to strengthen the department by appointing an external internal control service provider to submit reports.</p> <p>d-Number of reports issued.</p> <p>Due to the absence of appointing an internal control team, no reports were issued during the year 2022.</p>	<p>ب- اسم مدير الادارة و مؤهلاته، اسم ضابط الامتثال و مؤهلاته.</p> <p>يشغل السيد/ شاريح حمزة منصب مدير ادارة الامتثال والرقابة الداخلية للمجموعة ويحمل شهادة الماجستير في إدارة الاعمال والمحاسبة كما يتمتع بخبرة واسعة تتجاوز ال 10 سنة في مجال المحاسبة والتدقيق الخارجي والتحليل المالي .</p> <p>ج- تحديثات الرقابة الداخلية</p> <p>كجزء من شركة خفض التكاليف ، لم تقم إدارة الرقابة الداخلية بأية نشاط حيث أن لجنة التدقيق ومجلس الإدارة قرروا تعزيز الإدارة من خلال تعيين مقدم خدمة خارجي للرقابة الداخلية لتقديم التقارير .</p> <p>د- عدد التقارير الصادرة</p> <p>نظرا لعدم وجود تعيين فريق للرقابة الداخلية فلم يتم اصدار اية تقارير خلال العام 2022.</p>
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<p>9- Details of violations and non- conformity during 2022</p> <p>During the fiscal year 2022 GGICO PJSC has not committed any violation related to the disclosure to SCA.</p> <p>10- Community development & environmental conservation contribution (Cash and/or In-kind) during 2022</p> <p>In 2022 the company did not participate in providing cash or in-kind contributions considered in helping the local community development and in preserving the environment</p>	<p>9- تفاصيل المخالفات المرتكبة وحالات عدم المطابقة خلال السنة المالية 2022</p> <p>خلال السنة المالية 2022 ، لم ترتكبت الشركة اية مخالفات تتعلق بالإفصاح إلى هيئة الأوراق المالية والسلع.</p> <p>10- بيان بالمساهمات النقدية و العينية التي قامت بها الشركة خلال 2022 في تنمية المجتمع المحلي و الحفاظ على البيئة.</p> <p>لم تقم الشركة خلال عام 2022 بتقديم اي مساهمات نقدية او عينية من شأنها تنمية المجتمع المحلي و الحفاظ على البيئة</p>
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11- General Information

a- GGICO's Share price at the end of each month in 2022 comparative with market index and industry.

أ- سعر سهم الشركة في سوق دبي المالي نهاية كل شهر للسنة المالية 2022 بالمقارنة مع مؤشر السوق و القطاع

مؤشر القطاع	مؤشر السوق	السعر الوسيطى درهم	ادنى سعر درهم	اعلى سعر درهم	سعر الاغلاق درهم	الشهر/2022
Sector Index	Market Index	AVG Price AED	Min Price AED	Max Price AED	Closing Price AED	Month / 2022
2099.17	3203.08	No Trading	No Trading	No Trading	0.119	يناير January
2147.25	3354.64	No Trading	No Trading	No Trading	0.119	فبراير February
2179.61	3526.60	No Trading	No Trading	No Trading	0.119	مارس March
2481.33	3719.63	No Trading	No Trading	No Trading	0.119	ابريل April
2304.69	3347.24	No Trading	No Trading	No Trading	0.119	مايو May
2284.19	3223.29	No Trading	No Trading	No Trading	0.119	يونيو June
2385.93	3337.96	No Trading	No Trading	No Trading	0.119	يوليو July
2471.77	3443.11	No Trading	No Trading	No Trading	0.119	اغسطس August
2356.22	3339.15	No Trading	No Trading	No Trading	0.119	سبتمبر September
2272.10	3331.76	No Trading	No Trading	No Trading	0.119	اكتوبر October
2343.23	3323.96	No Trading	No Trading	No Trading	0.119	نوفمبر November
2366.56	3336.07	No Trading	No Trading	No Trading	0.119	ديسمبر December

b- Company's share performance
Gulf General Investments Co. (P.S.C)

ب- الأداء المقارن لسهم الشركة مع مؤشر السوق العام ومؤشر
القطاع الذي تنتمي اليه الشركة



C- Share's Distributions as of 31-Dec-2022

ج - بيان بتوزيع ملكية المساهمين كما في
31 / ديسمبر / 2022

المجموع Total		اجنبي Foreign		عربي Arab		خليجي GCC		محلي National		توزيع ملكية المساهمين كما بتاريخ 2022/12/31
النسبة المئوية %	عدد الاسهم No. of shares	النسبة المئوية %	عدد الاسهم No. of shares	النسبة المئوية %	عدد الاسهم No. of shares	النسبة المئوية %	عدد الاسهم No. of shares	النسبة المئوية %	عدد الاسهم No. of shares	
42.58%	762,685,821	3.78%	67,709,353	11.43%	204,715,716	%0.79	14,163,799	%26.58	476,096,953	افراد Individuals
57.14%	1,023,635,206	1.80%	32,227,456	%0.50	8,879,224	%0.37	6,648,705	%54.48	975,879,821	شركات Companies
-	-	-	-	-	-	-	-	-	-	حكومات Governments
0.0%	72	%0.0	-	%0.00	-	%0.00	-	%0.0	72	مؤسسات Institutions
0.28%	5,012,234	%0.25	4,474,900	%0.00	-	%0.03	502,334	%0.0	35,000	بنوك Banks
100%	1,791,333,333	5.83%	104,411,709	11.92%	213,594,940	1.19%	21,314,838	81.06%	1,452,011,846	المجموع Total

d- Shareholders with 5% or more shares

د - المساهمين الذين يملكون 5% أو أكثر من رأس مال الشركة

Shareholder	النسبة المئوية %	No. of Shares as of عدد الاسهم كما بتاريخ 2022/12/31	اسم المساهم
INVESTMENT GROUP (PVT) LTD	50.13	897,939,966	المجموعة الاستثمارية الخصوصية المحدودة
Total	50.13	897,939,966	المجموع

e- Shares distribution based on volume as of December 31, 2022

هـ) توزيع المساهمين وفقا لحجم الملكية كما في 31 ديسمبر 2022 :

نسبة الاسهم المملوكة من رأس المال / % From Capital	عدد الاسهم المملوكة / Shares owned	عدد المساهمين / No. of Shareholders	ملكية الاسهم / Ownership
0.69%	12,377,540	755	أقل من 50,000 less than
8.59%	153,863,055	932	50,000 الى أقل من / 500,000 less than
14.88%	266,470,257	208	500,000 الى أقل من / 5,000,000 less than
75.84%	1,358,622,481	29	أكثر من / 5,000,000 more than

f- Actions taken regarding the controls over the Company's Investor Relations

To comply with the Securities & Commodities Authority's circular regarding the controls over the Investor Relations for listed companies, the company has implemented the following:

1. Mr. Zakaria Dadi Attassouli is in charge of Head of Investor Relations department who can be contacted on:
 - Email: investor@ggico.ae
 - Phone: +971 4 282 1888
2. Create an investor relations webpage on the company's website, which can be accessed through the following link:

<https://www.ggicouae.com/investor-relations>

The company uses the above link to update and publish information and data that have been already disclosed in addition to other information related to the company and its shareholders.

و) الاجراءات التي تم اتخاذها بشأن ضوابط علاقات المستثمرين

التزاماً بتطبيق التعميم الصادر عن السادة هيئة الأوراق المالية والسلع والخاص بضوابط علاقات المستثمرين بالشركات المدرجة في اسواق المال، فقد قامت الشركة بما يلي:

- 1- يتولى السيد/ زكريا دادي التسولي ادارة علاقات المستثمرين الذي يمكنكم التواصل معه بواسطة:

- البريد الالكتروني: investor@ggico.ae

- الهاتف: +971 4 282 1888

- 2- انشاء قسم مخصص لعلاقات المستثمرين على الموقع الالكتروني للشركة والذي يمكن الوصول اليه عن طريق الرابط التالي:

<https://www.ggicouae.com/investor-relations>

حيث تقوم الشركة باستخدام الرابط اعلاه لتحديث و نشر المعلومات و البيانات التي تم الافصاح عنها، وغيرها من البيانات المتعلقة بالشركة وحقوق المساهمين.

<p>g- Special Resolutions presented in the General Assembly Meeting held during 2022.</p> <p>During the General Assembly meeting held on 28/4/2022, the General Assembly approved a Special Resolution to consider the continuity of the Company's operations according to the requirements of article (302) of the UAE Federal law (2) of 2015 concerning commercial companies.</p> <p>h- The name of the board secretary and date of appointment:</p> <p>Mr. Ali Naji Kaddoura</p> <p>Date of appointment: 14/11/2017</p> <p>i- Major events occurred during 2022.</p> <p>There were no unusual or substantial events in the company during the year 2022.</p> <p>J- Emiratization Percentage of Gulf General Investments Co. PSC at the end of the year is as follows:</p> <p>2022: 7%</p> <p>2021: 7%</p> <p>2020: 8%</p>	<p>(ز) القرارات الخاصة التي تم عرضها في الجمعية العمومية المنعقدة خلال عام 2022</p> <p>خلال الجمعية العمومية المنعقدة بتاريخ 2022/4/28، وافقت الجمعية على القرار الخاص بإستمرار الشركة في مزاولة نشاطها وذلك حسب متطلبات المادة رقم (302) من القانون الاتحادي رقم (2) لسنة 2015 بشأن الشركات التجارية.</p> <p>(ح) إسم مقرر إجتماعات مجلس الإدارة وتاريخ تعيينه:</p> <p>السيد / علي ناجي قدوره</p> <p>تاريخ التعيين: 2017/11/14</p> <p>(ط) الأحداث الجوهرية التي صادفت الشركة خلال سنة 2022</p> <p>لم يطرأ أي حدث غير إعتيادي على الشركة خلال سنة 2022 .</p> <p>(ي) بيان نسبة التوطين في الشركة الخليجية للاستثمارات العامة (ش.م.ع) بنهاية العام كما يلي :</p> <p>2022 (7 %)</p> <p>2021 (7 %)</p> <p>2020 (8 %)</p>
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<p>k. Innovative projects and initiatives carried out by the company or under progress during the year 2022.</p> <p>The company has not initiated any innovative projects during the year 2022.</p>	<p>ك) بيان بالمشاريع والمبادرات الابتكارية التي قامت بها الشركة أو جاري تطويرها خلال العام 2022.</p> <p>لم تقم الشركة بأيّة مشاريع أو مبادرات ابتكارية خلال عام 2022.</p>
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Chairman of the Board signature



توقيع رئيس مجلس الإدارة





GGICO's ESG Report 2022



Table of Contents

About GGICO's ESG Report 1

About the Report
Scope of the Report
Message from Chairman

Introducing GGICO 3

Company Structure
What We Do
Vision, Mission, Values

Our Approach to Sustainability 7

Our Sustainability Program
Our Steering Committee
Our Guidelines & Frameworks
Materiality Assessment

Ethical Business Management 12

Governance, Ethics & Compliance
Risk Management
Risk Management Process

Preserve & Protect the Environment 16

Environmental Strategy
Energy Efficiency &
Water Consumption
Recycling & Waste Management
GHG Emissions

Employee & Customer Happiness 21

People
Diversity & Inclusion
Health & Safety

Positively Impact Communities 25

Community Engagement

GRI Content Index 27

About the Report

GGICO's illustrious history began in 1973, when the company was established by Emiri Decree of the Ruler of Ajman. The company was renamed Gulf General Investment Co. in 1990 and in 2001 relocated its head office to Dubai, when it was then listed on the Dubai Financial Market as a Public Shareholding Company in 2004.

A diversified conglomerate headquartered in Dubai, United Arab Emirates (UAE), the company has grown to become a prominent player in several key sectors, including real estate, hospitality and logistics. The company has a strong focus on sustainability, corporate responsibility, and innovation, as well as a commitment to delivering high-quality products and services to its customers. With a dynamic and experienced leadership team, GGICO is well-positioned to continue driving growth and expanding its reach in the years to come.

We are proud to present our first sustainability report for the year 2022 showcasing our commitment to monitoring and reporting on our environmental, social and governance performance.

Sustainability Report – GGICO

The report has been created in compliance with the 2021 guidelines, which includes a comprehensive content index to aid reference. In terms of data, the majority of the information disclosed in this report pertains to historical data from 2020 to 2022. This provides an overview of developments over a specific period of time.

In terms of external assurance, we made a deliberate decision not to engage an external organization to audit our non-financial data in this report. Instead, we took full responsibility for the accuracy and reliability of the information reported by conducting an internal assurance process. This approach has given us complete confidence in the validity of the information presented and provides our stakeholders with a clear understanding of our commitment to transparency and accountability.

Scope of the Report

Timeline

The report covers our environmental, social and governance for the period from Jan 2020 to Dec 2022, unless otherwise indicated.

Exclusion

The report excludes any financial performance data. It also excludes Al Sagr National Insurance Company which is not covered under this report.

Entities

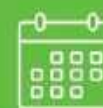
The report covers the operations of GGICO Group, with primary operations as a real estate developer and a operating hotel with hotel management entity. There are few additional entities which are part of the group but due to limitation of data, we would be covering them partially in few sections, but we would be covering them in entirety going forward.

Contact Person for the Report

Mr Ali Kaddoura

Email: Ali@ggico.ae

Contact number: +971 (0) 56 414 1971



Message from Chairman

Mr Abdalla Juma Majid Al Sari
Chairman

“

It is with great pleasure that we announce the launch of GGICO's inaugural ESG report. This report provides an overview of our environmental, social, and governance (ESG) practices and performance, as well as our commitment to sustainability and responsible business practices. At GGICO, we believe that ESG considerations are integral to our long-term success and the creation of value for all our stakeholders.

Our ESG report highlights our efforts to reduce our environmental footprint, enhance the well-being of our employees and communities, and promote ethical and transparent governance. We are working to reduce our carbon emissions, improve energy efficiency, and adopt sustainable practices. We have also invested in our employees' development and safety, as well as in initiatives that support the communities in which we operate.

Transparency and accountability are also core tenets of our governance framework. We are committed to upholding the highest standards of ethics, integrity, and compliance, and we have implemented rigorous internal controls and oversight mechanisms to ensure the responsible management of our business.

As we move forward, we will continue to prioritize ESG considerations in our decision-making and operations. We recognize that sustainable value creation requires a holistic approach that balances economic, social, and environmental factors. We also acknowledge that our stakeholders, including our shareholders, employees, customers, and communities, have a vital role to play in helping us achieve our sustainability goals.

”

I invite you to read our inaugural ESG report and provide us with your feedback. Together, we can build a more sustainable future for all.

Introducing GGICO

Company Ownership Structure



Board Members

Mr. Abdalla Juma Majid Al Sari
Chairman

Mr. Majid Abdalla Juma Majid Al Sari
Vice Chairman

Mr. Mohamed Ali Abdalla Al Sari
Member

Mr. Hamad Saif Hamad Abdalla Al Mheiri
Member

What We Do

● ELCO

Emirates Lube Oil FZC (ELCO FZC), a manufacturer and marketer of lubricants and grease. ELCO FZC is a certified company that adheres to international standards such as ISO9001, ISO14001, and OHSAS18001. With its beginnings in 1972 as an oil trading company, ELCO FZC has grown its business to include the manufacturing and marketing of lubricants & grease. Its state-of-the-art manufacturing facility, which was originally built in 2008, has been upgraded with the latest fully automated blending technology, resulting in an increase in its manufacturing capacity. Additionally, the plant is equipped with fully automatic high-speed filling lines and blend control systems.

● Dubai Al Ahlia Transport LLC

Established in 1985, Dubai Al Ahlia Transport has been facilitating the transportation of Bulk & Packed Petroleum, Chemicals and Dry Cargo products. The IMS certified and SQAS accredited company is one of the top two petroleum transport companies in the UAE and a member of National Association of Freight Logistics. Boasting a fleet of 185 units, Dubai Al Ahlia Transport's vision is to become the leader in all phases of the bulk and packed petroleum and chemicals transportation industry.

● Acorn Industries

Established in 2002, the company offers a comprehensive range of products in the vehicle body manufacturing field. Its manufacturing facility is located in Emirates Industrial City, Sharjah offering a comprehensive range of products in the heavy vehicle body manufacturing field such as Trailers, Fuel & Chemical Tankers, Water Tankers, Tippers, Silos, Car Carriers, Refuse Compactors, Flat Beds, Cement Bulkheads, Cargo Bodies, Curtain Side Trailers, Skeleton Trailers, Ambulances, etc

● Time Oak Hotel & Resorts

Time Oak Hotel & Resorts Dubai offers a total of 216 well-appointed rooms, including spacious suites that cater to different guest preferences. Each room is designed with guests' comfort in mind, featuring modern amenities such as flat-screen TVs, complimentary Wi-Fi, and en-suite bathrooms. The hotel is managed by Time Hotel Management.

● Time Hotel Management

Time Hotel Management is a leading hospitality management company with a portfolio of hotels and resorts across the Middle East, including TIME Hotels & Resorts, TIME Hotel Apartments, TIME Express Hotels, TIME Residence, and TIME Motels. The company is committed to delivering exceptional service, operational excellence, and sustainable growth. It has a strong presence in the UAE, KSA, Qatar, Egypt, and Jordan, and its sub-brands cater to a wide range of travelers, from luxury-seekers to budget-conscious travelers.

● Oil Lab and Marine Surveyors

Oil Lab & Marine Surveyors Co LLC is an ISO 9001:2008 & ISO 17025 Certified inspection and testing company with wide-ranging experience in the field of inspection, survey and quality testing since 1982. The commercial laboratory has independent offices in Sharjah, with affiliate laboratories in Hamriyah, Fujairah, Ajman and Dubai. The company is a corporate member of International Bunker Industry Association (IBIA).

Vision, Mission & Values

Our Mission

At GGICO Dubai, we strive to create long-term value for our shareholders, customers, and employees through strategic investments in a diversified range of industries. Our commitment to innovation, excellence, and sustainability drives us to make sound investment decisions that promote economic growth and social progress in the communities we serve.

Our Vision

To be the leading diversified investment company in the Middle East, delivering sustainable and profitable growth for our stakeholders.

Our Values



INTEGRITY

We conduct our business with the highest ethical standards, honesty, and transparency.



CUSTOMER FOCUS

We are committed to understanding and meeting the needs of our customers and delivering exceptional value to them.



COLLABORATION

We believe in building strong relationships with our partners, suppliers, and stakeholders based on mutual trust and respect.



INNOVATION

We embrace change and continuously strive to improve our products, services, and processes.



Our Approach to Sustainability

Sustainability Program and Key Stakeholders with ESG Steering Committee

We align our Sustainability Program with our company's purpose, vision, mission, and values. It adheres to the GRI standards and is also integrated with the UN's Sustainable Development Goals.

OUR KEY STAKEHOLDERS	ENGAGEMENT METHOD	KEY TOPICS RAISED
Employees	<ul style="list-style-type: none"> - Internal communication platforms, emails, calls, or in-person meetings - Employee engagement survey - Team meetings - Performance appraisals 	<ul style="list-style-type: none"> - Training & Development - Rewards & Recognition - Work life balance - Occupational health & safety
Board of Directors and Senior Management	<ul style="list-style-type: none"> - Board of Directors meetings and committee meetings - Internal communication platforms, emails, calls, or in-person meetings 	<ul style="list-style-type: none"> - Overall business strategy - Business development - Governance, ethics, and compliance - Risk management
Shareholders	<ul style="list-style-type: none"> - Board of Directors, meetings and committee meetings 	<ul style="list-style-type: none"> - Financial Performance - ESG Initiatives
Customers	<ul style="list-style-type: none"> - Customer satisfaction surveys - Customer relations team, through emails, calls and meetings 	<ul style="list-style-type: none"> - Quality of service
Suppliers	<ul style="list-style-type: none"> - Supplier screening form 	<ul style="list-style-type: none"> - ICV - ESG Guidelines
Local Communities	<ul style="list-style-type: none"> - Meetings with non-profit organizations and community group - Community-needs assessment through engaging specific stakeholders 	<ul style="list-style-type: none"> - CSR Initiatives
Government Entities	<ul style="list-style-type: none"> - Through government projects, policies, laws, and regulations 	<ul style="list-style-type: none"> - RERA regulations, Escrow regulations
Environmental Organizations	<ul style="list-style-type: none"> - Partnerships and collaborations with local and international environmental organizations 	<ul style="list-style-type: none"> - Energy efficiency and emissions - Waste Management - Recycling

ESG Steering Committee

Mr. Majid Abdalla Juma Al Sari
Vice Chairman

Mr. Mohamed Ali Abdalla Al Sari
Board Member

Mr. Hamad Saif Abdalla Almheiri
Board Member

Alignment with Sustainability Guidelines & Frameworks

The Global Reporting Initiative

The GRI Standards enable any organization to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development.

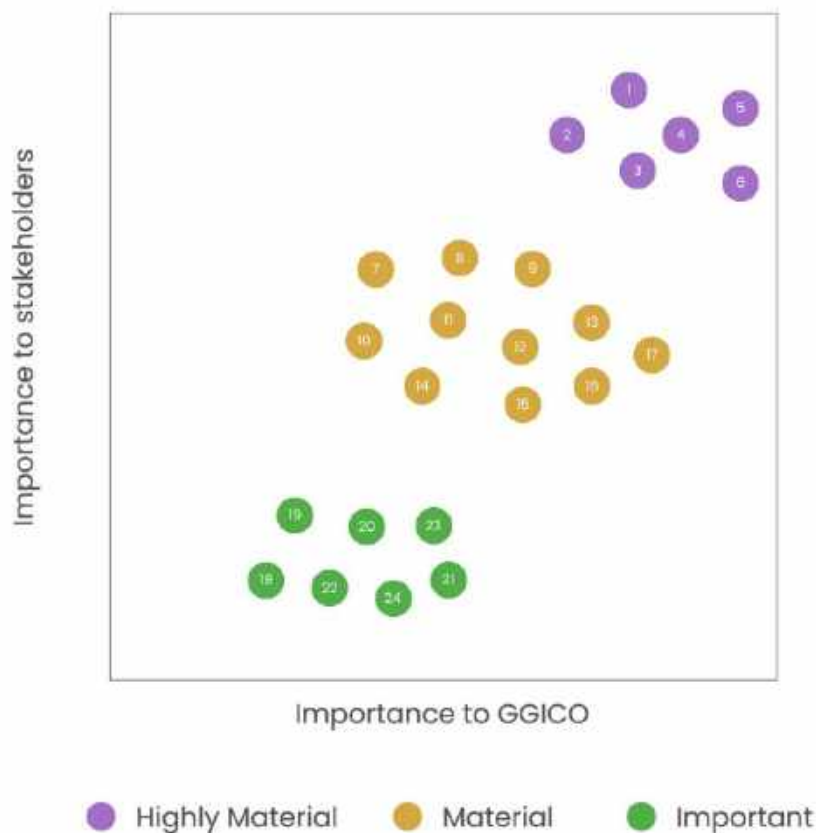
United Nations' Sustainable Development Goals

The UNs' SDGs is a blueprint of collective international efforts to achieve a more sustainable future for all. This blueprint consists of 17 overarching goals that are all focused on environmental, social and economic global challenges that we face today. The sole objective of these goals and the targets within them is to leave no one behind, where all defined targets are to be achieved by 2030.

Materiality Assessment

The process of Materiality Assessment is a crucial part of the GRI standards, which involves collaborating with stakeholders to determine the issues that hold the greatest significance for both our business operations and our stakeholders. This involves taking into account input from our internal stakeholders as well as the priorities of external stakeholders.

To ensure this report accurately reflects the most pertinent topics, GGICO engaged in internal and external discussions with relevant stakeholders during the preparation process.



Materiality Grading

	RANK	MATERIALITY TOPICS
Highly Material	1.	GHG Emissions/Co2 Emissions
	2.	Energy Efficiency
	3.	Water Management
	4.	Waste Management
	5.	Diversity and Inclusion
	6.	Governance, Ethics & Compliance
Material	7.	Environmental Management/Recycling
	8.	Talent attraction & Retention
	9.	Learning & Development
	10.	Health and Safety
	11.	Community Investment & Engagement
	12.	Customer Experience
	13.	Prevention of Corruption
	14.	Risk Management
	15.	Grievance Redressal of Stakeholders
	16.	Whistleblower and Grievance Mechanism
	17.	Human Rights
Important	18.	Emiratization
	19.	Socially Responsible Procurement
	20.	Data Privacy and Security
	21.	Innovation
	22.	Business Community
	23.	Board Diversity
	24.	Financial Performance and Economic Contribution

Sustainability Framework

Our company's sustainability framework is a strategic approach that provides direction towards achieving a sustainable future. It helps us identify our key sustainability priorities and focus areas, which are in line with our corporate values and stakeholder expectations. By outlining our sustainability goals and objectives, this framework acts as a roadmap for our business decisions, enabling us to consider the environmental, social, and governance (ESG) factors alongside economic considerations.

ESG



INNOVATION AND TECHNOLOGICAL TRANSFORMATIONS



Environmental Sustainability

- 01. Energy Efficiency
- 02. GHG Emissions Reduction
- 03. Recycling and Waste Management



Social Responsibility

- 01. Employee and Customer Happiness
- 02. Training and Development
- 03. Diversity & Inclusion
- 04. Health & Safety
- 05. Customer Satisfaction
- 06. Community Impact
 - a. Community Investment for Environmental Protection
 - b. Socio-Economic Development focused on Education
 - c. Emiratization



Ethical Business Management

- 01. Risk Management
- 02. Corporate Governance
- 03. Data Security & Privacy

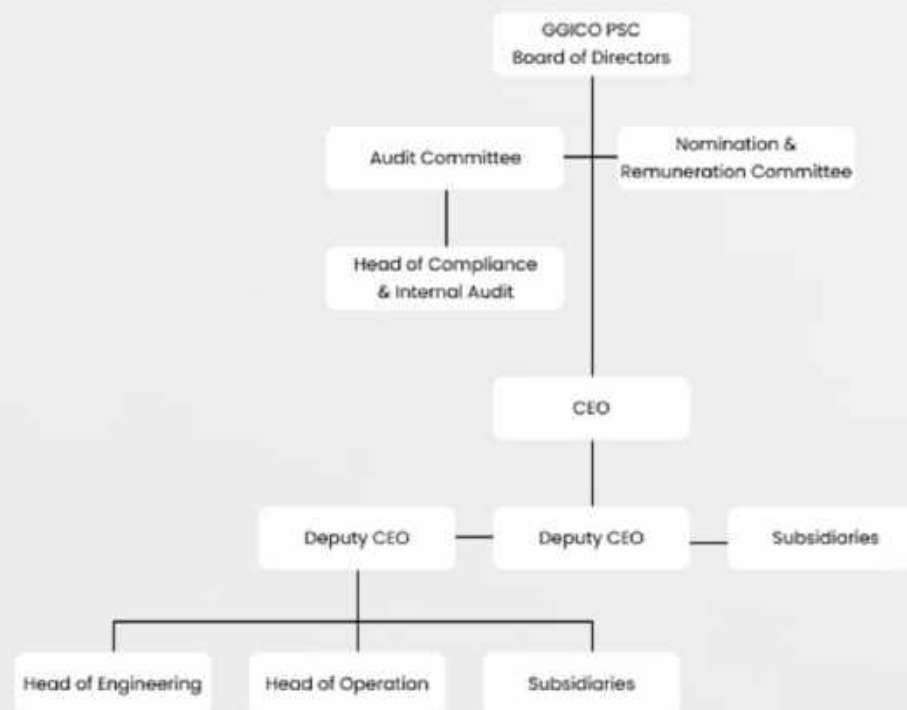
Ethical Business Management

Governance, Ethics & Compliance

(GRI- 2: General Disclosures 2021)

GGICO is committed to maintaining the highest standards of governance and providing our shareholders with 100% transparency as well as an effective ongoing process for identifying, evaluating and managing any significant risks faced by the group.

This section gives an overview of the Group's corporate governance systems and procedures as of this year:



The corporate governance structure provides:

- Effective leadership of each company, division and department in group.
- A strong/effective framework of internal controls that are based on documented procedures
- Clear reporting lines that define streamlined levels of accountability based on a Board approved organizational chart
- Authority for decision making based on a Board approved Delegation of Authority
- Accurate operational & financial reporting that enables our executive management team to identify, mitigate and manage the risks inherent to the industries that our companies operate in.
- Sustainable corporate behaviour which includes the reduction of the use of electricity and water across the entities, with a recycling program in place in our corporate offices and projects.
- Transparent investigations performed by a compliance department that functions independently and is free to document/report facts.
- A documented Code of Conduct & Ethics Guidelines/Policy, including sections prohibiting conflicts of interest. Our Annual Compliance training reinforces each employee's requirement to avoid actual or perceived conflicts of interest.
- An annual residual risk assessment that is used to develop an annual Internal Audit Plan.
- Monthly performance review meetings for each division and corporate department that includes detailed action tracker.

Insider Trading Follow up and Supervision Committee

Additional Committees

Nomination and Remuneration Committee
Crisis Management Committee
Internal Control Department

Risk Management

GGICO acknowledges its responsibility for the Group's risk management and internal control system including an annual review for operational effectiveness. Risk management is the responsibility of each employee, however establishing the risk management framework, internal control framework and verifying the implementation of internal controls is the responsibility of the senior management.

GGICO compliance and internal audit department verifies that control design is sufficient to minimize inherent risks and that each control is operating as intended to minimize residual risks. Specific internal audits are designed to address high impact, high probability residual risks.

Risk Rating Matrix & Internal Control Rating Criteria

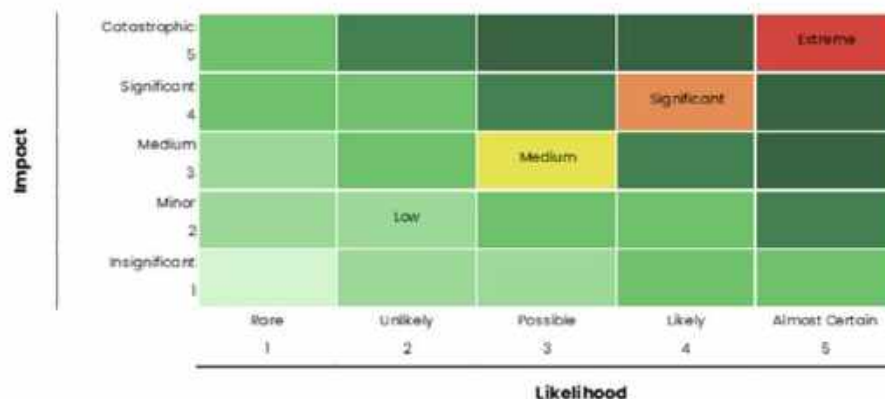
Develop a risk rating matrix, by identifying the most critical business processes and the risks associated with each process.

Ensure that the risk rating matrix accurately reflects the GGICO's risk profile, engage with stakeholders across the business to gather insights and perspectives.

Using a collaborative and iterative approach to develop internal control rating criteria that are tailored to GGICO's risk appetite and control environment.

Establish clear performance metrics and use data analytics to measure and monitor control effectiveness.

Regularly review and refine the risk rating matrix and internal control rating criteria, based on changes in the business environment and emerging risks.



GGICO adheres to its shareholders' internal control requirements, including the annual evaluation of each control to ensure it is "fit for purpose". Outsourced Internal Auditors represent GGICO shareholders to verify that established controls meet the shareholders objectives of profitability, accountability, social contribution and integrity.

GGICO risk management framework is comprised of the internal audit and compliance functions as well as the Risk Management Committee. The Committee identifies the internal department directly responsible for managing each risk that the company may be exposed to, including risks related to operations, AML/CFT, compliance, finance, and investment. Each department is responsible for providing the Committee with an analysis of the relevant risk and proposing mitigation measures and KPIs.

Risk Management Process

Risk Identification: The first step in risk management is to identify potential risks. This involves identifying potential threats, vulnerabilities, and opportunities that could impact the organization. This can be done through brainstorming sessions, risk assessments, and by reviewing historical data and trends.



Risk Assessment: Once the potential risks have been identified, the next step is to assess their likelihood and potential impact. This involves analyzing the risks based on their likelihood, severity, and impact on the organization. The results of this analysis is used to prioritize risks and determine which ones require immediate attention.



Risk Mitigation: The final step in the risk management process is to develop and implement strategies to mitigate identified risks. This involves developing plans and procedures to minimize the likelihood and impact of risks. Mitigation strategies can include risk avoidance, risk reduction, risk sharing, and risk transfer. It is important to monitor and review the effectiveness of these strategies and adjust them as needed.

Ethical Business Conduct

Instances of inappropriate behavior such as offering or receiving gifts, entertainment, incentives, or any financial gain in exchange for improper performance of duties (corruption) are treated with great severity, and internal policies are strictly enforced to take disciplinary action against such misconduct. Our organization upholds a strong commitment to anti-bribery and corruption principles, which are governed by a comprehensive and robust set of policies including The Code of Business Conduct and Corporate Governance Guidelines. Additionally, our policies include a whistleblower policy to ensure transparency and accountability in reporting any violations.

Strengthening our Approach to Human Rights (406-1)

During the year, we reviewed and updated the Group Human Rights Compliance Guidelines. These guidelines articulate the fundamental elements of our approach and set out how we fulfil our commitment to respect human rights. Human Rights training starts at the employee induction process.

KEY PERFORMANCE INDICATORS	2020	2021	2022	2023 TARGET
Human Rights Violations	0	0	0	0
Incidents of harassment reported	0	0	0	0
Incidents of discrimination reported	0	0	0	0
Incidents of abusive behavior reported	0	0	0	0

Preserve & Protect the Environment

Environmental Strategy

We are committed to focusing our efforts on responsible energy and water consumption, effective recycling and waste management, and reducing our GHG emissions. We prioritize sustainability in our development projects, and our approach includes implementing environmentally friendly practices such as designing energy-efficient buildings, utilizing renewable energy sources, and promoting sustainable transportation options. Additionally, we use eco-friendly materials to reduce our environmental impact. By pursuing these initiatives, we aim to minimize our carbon footprint and contribute to a more sustainable future.

GGICO intends to focus on initiatives for 2023 as below :



Improving our energy management practices throughout the life cycle of property development from design to delivery.



Utilizing technology to optimize water efficiency across our portfolio.



Creating a long-term strategy that aligns with the Carbon Neutral action plan by 2025.

Energy Efficiency & Water Consumption

GGICO is dedicated to enhancing energy efficiency and minimizing the emissions linked with energy consumption across all our operated assets. To achieve this goal, we recognize the importance of understanding our consumption patterns and volumes. Therefore, we have implemented a system to monitor and manage our environmental footprint on a monthly basis. Our company has policies and guidelines in place to promote environmental responsibility among our employees and office staff. This approach is ingrained in our organizational culture, and we ensure that new employees receive induction training that includes environmental responsibility as an essential component. By prioritizing energy efficiency and environmental responsibility, we aim to reduce our carbon footprint and contribute to a sustainable future.

As part of this effort, we are going to set yearly targets for reducing the energy consumption of the assets under our management. This objective is in line with our broader goal of minimizing our carbon footprint and promoting sustainable practices. By prioritizing energy efficiency and operational optimization, we aim to reduce our environmental impact while also generating long-term cost savings for our stakeholders.

With water scarcity becoming a more prevalent issue worldwide, GGICO recognizes the importance of managing water resources effectively. We believe that transparency in managing water - from extraction to consumption - is essential to better understand the risks and losses involved and minimize our operational water footprint. At GGICO, we are committed to ensuring that all entities under our operation have a reliable and effective water management solution in place. To achieve this, we plan to collaborate with external consultants to create a robust water management plan that will make a positive impact. Our goal is to promote sustainable water use practices and reduce our environmental impact while ensuring the efficient operation of our business entities.

Energy Consumption Overview

	2020	2021	2022
Electricity Consumption (kWh)	23,105,839	24,324,233	25,160,146
Y-O-Y Change		5.3%	5.3%
Water Consumption (Imperial Gallons)	18,963,603	19,641,178	24,483,438
Y-O-Y Change		3.6%	24.7%

*Excludes ELCO and Oil Lab

2023
Target

Reduce electricity consumption by 4% &
Water Consumption by 3%

Recycling & Waste Management

One of the major environmental challenges we face today is deforestation. Deforestation is responsible for around 10% of global greenhouse gas emissions, making it a significant contributor to climate change, according to the World Resources Institute.

The production of paper accounts for 42% of the global wood harvest and is responsible for approximately 26% of the waste in landfills, according to statistics from The World Counts. Our approach focuses on reducing and recycling waste in both our corporate offices and managed assets. We recognize that recycling paper results in 74% less air pollution and 35% less water pollution compared to producing new paper. Currently, we are assessing the waste generated by GGICO's activities to identify the most effective method of management. To implement a tracking process, we plan to collaborate with waste management firms. At the moment, we only possess waste data from Dubai Al Ahlia Transport LLC and Time Oak Hotel. The waste produced by these entities is sorted into hazardous and non-hazardous categories. Furthermore, our corporate and site offices have put paper recycling plans into operation, enabling us to make a positive contribution to a sustainable ecosystem.

Sewerage or waste removal expenses (AED)

■ 2021 ■ 2022

Sewerage or waste removal expenses – Dubai Al Ahlia Transport LLC



Sewerage or waste removal expenses – Time Oak Hotel & Resorts



Waste Management segregated into Hazardous/ Non Hazardous disposal costs (AED):

■ 2021 ■ 2022

Non-Hazardous



Hazardous



Total



GGICO has on several occasions ran awareness-raising campaigns designed to help achieve goal of eliminating single-use plastics. With the aim of moving towards a circular economy, we are introducing recycling initiatives across all our entities.

GHG Emissions

GGICO is committed to reducing GHG emissions as a central part of our long-term sustainability strategy. We are planning to engage a 3rd party consultant to start tracking our Scope 1 and Scope 2 emissions and have plans of recording our Scope 3 emissions within the next 3 years.

- Scope 1 emissions refer to direct GHG emissions from sources that are owned or controlled by a company, such as emissions from combustion of fossil fuels in boilers, furnaces, and vehicles owned by the company.
- Scope 2 emissions refer to indirect GHG emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company. These emissions are generated by a third party but are linked to the company's activities and are included in its carbon footprint.
- Scope 3 emissions refer to all other indirect GHG emissions that occur in the company's value chain, including emissions from the production of purchased goods and services, employee commuting, business travel, and waste disposal. These emissions are often the largest component of a company's carbon footprint, but they are also the most challenging to measure and manage because they involve multiple parties in the supply chain.

	2020	2021	2022
Carbon Footprint Kg CO ₂ e	9,394,556	7,362,221	5,956,225
Y-O-Y Change		-22%	-19%

*excludes Acorn, ELCO & Oil Lab

2023
Target

Target to reduce GHG by 25% by 2023 from last year

Employee & Customer Happiness

The background image is an aerial photograph of a city, likely New York City, showing a dense skyline of skyscrapers in the distance and a large, lush green park (Central Park) in the foreground. The entire image is covered with a dark green, semi-transparent filter, which makes the text stand out.

People

At GGICO, we place a high priority on employee engagement and customer satisfaction. We believe that engaged employees are those who exhibit persistent, proactive, and adaptive behaviors, and we are committed to ensuring that our employees are passionate about their work. To achieve this, we offer our employees a wide range of benefits and recognize their dedication and hard work through regular performance evaluations.

One of our key policies is to provide healthcare benefits to all employees and their eligible dependents in compliance with the UAE Health Authority and Labour Laws. The level of medical benefits is based on the employee's relevant job grade. This ensures that all employees are provided with necessary healthcare coverage to maintain their well-being. We continuously strive to improve employee satisfaction by conducting annual employee satisfaction surveys. The results of these surveys are analyzed by the respective entities to identify areas for improvement and take corrective action where necessary. Our commitment to employee engagement and satisfaction helps to foster a positive work culture and ensures that our employees feel valued and supported.

Full-time employees by year of service



	2020	2021	2022
Total Employee Count	356	376	368

* Excludes ELCO

80%

Employee satisfaction rate

*Time Oak Hotel & Resorts

Training & Development

At GGICO, we are committed to invest in the training and development of our employees, as it is crucial for performance in a highly competitive market with constantly evolving customer needs and expectations. It is a top priority for us to keep our staff up to speed with changes in the market through continuous learning and skills development. By prioritizing employee training, we can ensure that our team has the necessary skills and knowledge to provide excellent service to our customers and stay ahead of the competition. Additionally, investing in our employees' growth and development is vital for retaining our best talent and building a strong, dedicated team.

Diversity & Inclusion

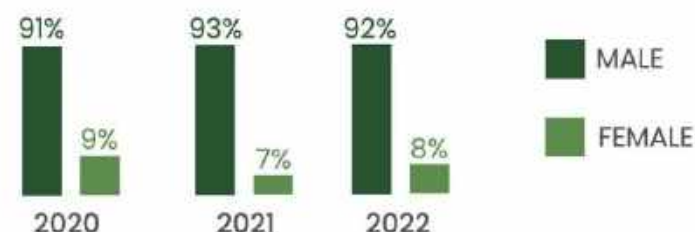
Diversity refers to the differences and unique characteristics that people bring to a group or organization. This can include differences in race, ethnicity, gender, age, sexual orientation, religion, disability, and other individual attributes. Embracing diversity means recognizing and valuing these differences, and creating an inclusive environment where everyone feels welcome and respected.

Inclusion refers to the active effort of creating a workplace culture where all employees feel valued, included, and supported. It means ensuring that everyone has equal access to opportunities, resources, and benefits, regardless of their background or identity.

GGICO is committed to providing equal opportunities to all employees and follows a strict policy against discrimination. We have a diverse set of nationalities working with us, with our workforce coming from more than 27 countries. In regard to gender diversity, we understand that our workforce composition is skewed. We are committed to better the female representation. The percentage of female employees in our overall workforce decreased from 9% in 2020 to 7% in 2021 and have increased to 8% in 2022. Our company is aware of this gender gap and aims to address it by creating recruitment practices that welcome more women for corporate roles.

Our ultimate goal is to promote diversity and inclusion by attracting, developing, and retaining the best talent regardless of gender. To achieve this, our team has come up with a plan to develop a succession strategy that includes more female employees at the senior and middle management levels. We believe that providing female employees with leadership opportunities will help us achieve our goal of gender diversity and foster a more inclusive work environment.

Workforce by Gender



Full time employees in senior management

	2020	2021	2022
Total Employee Count	356	376	368
Senior Management	26	21	24



Health & Safety

At GGICO, we prioritize the health and safety of our employees, customers, and stakeholders. We strive to provide a safe work environment and comply with all relevant health and safety regulations. We conduct regular risk assessments and implement preventive measures to avoid accidents, injuries, and illnesses. Our health and safety policies and procedures are regularly reviewed and updated, and we provide training to promote a culture of safety. We believe that HSE management is the responsibility of all employees, and we use ISO standards as a framework to improve our practices and meet the needs of our customers, stakeholders, and interested parties.

High Level Framework

Emergency Preparedness: This includes the development and implementation of emergency response plans (ERPs) to ensure preparedness and response in case of emergencies.

Emergency Preparedness

This includes the development and implementation of emergency response plans (ERPs) to ensure preparedness and response in case of emergencies.

Objectives and Performance Measures

This section outlines GGICO's QHSE goals and objectives and establishes key performance indicators (KPIs) to measure progress towards these objectives.

Processes and Procedures

This covers the implementation of QHSE plans, ERPs, standard operating procedures (SOPs), risk assessments (RA), and management systems (MS) to ensure the effective management of QHSE risks.

Training and Communication

This includes the induction and training of employees on QHSE matters, as well as regular toolbox talks (TBT) and other briefings to promote a culture of safety and responsibility.

Records and Reporting

This covers the maintenance and retention of records related to QHSE, including incident reports, corrective and preventive actions, RA and SOP reviews, and management reviews.

Inspections and Audits

This includes regular inspections of facilities and processes to ensure compliance with QHSE policies and standards, as well as internal and external audits to identify areas for improvement.

Testing and Evaluation

This includes testing of ERPs and other QHSE plans to ensure their effectiveness, as well as ongoing evaluation of KPIs to drive continuous improvement.

Positively Impact Communities

Community Engagement

GGICO supports several community development programs. The company has implemented initiatives that promote local talent and supports small businesses. GGICO is committed to being a responsible corporate entity and continues to explore new initiatives to make a positive impact on society.

Emiratization

Through the Emiratization initiative, GGICO provides job opportunities and training programs to Emiratis, enabling them to develop their skills and build their careers. The company actively seeks out talented Emiratis for its various departments and offers competitive salaries, benefits, and growth opportunities.

GGICO's Emiratization initiative has been successful in promoting local talent and providing employment opportunities for Emiratis. The company is committed to continuing this initiative and supporting the UAE's efforts towards building a skilled and sustainable workforce.

	2020	2021	2022
Emiratization as percentage to total employee strength	8%	7%	7%



Iftar Meal Box Donation

Donated 100 Iftar Meal Boxes to UAE Food Bank

Rice Collection Drive

Collected 614 kgs of Rice donated and in partnership with Emirates Red Crescent Dubai



Blood Donation Drive

Blood Donation Drive was held last 5th July 2022 in partnership with Dubai Health Authority

Paper Collection Drive

Collected total of 850 kg of paper with total of 1520 kg for all TIME Hotels group - eligible for 1 tree planting



Can Collection Drive

Participated in the Can Collection Drive organized by the Emirates Environmental Group (EEG) where TIME Oak contributed a total of 45 kg aluminum cans to be re-cycled.



GRI Content Index

GRI Standards		
GRI Standards	Disclosure	Page No.
GRI 2: General Disclosures 2021		
2-1	Organizational details	4-5
2-2	Entities included in the organization's sustainability reporting	4-5
2-3	Reporting period, frequency and contact point	1
2-5	External assurance	1
2-6	Activities, value chain and other business relationships	4-5
2-7	Employees	22-23
2-9	Governance structure and composition	13
2-10	Nomination and selection of the highest governance body	13
2-11	Chair of the highest governance body	13
2-12	Role of the highest governance body in overseeing the management of impacts	13
2-13	Delegation of responsibility for managing impacts	Covered under Compliance Report
2-14	Role of the highest governance body in sustainability reporting	13
2-16	Communication of critical concerns	1
2-19	Remuneration policies	13
2-20	Process to determine remuneration	13
2-22	Statement on sustainable development strategy	8 and 11
2-23	Policy commitments	11
2-24	Embedding policy commitments	11
2-26	Mechanisms for seeking advice and raising concerns	1
2-27	Compliance with laws and regulations	13
2-29	Approach to stakeholder engagement	8

GRI 3: Material Topics 2021		
3-1	Process to determine material topics	10
3-2	List of material topics	10
3-3	Management of material topics	10-11
GRI 202: Market Presence 2016		
202-2	Proportion of senior management hired from the local community	26
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	26
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	14
205-2	Communication and training about anti-corruption policies and procedures	13
205-3	Confirmed incidents of corruption and actions taken	13
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	14
GRI 207: Tax 2019		
207-2	Tax governance, control, and risk management	14-15
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	18
302-2	Energy consumption outside of the organization	18
302-3	Energy intensity	18
302-4	Reduction of energy consumption	18
GRI 303: Water and Effluents 2018		
303-5	Water consumption	18
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	20
305-2	Energy indirect (Scope 2) GHG emissions	20
305-4	GHG emissions intensity	20
305-5	Reduction of GHG emissions	20
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	19
306-2	Management of significant waste-related impacts	19
306-3	Waste generated	19

GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	22
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	22
401-3	Parental leave	22
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	24
403-2	Hazard identification, risk assessment, and incident investigation	24
403-4	Worker participation, consultation, and communication on occupational health and safety	24
403-5	Worker training on occupational health and safety	24
403-6	Promotion of worker health	24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	24
403-8	Workers covered by an occupational health and safety management system	24
403-9	Work-related injuries	24
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	22
404-2	Programs for upgrading employee skills and transition assistance programs	22
404-3	Percentage of employees receiving regular performance and career development reviews	22
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	23
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	15, 23
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	26

The background of the entire page is a close-up photograph of green leaves, likely from a plant like a mimosa, which are slightly out of focus. The leaves are a deep green color and have a pinnate structure.

2022

— GGICO —

ggicouae.com