

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

Interim Condensed Consolidated
Financial Statements
For the period ended September 30, 2024

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements
For the period ended September 30, 2024

Table of contents

	Page(s)
Report on review of interim condensed consolidated financial statements	1
Interim consolidated statement of financial position	2
Interim consolidated statement of profit or loss	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of changes in equity	5
Interim consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 - 19

Report on Review of the Interim Condensed Consolidated Financial Statements

To the Shareholders of Unikai Foods (P.J.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Unikai Foods (P.J.S.C.) (the “Company”) and its subsidiaries (collectively referred to as “the Group”), comprising the interim consolidated statement of financial position as at September 30, 2024, and the related interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, and the related interim consolidated statement of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

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

Scope of Review

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

Conclusion

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



GRANT THORNTON UAE

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


November 13, 2024

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

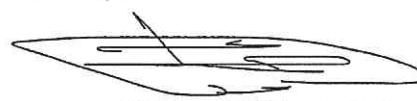
Interim consolidated statement of financial position
As at September 30, 2024

		September 30, 2024 (Unaudited)	December 31, 2023 (Audited) (Restated)	January 01, 2023 (Audited) (Restated)
	Notes	AED'000	AED'000	AED'000
ASSETS				
Non-current assets				
Property, plant and equipment	4	41,169	38,342	33,816
Investment properties	5	44,100	44,100	42,313
Right-of-use assets	6	53,688	36,977	31,894
Deferred tax asset		1,102	1,010	1,212
		<u>140,059</u>	<u>120,429</u>	<u>109,235</u>
Current assets				
Inventories	7	45,122	44,994	37,560
Trade and other receivables	8	70,724	54,468	52,428
Financial assets at fair value through profit or loss	9	16,249	16,249	18,634
Bank balances and cash	10	18,409	13,850	13,286
		<u>150,504</u>	<u>129,561</u>	<u>121,908</u>
TOTAL ASSETS		<u>290,563</u>	<u>249,990</u>	<u>231,143</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	16	38,841	32,368	32,368
Statutory reserve		5,906	5,906	3,870
Revaluation surplus		6,646	6,646	6,646
Retained earnings/(accumulated losses)		27,942	14,012	(2,910)
Total equity		<u>79,335</u>	<u>58,932</u>	<u>39,974</u>
Non-current liabilities				
Employees' end of service benefits		9,185	8,225	7,777
Lease liabilities	14	39,731	25,176	25,246
Deferred tax liabilities		413	-	-
		<u>49,329</u>	<u>33,401</u>	<u>33,023</u>
Current liabilities				
Interest-bearing borrowings	11	76,335	73,333	85,607
Trade and other payables	12	65,506	69,342	58,347
Lease liabilities	14	17,097	13,924	13,812
Provision for income tax		2,961	1,058	380
		<u>161,899</u>	<u>157,657</u>	<u>158,146</u>
Total liabilities		<u>211,228</u>	<u>191,058</u>	<u>191,169</u>
TOTAL EQUITY AND LIABILITIES		<u>290,563</u>	<u>249,990</u>	<u>231,143</u>

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



 Director



 Director

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

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

Interim consolidated statement of profit or loss
For the period ended September 30, 2024

	Notes	Three-month period ended September 30,		Nine-month period ended September 30,	
		2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Revenue	17	104,778	91,187	310,720	264,905
Cost of sales		(66,232)	(59,003)	(195,711)	(174,388)
GROSS PROFIT		38,546	32,184	115,009	90,517
Administrative, selling and distribution expenses	18	(29,035)	(22,489)	(83,375)	(67,226)
Reversal/(allowance) for expected credit losses of trade and other receivables		1,000	(500)	(95)	(500)
OPERATING PROFIT		10,511	9,195	31,539	22,791
Finance costs, net	19	(3,052)	(2,650)	(9,345)	(7,797)
Change in fair value of financial assets at FVTPL		-	-	-	1
Other non-operating income, net		993	817	2,874	1,398
PROFIT FOR THE PERIOD BEFORE TAX		8,452	7,362	25,068	16,393
Income tax expense	13	(1,248)	(514)	(3,265)	(1,016)
NET PROFIT FOR THE PERIOD		7,204	6,848	21,803	15,377
Earnings per share:					
Basic and diluted earnings per share (AED)	21	0.19	0.18	0.56	0.40

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements
Interim consolidated statement of comprehensive income
For the period ended September 30, 2024

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
NET PROFIT FOR THE PERIOD	7,204	6,848	21,803	15,377
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,204	6,848	21,803	15,377

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

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

Interim consolidated statement of changes in equity
For the period ended September 30, 2024

	Share capital AED'000	Statutory reserve AED'000	Revaluation surplus AED'000	Retained earnings AED'000	Total AED'000
As at January 1, 2024 (audited)	32,368	5,906	6,646	17,488	62,408
Effect of the restatement (Note 25)	-	-	-	(3,476)	(3,476)
As at January 1, 2024 (restated)	32,368	5,906	6,646	14,012	58,932
Net profit for the period	-	-	-	21,803	21,803
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	21,803	21,803
Issuance of bonus shares (Note 16)	6,473	-	-	(6,473)	-
Directors' remuneration	-	-	-	(1,400)	(1,400)
As at September 30, 2024 (unaudited)	38,841	5,906	6,646	27,942	79,335
As at January 1, 2023 (audited)	32,368	3,870	6,646	566	43,450
Effect of the restatement (Note 25)	-	-	-	(3,476)	(3,476)
As at January 1, 2023 (restated)	32,368	3,870	6,646	(2,910)	39,974
Net profit for the period	-	-	-	15,377	15,377
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15,377	15,377
Directors' remuneration	-	-	-	(1,400)	(1,400)
As at September 30, 2023 (unaudited)	32,368	3,870	6,646	11,067	53,951

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

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

Interim consolidated statement of cash flows
For the period ended September 30, 2024

	Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
OPERATING ACTIVITIES		
Profit for the period before tax	25,068	16,393
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	4,604	4,084
Depreciation of right-of-use assets	8,105	7,659
Allowance for expected credit losses of trade and other receivables	95	500
Change in fair value of financial assets at FVTPL	-	(1)
Gain on disposal of property, plant and equipment	(51)	(27)
Finance costs, net	9,345	7,797
Inventories written-off	4,139	4,348
Provision for employees' end of service benefits	1,590	1,039
Provision for slow moving inventories	113	164
Dividend income from financial assets at FVTPL	-	(184)
	<u>53,008</u>	<u>41,772</u>
<i>Changes in working capital</i>		
Inventories	(4,380)	(10,532)
Trade and other receivables	(16,351)	(7,495)
Trade and other payables	(3,836)	9,400
Cash from operations	<u>28,441</u>	<u>33,145</u>
Employees' end of service benefits paid	(630)	(528)
Directors' remuneration paid	(1,400)	(1,400)
Income tax paid	(1,041)	(390)
Net cash flows from operating activities	<u>25,370</u>	<u>30,827</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,553)	(7,362)
Fixed deposits placed	(1,484)	(125)
Finance income received	207	125
Proceeds from disposal of property, plant and equipment	173	47
Proceeds from disposal of a financial asset at FVTPL	-	13
Dividend received	-	184
Net cash flows used in investing activities	<u>(8,657)</u>	<u>(7,118)</u>
FINANCING ACTIVITIES		
Proceeds from interest-bearing borrowings	169,093	144,771
Repayment of interest-bearing borrowings	(167,238)	(149,670)
Finance costs paid	(7,168)	(6,439)
Dividend paid	-	(85)
Lease liabilities paid	(9,472)	(12,309)
Net cash flows used in financing activities	<u>(14,785)</u>	<u>(23,732)</u>
Net change in cash and cash equivalents	1,928	(23)
Cash and cash equivalents at the beginning of the period	(9,050)	(7,304)
Cash and cash equivalents at the end of the period	<u>(7,122)</u>	<u>(7,327)</u>

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

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

Notes to the interim condensed consolidated financial statements
For the period ended September 30, 2024

1 Legal status and principal activities

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

The Company is engaged in the manufacturing of dairy, juice and ice cream products and import of various kinds of food products for distribution throughout the Gulf and other countries. The registered address of the Company is P.O. Box 6424, Dubai, UAE. The Company operates eight branches throughout United Arab Emirates namely in Dubai, Abu Dhabi, Sharjah, Al Ain, Fujairah and Ras Al-Khaimah.

These interim condensed consolidated financial statements for the nine-month period ended September 30, 2024 include the financial performance and position of the Company and its subsidiaries as listed below (collectively the “Group”).

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

* The subsidiary is dormant.

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

2 Basis of preparation and material accounting policies

a) Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine-month period ended September 30, 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2023. In addition, the results for the nine-month period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

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

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

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

2 Basis of preparation and material accounting policies (continued)

b) Going concern

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

- The Group has positive equity of AED 79,335 thousand as at period end which is improving year on year.
- The Group has bank balances and cash of AED 18,409 thousand as at period end which is adequate to manage day-to-day operations.
- The Group has forecasted positive operating cash flows with expected growth in revenue and profits for the year 2024 and onwards.
- The management has undertaken a detailed review of costs during 2024 with a view to reducing the cost of sales, operational and administrative costs to improve the financial performance of the Group.
- The banks have extended their existing facilities and are also providing additional facilities. The Group has sufficient credit facilities available from banks to meet monthly cash flow requirements.

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

c) Functional and presentation currency

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

d) Basis of consolidation

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

e) Significant accounting estimates and judgments

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

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

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

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

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

3 Financial risk management

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

4 Property, plant and equipment

During the nine-month period ended September 30, 2024, the Group acquired property, plant and equipment amounting to AED 7.55 million (2023: AED 7.36 million).

Depreciation charge on property, plant and equipment for the nine-month period ended September 30, 2024 amounted to AED 4.60 million (2023: AED 4.08 million).

5 Investment properties

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

Based on the market assessment and available comparable market data as at September 30, 2024, the management assessed that there have been no significant changes in the fair value of investment properties from December 31, 2023, and therefore no change in fair value has been recognised during the period (2023: Nil). The fair value measurement of investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

6 Right-of-use assets

The movement in right-of-use assets during the period/year is as follows:

	2024 (Unaudited) AED'000	2023 (Audited) AED'000
As at January 1,	36,977	31,894
Additions during the period/year	24,819	12,533
Depreciation for the period/year	(8,105)	(10,180)
Other movement during the period/year	(3)	-
Transfer from investment properties	-	2,547
Lease modification	-	183
As at September 30/December 31,	53,688	36,977

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

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

7 Inventories

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Raw materials and packing materials	21,677	22,909
Finished goods – manufactured	7,303	6,951
Trading goods	6,276	4,752
Semi-finished goods	1,779	872
Consumables stores and spare parts	6,297	6,477
	<u>43,332</u>	<u>41,961</u>
Less: provision for slow-moving inventories	(1,632)	(1,519)
	<u>41,700</u>	<u>40,442</u>
Goods-in-transit	3,422	4,552
	<u>45,122</u>	<u>44,994</u>

8 Trade and other receivables

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) (Restated) AED'000
Trade receivables, gross	66,985	53,336
Less: allowance for expected credit losses of trade receivables	(6,701)	(6,456)
Trade receivables, net	<u>60,284</u>	<u>46,880</u>
Prepayments	5,472	3,551
Advances to suppliers	2,720	1,547
Other receivables	2,984	3,375
Less: allowance for expected credit losses of other receivables	(736)	(885)
	<u>70,724</u>	<u>54,468</u>

9 Financial assets at fair value through profit or loss

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Unquoted equities – UAE	<u>16,249</u>	<u>16,249</u>

Movements during the period/year were as follow:

	2024 AED'000	2023 AED'000
As at January 1,	16,249	18,634
Change in fair value	-	(2,372)
Disposal	-	(13)
As at September 30/December 31,	<u>16,249</u>	<u>16,249</u>

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

9 Financial assets at fair value through profit or loss (continued)

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

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

10 Cash and cash equivalents

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Cash in hand	330	425
Bank balances – current accounts	4,672	1,502
Bank balances – fixed deposits	13,407	11,923
Bank balances and cash	18,409	13,850
Less: bank overdrafts	(12,124)	(10,977)
Less: fixed deposits with initial maturity of more than 3 months	(13,407)	(11,923)
Cash and cash equivalents	(7,122)	(9,050)

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

11 Interest-bearing borrowings

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Trust receipts	62,575	59,749
Bank overdrafts	12,124	10,977
Term loan	1,636	2,607
	76,335	73,333

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

During 2022, the Group obtained a term loan facility from a commercial bank to part finance the construction cost of a warehouse in Ras Al Khaimah and other capital expenditures. The facility is repayable in quarterly principal instalments of AED 325 thousand each plus profit accruing at competitive market rates over a period of 2 years commencing from the first half 2024.

As at September 30, 2024 and December 31, 2023, the Group has not complied with certain financial covenants, and therefore, the term loan is classified as current liability.

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

12 Trade and other payables

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) (Restated) AED'000
Trade payables	46,902	52,783
Accruals and other payables	17,146	12,621
Advances from customers	615	3,203
VAT payable, net	843	735
	<u>65,506</u>	<u>69,342</u>

13 Income tax

UAE Corporation Tax and Income tax related to a subsidiary

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
<i>Income taxes</i>				
Current income tax expense	956	348	2,945	720
Deferred income tax expense relating to origination and reversal of temporary differences	292	166	320	296
Income tax expense recognised in the statement of profit or loss	<u>1,248</u>	<u>514</u>	<u>3,265</u>	<u>1,016</u>

14 Lease liabilities

The movement in lease liabilities during the period/year is as follows:

	2024 (Unaudited) AED'000	2023 (Audited) AED'000
As at January 1,	39,100	39,058
Additions during the period/year	24,819	12,533
Accretion of interest	2,384	2,020
Other movement during the period/year	(3)	-
Payments made during the period/year	(9,472)	(14,694)
Lease modification	-	183
As at September 30/December 31,	<u>56,828</u>	<u>39,100</u>

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

14 Lease liabilities (continued)

	2024 (Unaudited) AED'000	2023 (Audited) AED'000
Current	17,097	13,924
Non-current	39,731	25,176
	<u>56,828</u>	<u>39,100</u>

15 Related party transactions and balances

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

Compensation to key management personnel

The remuneration of key management personnel recognised in profit or loss during the period is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Short term benefits	454	475	1,863	1,581
End of service benefits	22	22	66	66
	<u>476</u>	<u>497</u>	<u>1,929</u>	<u>1,647</u>

Transactions with related parties

The transactions recognised in profit or loss with related parties during the period are as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
<i>Entities with common key management personnel</i>				
Purchases	90	210	538	837
Expenses	210	124	339	275
			<u>339</u>	<u>275</u>

Other payables

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Key management personnel	1,003	924
Entity with common key management personnel	539	55
	<u>1,542</u>	<u>979</u>

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

15 Related party transactions and balances (continued)

Other receivables

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Due from shareholders	<u>720</u>	<u>720</u>

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

For the period ended September 30, 2024, the Group has not recorded any impairment of amounts owed by the related parties (2023: AED Nil). This assessment is undertaken at each reporting date.

16 Share capital and dividends

The Company's share capital consists of 38,841 thousand ordinary shares of AED 1 each (2023: AED 32,368 thousand ordinary shares of AED 1 each).

In the general assembly meeting dated April 2, 2024, the shareholders resolved the distribution of 20% bonus shares as dividends, and accordingly, an amount of AED 6,473 thousand has been transferred from retained earnings to share capital. The shares were issued on April 16, 2024.

17 Revenue

Revenue information

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Sale of goods	<u>104,778</u>	<u>91,187</u>	<u>310,720</u>	<u>264,905</u>
<i>Geographical market</i>				
United Arab Emirates	58,973	46,961	171,030	139,449
Oman	41,145	41,703	127,024	115,479
Others	4,660	2,523	12,666	9,977
	<u>104,778</u>	<u>91,187</u>	<u>310,720</u>	<u>264,905</u>
<i>Timing of revenue recognition</i>				
At a point in time	<u>104,778</u>	<u>91,187</u>	<u>310,720</u>	<u>264,905</u>

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

18 Administrative, selling and distribution expenses

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Staff salaries and benefits	12,878	11,217	39,975	33,507
Commercial vehicle expenses	3,571	2,873	9,965	8,091
Depreciation of right-of-use assets	2,881	2,611	8,105	7,659
Utilities	1,779	1,876	4,314	4,505
Shelf space and display costs	1,733	261	5,410	3,522
Advertisement and other selling expenses	1,026	312	2,426	349
Depreciation of property, plant and equipment	939	824	2,732	2,298
Hired labour costs	529	352	1,603	1,325
Legal and professional	515	748	1,493	1,605
Other expenses	3,184	1,415	7,352	4,365
	<u>29,035</u>	<u>22,489</u>	<u>83,375</u>	<u>67,226</u>

19 Finance costs, net

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000	2024 (Unaudited) AED'000	2023 (Unaudited) AED'000
Interest on trust receipts	1,626	1,583	4,982	4,237
Interest on lease liabilities	873	514	2,384	1,483
Bank charges	294	299	971	892
Interest on bank overdrafts	190	162	880	475
Bank facility charges	77	78	182	196
Interest on term loan	45	67	153	639
Interest from fixed deposits	(53)	(53)	(207)	(125)
	<u>3,052</u>	<u>2,650</u>	<u>9,345</u>	<u>7,797</u>

20 Contingencies and commitments

Guarantees and purchase commitments

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Letters of guarantee	<u>1,583</u>	<u>1,598</u>
Letters of credit	<u>262</u>	<u>1,058</u>

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

20 Contingencies and commitments (continued)

Capital commitments

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

	September 30, 2024 (Unaudited) AED'000	December 31, 2023 (Audited) AED'000
Capital commitments	1,476	2,894

Legal cases

As at September 30, 2024, the Group has outstanding legal cases. All these cases are pending before the Court for the hearings and final decisions. The management has reviewed the status of these legal cases and believes that the existing provisions are adequate and reasonable.

21 Earnings per share

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period (AED'000)	7,204	6,848	21,803	15,377
Weighted average number of shares outstanding	38,841	38,841	38,841	38,841
Basic and diluted earnings per share	0.19	0.18	0.56	0.40

The Group has issued bonus shares as dividend on April 16, 2024 (Note 16), which had a retrospective dilutive impact on the comparative earnings per share.

22 Segmental reporting

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

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

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

Major customers

During the period ended September 30, 2024 there were no customers of the Group with the revenues greater than 10% of the total revenue of the Group (2023: None).

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

23 Fair value measurement

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

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

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

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

The following table shows an analysis of financial and non-financial assets recorded at fair value by level of the fair value hierarchy:

September 30, 2024 (Unaudited)	Total	Level 1	Level 2	Level 3
	AED'000	AED'000	AED'000	AED'000
Financial asset at fair value through profit or loss	16,249	-	-	16,249
Investment properties	44,100	-	-	44,100
December 31, 2023 (Audited)	Total	Level 1	Level 2	Level 3
	AED'000	AED'000	AED'000	AED'000
Financial asset at fair value through profit or loss	16,249	-	-	16,249
Investment properties	44,100	-	-	44,100

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

24 Subsequent events

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

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

25 Comparative information

Correction of an error

During the period, the Group identified a prior period error with relation to the accuracy and completeness of certain indirect tax balances recognised by the Group. The above errors, have been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on the consolidated statement of financial position line items	As previously reported	Restatement	As currently reported
As at January 1, 2023	AED'000	AED'000	AED'000
Assets			
Trade and other receivables	53,414	(986)	52,428
Current assets	122,894	(986)	121,908
Total assets	232,129	(986)	231,143
Liabilities			
Trade and other payables	(55,857)	(2,490)	(58,347)
Current liabilities	(155,656)	(2,490)	(158,146)
Total liabilities	(188,679)	(2,490)	(191,169)
Equity			
Retained earnings/(accumulated losses)	(566)	3,476	2,910
Total equity	(43,450)	3,476	(39,974)
Total equity and liabilities	(232,129)	986	(231,143)

Impact on the consolidated statement of financial position line items	As previously reported	Restatement	As currently reported
As at December 31, 2023	AED'000	AED'000	AED'000
Assets			
Trade and other receivables	55,454	(986)	54,468
Current assets	130,547	(986)	129,561
Total assets	250,976	(986)	249,990
Liabilities			
Trade and other payables	(66,852)	(2,490)	(69,342)
Current liabilities	(155,167)	(2,490)	(157,657)
Total liabilities	(188,568)	(2,490)	(191,058)
Equity			
Retained earnings	(17,488)	3,476	(14,012)
Total equity	(62,408)	3,476	(58,932)
Total equity and liabilities	(250,976)	986	(249,990)

The prior period error did not have any impact on the comparative consolidated statement of profit or loss of the Group.

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

Notes to the interim condensed consolidated financial statements (continued)
For the period ended September 30, 2024

25 Comparative information (continued)

Reclassifications

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

	As previously reported	Reclassification	As currently reported
Three-month period ended September 30, 2023	AED'000	AED'000	AED'000
Revenue	(90,655)	(532)	(91,187)
Cost of sales	58,960	43	59,003
Gross profit	(31,695)	(489)	(32,184)
Administrative, selling and distribution expenses	22,000	489	22,489
Nine-month period ended September 30, 2023	As previously reported	Reclassification	As currently reported
	AED'000	AED'000	AED'000
Revenue	(261,384)	(3,521)	(264,905)
Cost of sales	174,059	329	174,388
Gross profit	(87,325)	(3,192)	(90,517)
Administrative, selling and distribution expenses	64,034	3,192	67,226

26 Seasonality

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