

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

Interim Condensed Consolidated  
Financial Statements  
For the period ended March 31, 2023

**Unikai Foods (P.J.S.C.) and its subsidiary**  
**Interim Condensed Consolidated Financial Statements**  
**For the period ended March 31, 2023**

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

We have reviewed the accompanying interim condensed consolidated statement of financial position of Unikai Foods (P.J.S.C.) (the "Company") and its subsidiary (collectively referred to as "the Group") as at March 31, 2023, and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three-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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

**Other Matters**

- i. The interim condensed consolidated financial statements of the Group for the three-month period ended March 31, 2022 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on May 13, 2022.
- ii. The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 20, 2023.



**GRANT THORNTON**  
P.O. Box: 1620  
DUBAI-U.A.E.

**Dr. Osama El Bakry**  
**Registration No. 935**  
**Dubai, United Arab Emirates**  
**May 15, 2023**

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

**Interim consolidated statement of financial position**  
**As at March 31, 2023**

		<b>March 31, 2023 (Unaudited) AED'000</b>	<b>December 31, 2022 (Audited) AED'000</b>
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	34,218	33,816
Investment properties	5	42,313	42,313
Right-of-use assets	6	29,331	31,894
Deferred tax asset		1,275	1,212
		<b>107,137</b>	<b>109,235</b>
<b>Current assets</b>			
Inventories	7	35,945	37,560
Trade and other receivables	8	58,720	53,414
Financial assets at fair value through profit or loss	9	18,622	18,634
Bank balances and cash	10	13,242	13,286
		<b>126,529</b>	<b>122,894</b>
<b>TOTAL ASSETS</b>		<b>233,666</b>	<b>232,129</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		32,368	32,368
Statutory reserve		3,870	3,870
Asset revaluation surplus		6,646	6,646
Retained earnings		1,108	566
<b>Total equity</b>		<b>43,992</b>	<b>43,450</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits		7,892	7,777
Lease liabilities		20,065	25,246
		<b>27,957</b>	<b>33,023</b>
<b>Current liabilities</b>			
Interest-bearing borrowings	11	79,424	85,607
Trade and other payables	12	66,762	55,857
Lease liabilities	13	15,151	13,812
Provision for income tax	14	380	380
		<b>161,717</b>	<b>155,656</b>
<b>Total liabilities</b>		<b>189,674</b>	<b>188,679</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>233,666</b>	<b>232,129</b>

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on **15 MAY 2023** and were signed on its behalf by:

**Director**

**Director**

15-May-2023

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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

**Interim consolidated statement of profit or loss**  
**For the period ended March 31, 2023**

		Three-month period ended March 31, 2023 (Unaudited) AED'000	Three-month period ended March 31, 2022 (Unaudited) AED'000
	Notes		
Revenue		77,338	65,058
Cost of sales		(54,711)	(46,202)
<b>GROSS PROFIT</b>		<b>22,627</b>	<b>18,856</b>
Administrative, selling and distribution expenses	17	(19,738)	(17,681)
<b>OPERATING PROFIT</b>		<b>2,889</b>	<b>1,175</b>
Finance costs, net		(2,542)	(1,837)
Change in fair value of financial assets at FVTPL	9	1	159
Other income		131	849
<b>PROFIT BEFORE TAX</b>		<b>479</b>	<b>346</b>
Deferred tax income		63	120
<b>NET PROFIT FOR THE PERIOD</b>		<b>542</b>	<b>466</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (AED)	18	0.017	0.014

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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

**Interim consolidated statement of comprehensive income**  
**For the period ended March 31, 2023**

	Three-month period ended March 31, 2023 (Unaudited) AED'000	Three-month period ended March 31, 2022 (Unaudited) AED'000
<b>NET PROFIT FOR THE PERIOD</b>	<b>542</b>	<b>466</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>542</b>	<b>466</b>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

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

**Interim consolidated statement of changes in equity**  
**For the period ended March 31, 2023**

	Share capital AED'000	Statutory reserve AED'000	Revaluation surplus AED'000	Retained earnings/ (accumulated losses) AED'000	Total AED'000
As at January 1, 2023 (audited)	32,368	3,870	6,646	566	43,450
Net profit for the period	-	-	-	542	542
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	<b>542</b>	<b>542</b>
<b>As at March 31, 2023 (unaudited)</b>	<b>32,368</b>	<b>3,870</b>	<b>6,646</b>	<b>1,108</b>	<b>43,992</b>
As at January 1, 2022 (audited)	32,368	3,158	6,646	(4,939)	37,233
Net profit for the period	-	-	-	466	466
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	466	466
<b>As at March 31, 2022 (unaudited)</b>	<b>32,368</b>	<b>3,158</b>	<b>6,646</b>	<b>(4,473)</b>	<b>37,699</b>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.



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

**Interim consolidated statement of cash flows**  
**For the period ended March 31, 2023**

	Three-month period ended March 31, 2023 (Unaudited) AED'000	Three-month period ended March 31, 2022 (Unaudited) AED'000
<b>OPERATING ACTIVITIES</b>		
Net profit before tax	479	346
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,326	1,191
Depreciation of right-of-use assets	2,564	2,281
Change in fair value of financial assets at FVTPL	(1)	(159)
Gain on disposal of property, plant and equipment	(15)	(3)
Finance costs, net	2,542	1,837
Provision for employees' end of service benefits	356	345
	<u>7,251</u>	<u>5,838</u>
<i>Changes in working capital</i>		
Inventories	1,614	(11,880)
Trade and other receivables	(5,307)	(7,095)
Trade and other payables	10,905	5,393
<b>Cash from/(used in) operations</b>	<u>14,463</u>	<u>(7,744)</u>
Employees' end of service benefits paid	(241)	(217)
<b>Net cash flow from/(used) in operating activities</b>	<u>14,222</u>	<u>(7,961)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,728)	(722)
Release of fixed deposits	750	-
Finance income received	20	52
Proceeds from disposal of property, plant and equipment	15	4
Proceeds from disposal of financial assets at FVTPL	13	-
<b>Net cash flow used in investing activities</b>	<u>(930)</u>	<u>(666)</u>
<b>FINANCING ACTIVITIES</b>		
Interest -bearing borrowings, net	(9,838)	11,545
Finance cost paid	(2,066)	(1,387)
Lease liabilities paid	(4,337)	(3,301)
<b>Net cash flow (used) in/from financing activities</b>	<u>(16,241)</u>	<u>6,857</u>
<b>Net change in cash and cash equivalents</b>	<u>(2,949)</u>	<u>(1,770)</u>
Cash and cash equivalents at the beginning of the period	<u>(7,304)</u>	<u>(6,767)</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>(10,253)</u>	<u>(8,537)</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.



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

## Interim Condensed Consolidated Financial Statements

### Notes to the interim condensed consolidated financial statements

#### For the period ended March 31, 2022

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#### **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 His Highness, The Ruler of Dubai. The Company’s equity securities are listed on Dubai Financial Market. The Company holds 100% of the equity of Unikai and Company LLC (the “Subsidiary”), registered as a limited liability company in the Sultanate of Oman under Commercial Register No. 3/74. The principal activity of the Subsidiary is trading in dairy, juice, ice cream and other food products. The Company together with the Subsidiary is referred to as the “Group”.

The Group is engaged in the manufacturing of dairy, juice and ice cream products and import of various kinds of food products for distribution throughout the Gulf and other countries. The trading activities of the Group are carried on in the name of “Unikai International” for which the Company holds two separate trade licenses with the names “Unikai International P.J.S.C.” and “Unikai International LLC”. The registered address of the Company is P.O. Box 6424, Dubai, UAE.

The interim condensed consolidated financial statements have been approved by the Board of Directors on May 15, 2023.

These interim condensed consolidated financial statements as at March 31, 2023 include the consolidated financial performance and position of the Company and its subsidiary.

#### **2 Basis of preparation and summary of significant accounting policies**

##### **a) Basis of preparation**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2022.

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 for the year ended December 31, 2022.

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

In addition, results for the three months period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

##### **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 43.992 million as at period end which is improving year on year.
- The Group has bank balances and cash of AED 13.242 million as at year end which is reasonable to manage day-to-day operations.
- The Group has forecasted positive operating cash flows with expected growth in revenue and profits for the year 2023 and onwards.
- The management had undertaken a detailed review of costs during 2022 with a view to reducing the cost of sales, operational and administrative costs to improve the financial performance of the Group.

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

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**2 Basis of preparation and summary of significant accounting policies (continued)**

**b) Going concern (continued)**

- The Banks have extended their existing facilities and have also provided additional facilities for 2023. The Group has sufficient credit facilities available from banks to meet cash flow requirements.

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

**c) Functional and presentation currency**

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

**d) Basis of consolidation**

These interim condensed consolidated financial statements incorporates the financial statements of the Company and its subsidiary. 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. 2 Basis of preparation and summary of significant accounting policies (continued)

**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.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2022.

**f) New Standards, Interpretations and Amendments adopted as at January 1, 2023**

Certain accounting pronouncements have become effective from January 1, 2023 and have therefore been adopted by the Group. However, these standards do not have any significant impact on the interim condensed consolidated financial statements therefore further disclosures have not been made.

**3 Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2022.

**4 Property, plant and equipment**

During the period ended March 31, 2023, the Group acquired property, plant and equipment amounting to AED 1.73 million (March 31, 2022: AED 0.72 million).

Depreciation charge on property, plant and equipment for the period ended March 31, 2023 amounted to AED 1.33 million (March 31, 2022: AED 1.2 million).

**5 Investment properties**

Investment properties of AED 42.313 million (December 31, 2022: AED 42.313 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 was determined by an external, independent property valuer as at December 31, 2022, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**5 Investment properties (continued)**

Based on the market assessment and available comparable market data as at March 31, 2023, the management assessed that there have been no significant changes in the fair value of investment properties from December 31, 2022, and therefore no change in fair value has been recognised during the period (March 31, 2022: Nil).

The fair value measurement of investment properties as at March 31, 2023 and December 31, 2022 has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

**6 Right-of-use assets**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
As at January 1,	31,894	34,924
Additions during the period/year	-	7,003
Amortisation for the period/year	(2,484)	(10,033)
Retirements during the period/year	(79)	-
	<u>29,331</u>	<u>31,894</u>

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

**7 Inventories**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Raw materials and packing materials	13,804	16,022
Semi-finished goods	1,344	609
Finished goods	6,140	6,288
Trading goods	5,440	4,589
Consumable stores and spare parts	6,420	6,570
	<u>33,148</u>	<u>34,078</u>
Less: provision for slow-moving inventories	(1,445)	(1,355)
	<u>31,703</u>	<u>32,723</u>
Goods-in-transit	4,242	4,837
	<u>35,945</u>	<u>37,560</u>

**8 Trade and other receivables**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Trade receivables	76,947	73,657
Less: allowance for expected credit losses	(26,918)	(26,918)
	<u>50,029</u>	<u>46,739</u>
Prepayments	4,157	2,835
Advances to suppliers	1,101	525
Other receivables	4,248	4,130
Less: allowance for expected credit losses on other receivables	(815)	(815)
	<u>58,720</u>	<u>53,414</u>

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**9 Financial assets at fair value through profit or loss**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Unquoted equities - UAE	18,622	18,634

Movements during the period/year were as follow:

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Opening balance	18,634	15,931
Disposal	(13)	-
Change in fair value	1	2,703
	18,622	18,634

Financial assets at FVTPL represent unquoted equity instruments.

At December 31, 2022, the fair value of the investments was determined by the management using capitalisation of future maintainable earnings of the investee using a market valuation multiple. Valuation multiple 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 valuation techniques.

Management, based on comparable market data, has assessed that there have been no significant changes in the fair value of investments from December 31, 2022, therefore no change in fair value has been recognised during the period (December 31, 2022: 2.703 million).

**10 Cash and cash equivalents**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Cash in hand	1,596	730
Bank balances*	11,646	12,556
<b>Bank balances and cash</b>	<b>13,242</b>	<b>13,286</b>
Less: bank overdrafts	(12,500)	(8,845)
Less: fixed deposits*	(10,995)	(11,745)
<b>Cash and cash equivalents</b>	<b>(10,253)</b>	<b>(7,304)</b>

\* Bank balances include fixed deposits of AED 10.995 million (December 31, 2022: AED 11.745 million) having an original maturity of one year and carry interest at normal commercial rates.

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**11 Interest-bearing borrowings**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Term loans	13,649	17,258
Trust receipts	53,275	59,504
Bank overdrafts	12,500	8,845
	<u>79,424</u>	<u>85,607</u>
Less: non-current portion	-	-
Current portion	<u>79,424</u>	<u>85,607</u>

During the period, Group obtained additional trust receipts facility amounting to AED 4 million from the bank. Trust receipts and bank overdrafts have been obtained to finance the working capital requirements and are short term in nature and carry interest at commercial rates.

Bank borrowings are secured by mortgages over plant and machinery, hypothecation of inventories and assignment of receivables.

As at March 31, 2023 and December 31, 2022 the Group has not complied with certain financial covenants, and therefore, non-current portion of a term loan amounting to AED1.268 million has been reclassified as current liability.

**12 Trade and other payables**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Trade payables	57,851	46,337
Accruals and other payables	8,187	8,227
Advances received	541	793
VAT payable	98	415
Dividends payable	85	85
	<u>66,762</u>	<u>55,857</u>

**13 Lease liabilities**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
As at January 1,	39,058	40,381
Additions during the period/year	-	7,003
Accretion of interest	496	2,126
Payments made during the period/year	<u>(4,338)</u>	<u>(10,452)</u>
	<u>35,216</u>	<u>39,058</u>
Current	15,151	13,812
Non-current	<u>20,065</u>	<u>25,246</u>
	<u>35,216</u>	<u>39,058</u>

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**14 Provision for income tax**

The provision for taxation is in respect of the Group's operations carried out by a subsidiary in the Sultanate of Oman ("Oman"). The Subsidiary is liable to income tax in accordance with the income tax laws of the Oman depending on the level of its taxable profit. The subsidiary incurred tax losses for the three-month period ended March 31, 2023 and March 31, 2022 and therefore no current tax charges have been recognised for the period as per applicable tax laws in Oman.

In the opinion of the Group's management the provision for taxation of AED 0.380 million (unaudited) (December 31, 2022: AED 0.380 million) as at reporting date is adequate to meet the Group's tax liabilities.

Deferred tax asset of AED 1.275 million as of March 31, 2023 (unaudited) (December 31, 2022 (audited): AED 1.212 million), relate to unused tax losses and other temporary timing differences of AED 8.495 million (December 31, 2022 AED 8.080 million (audited): relate to other temporary differences) at the prevailing tax rate based on the management's assessment to utilise against expected tax profits in following years. The deferred tax income of AED 0.063 million (for the three-month period ended March 31, 2022 (unaudited): deferred tax income of AED 0.12 million relating to movement in temporary timing differences.

**15 Related party transactions**

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 Group's board of directors.

**Compensation of key management personnel**

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

	Three-month period ended March 31, 2023 (Unaudited) AED'000	Three-month period ended March 31, 2022 (Unaudited) AED'000
Short-term benefits	443	634
End of service benefits	22	18
	<u>465</u>	<u>713</u>

**Due from related parties**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Due from shareholders	-	542

**Due to related parties**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Key management personnel	974	914

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**16 Contingencies and commitments**

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Letters of credit	2,509	799
Letters of guarantee	1,598	1,598

**Capital Commitments**

The capital commitments outstanding represents the costs to be incurred towards construction of warehouses and cooling system for the plant.

	March 31, 2023 (Unaudited) AED'000	December 31, 2022 (Audited) AED'000
Capital Commitments	722	3,590

**Legal cases**

As at March 31, 2023, the Group has outstanding legal cases. All these cases are pending before the Court for the hearings and final decisions. The management has reviewed the status of all of these legal cases and believes that no provisions are required as at March 31, 2023 (December 31, 2022: Nil).

**17 Administrative, selling and distribution expenses**

	Three-month period ended March 31, 2023 (Unaudited) AED'000	Three-month period ended March 31, 2022 (Unaudited) AED'000
Staff salaries and benefits	10,285	9,483
Depreciation of right-of-use assets	2,563	2,281
Commercial vehicle expenses	2,498	2,311
Depreciation of property, plant and equipment	736	644
Advertisement and other selling expenses	55	69
Others	3,601	2,893
	<b>19,738</b>	<b>17,681</b>

Commercial vehicle expenses include operating lease rentals of AED 0.016 million (March 31, 2022: AED 0.058 million).



**Unikai Foods (P.J.S.C.) and its subsidiary**  
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**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**18 Earnings per share**

	Three-month period ended March 31, 2023 (Unaudited)	Three-month period ended March 31, 2022 (Unaudited)
Net profit for the period (AED'000)	542	466
Weighted average number of shares (in '000)	32,368	32,368
Basic and diluted earnings per share (AED)	0.017	0.014

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

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

*Major customers*

During the three-month period ended March 31, 2023, there were no customers of the Group with revenue greater than 10% of the total revenue of the Group (three-month period ended March 31, 2022: None).

**20 Fair value measurements**

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

- 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).

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.

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

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended March 31, 2022**

**20 Fair value measurements (continued)**

As at March 31, 2023 and December 31, 2022, the Group held the following financial instruments and investment properties measured at fair value:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>At March 31, 2023 (Unaudited)</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	-	-	18,622
<b>Non-financial assets</b>			
Investment properties	-	-	42,313
<b>At December 31, 2022 (Audited)</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	-	-	18,634
<b>Non-financial assets</b>			
Investment properties	-	-	42,313

**21 Corporate Tax in the UAE**

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023 and accordingly, it has an income tax related impact on the interim condensed consolidated financial statements for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

As certain other cabinet decisions are pending as on the date of these interim condensed consolidated financial statements, the Group continues to assess the impact of these pending cabinet decisions on the deferred taxes as and when finalized and published.