

THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION.

يتسم هذا المستند بأهمية خاصة ويتطلب
الاهتمام اللازم والفوري من قبلكم.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, accountant or other appropriate independent financial adviser who is licensed by the Securities and Commodities Authority. No person should construe the contents of this Shareholders Circular as legal, financial or tax advice.

وفي حال عدم تأكدكم من الإجراء اللازم اتخاذه، فإننا ننصحكم بالحصول على استشارة مالية مستقلة فوراً من قبل وسيط الأسهم الخاص بكم أو محاسبكم أو أي استشاري مالي آخر مستقل يكون مرخص لدى هيئة الأوراق المالية والسلع. يجب ألا يفسر أي شخص محتويات نشرة الإفصاح للمساهمين هذه على أنها مشورة قانونية أو مالية أو ضريبية.

If you have sold or otherwise transferred all of your RAKWCT Shares (other than pursuant to the Offer), please send this Shareholders Circular as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this Shareholders Circular must not be forwarded or transmitted in or into any Restricted Jurisdiction (as defined below) or in or into any jurisdiction where to do so would constitute a violation of the relevant laws in that jurisdiction. If you have sold or transferred only part of your holding of RAKWCT Shares, you should retain this Shareholders Circular and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

في حال قُمتُم ببيع جميع أسهمكم في شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية ش.م.ع أو نقل ملكيتها (بأي طريقة أخرى بخلاف العرض)، فرجاء إرسال نشرة الإفصاح للمساهمين هذه في الحال إلى المشتري أو المتنازل إليه أو إلى البنك أو وسيط الأسهم أو أي وكيل آخر يتم من خلاله البيع أو التنازل لتسليمه إلى المشتري أو المتنازل إليه. ومع ذلك، يُمنع ويُحظر إعادة توجيه نشرة الإفصاح للمساهمين هذه أو إرسالها إلى اختصاص قضائي مقيد (كما هو معرف أدناه) أو داخل أو من خلال أي اختصاص قضائي يشكل فيه ذلك انتهاكاً للقوانين ذات الصلة في ذلك الاختصاص القضائي. وفي حال قُمتُم ببيع أو التنازل عن جزء من أسهمكم في الشركة، فعليكم الاحتفاظ بنشرة الإفصاح للمساهمين هذه وطلب المشورة من البنك أو وسيط الأسهم أو أي وكيل آخر تم من خلاله البيع أو التنازل.

Capitalised terms in this Shareholders Circular shall have the meaning given to them in Annex 3.

يكون للمصطلحات المستخدمة في نشرة الإفصاح للمساهمين هذه المعاني المبينة قرين كل منها في الملحق 3.



SHAREHOLDERS CIRCULAR

RECOMMENDED CONDITIONAL CASH ACQUISITION OFFER

FOR RAS AL KHAJMAH CO. FOR WHITE
CEMENT & CONSTRUCTION MATERIALS
PSC ("RAKWCT" or the "Company")
BY

ULTRATECH CEMENT MIDDLE EAST
INVESTMENTS LIMITED ("UltraTech")

Notice of the RAKWCT GM, to be held at 11:00
am on Tuesday 9 July 2024 at Waldorf Astoria
Hotel - Ras Al Khaimah, United Arab Emirates is
set out in Annex 1 to this Shareholders Circular.

The approval of the Securities and Commodities
Authority permitting the publication of this
Shareholders Circular does not constitute an
endorsement of the merits of the Offer, or of the
accuracy, completeness or adequacy of the
information contained herein. The Securities and
Commodities Authority accepts no responsibility
or liability for any damages or losses suffered or
incurred by any person as a result of reliance on
this Shareholders Circular or any part thereof.

RAKWCT accepts responsibility for the validity
and accuracy of the information contained in this
Shareholders Circular. To the best of the
knowledge of RAKWCT (which has taken
reasonable care to ensure that such is the case),
the information contained in this Shareholders
Circular for which it is responsible is in
accordance with the facts and does not
intentionally omit or ignore any material fact likely
to affect the importance or completeness of such



نشرة الإفصاح للمساهمين عن توصية مجلس إدارة
شركة رأس الخيمة لصناعة الاسمنت الأبيض
والمواد الإنشائية ش.م.ع.

عن عرض شركة

ألتراك سيمنت ميدل ايست انفسستميتس ليمتد
("ألتراك") استحواذ نقدي مشروط موصى به

إن إشعار اجتماع الجمعية العمومية للشركة، المزمع
انعقاده في تمام الساعة 11:00 صباحاً وذلك يوم
الثلاثاء بتاريخ 9 يوليو 2024 في فندق والدوف
أستوريا- إمارة رأس الخيمة - الإمارات العربية
المتحدة، مبين في الملحق رقم 1 من نشرة الإفصاح
للمساهمين هذه.

لا تعد موافقة هيئة الأوراق المالية والسلع على إعلان
نشرة الإفصاح للمساهمين هذه بمثابة اعتماد مزايا
العرض أو لدقة أو اكتمال أو كفاية المعلومات الواردة
في هذا التعميم، ولا تعتبر الهيئة مسؤولة عن ذلك ولا
تحمل أي مسؤولية عن أية أضرار أو خسائر تلحق
بأي شخص نتيجة الاعتماد على نشرة الإفصاح
للمساهمين هذه أو أي جزء منه.

توافق الشركة على تحمل المسؤولية عن صحة ودقة
المعلومات الواردة في نشرة الإفصاح للمساهمين هذه.
على حد علم الشركة (التي تأكدت بعناية من ذلك)،
فإن المعلومات الواردة في نشرة الإفصاح للمساهمين
المسؤولة عنها تتوافق مع الحقائق ولا تستبعد أو
تتجاهل عن قصد أي حقيقة جوهرية من المحتمل
أن تؤثر على أهمية أو اكتمال هذه المعلومات في نشرة
الإفصاح للمساهمين هذه.

information within this Shareholders Circular.

Statements contained in this Shareholders Circular are made as at the date of this Shareholders Circular, unless some other time is specified in relation to them, and the publication of this Shareholders Circular (or any action taken pursuant to it) shall not give rise to any implication that there has been no change in the facts or affairs of RAKWCT as set out in this Shareholders Circular since such date. RAKWCT expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No person has been authorised to give any information or to make any representations other than those contained in this Shareholders Circular and, if given or made, such information or representations must not be relied on as having been authorised by RAKWCT or any of the advisers in connection with the Offer.

This Shareholders Circular will not be posted to RAKWCT Shareholders but copies can be obtained (without charge) from the head office of RAKWCT and from the RAKWCT website at www.rakwhitecement.ae. Neither the content of any website of RAKWCT nor the content of any website accessible from hyperlinks on any such website is incorporated into, or forms part of, this Shareholders Circular and no person accepts any responsibility for the contents of such websites.



تم إعداد التصريحات الواردة في هذا النشرة بتاريخ إصدار نشرة الإفصاح للمساهمين هذه، ما لم يتم تحديد تاريخ آخر بخصوص هذه التصريحات، ويجب عدم تفسير نشر هذه النشرة (أو أي إجراء يتم اتخاذه بموجبها) على أنه يعني أو يوحي بعدم حدوث أي تغيير في الحقائق أو الشؤون الخاصة بالشركة كما هو مذكور في نشرة الإفصاح للمساهمين هذه منذ ذلك التاريخ. تخلي الشركة صراحةً ذمتها من أي التزام بتحديث هذه التصريحات بخلاف ما يقتضي القانون أو قواعد أي سلطة تنظيمية مختصة، سواء كان ذلك نتيجة لمعلومات جديدة أو أحداث مستقبلية أو غير ذلك.

لم يتم تفويض أي شخص بتقديم أية معلومات أو تعهدات باستثناء ما هو وارد في نشرة الإفصاح للمساهمين هذه. وفي حالة قيام أي شخص بالتصريح عن أية معلومات أو تعهدات تختلف عما ورد فيه، فيجب عدم الاعتماد عليها كما لو كانت مصدقة من قبل الشركة أو أي مستشار آخر فيما يتعلق بالعرض.

لن يتم نشر نشرة الإفصاح للمساهمين هذه على مساهمي الشركة ولكن يمكن الحصول على نسخ (بدون رسوم) من المكتب الرئيسي للشركة ومن موقعها الإلكتروني www.rakwhitecement.ae لا يعد محتوى أي موقع إلكتروني للشركة أو محتوى أي موقع إلكتروني يمكن الدخول إليه عبر رابط من هذا الموقع مشمولاً في نشرة الإفصاح للمساهمين هذه أو يشكل جزءاً منه ولا يتحمل أي شخص المسؤولية عن محتويات هذه المواقع.

KPMG Lower Gulf Limited, which is authorised and regulated in the UAE by the Securities and Commodities Authority, is acting exclusively as financial adviser to RAKWCT and for no one else in connection with the Offer and will not be responsible to anyone other than RAKWCT for providing the protections afforded to clients of KPMG Lower Gulf Limited or for providing advice in relation to the Offer, the content of this Shareholders Circular or matters referred to in this shareholder circular.

None of the advisers to RAKWCT in connection with the Offer (or any of their respective affiliates) make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Shareholders Circular, and nothing contained in this Shareholders Circular is, or shall be relied upon as, a promise or representation by any such adviser (or any of its affiliates).

Certain figures included in this Shareholders Circular have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

This Shareholders Circular [(including information incorporated by reference in this Shareholders Circular)], oral statements made regarding the Offer, and other information published by RAKWCT contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the

يعمل مكتب كي بي ام جي لوار جلف ليمتد المرخص في دولة الإمارات العربية المتحدة من قبل هيئة الأوراق المالية والسلع كمستشار مالي للشركة وليس لأي جهة أخرى فيما يتعلق بالعرض ولن يكون مسؤول أمام أي شخص بخلاف الشركة عن تقديم الحماية التي يقدمها مكتب كي بي ام جي لوار جلف ليمتد لعملائه أو لتقديم المشورة فيما يتعلق بالعرض أو محتوى نشرة الإفصاح للمساهمين هذه أو الأمور التي وردت فيها.

لا يقدم أي من مستشاري الشركة (أو أي من الشركات التابعة لهم) أي تعهدات أو ضمانات أو تأكيدات، صريحة كانت أم ضمنية، فيما يتعلق بدقة المعلومات الواردة في نشرة الإفصاح للمساهمين هذه أو اكتمالها، ولا يوجد في نشرة الإفصاح للمساهمين هذه ما يمثل أو يمكن الاعتماد عليه باعتباره وعدًا أو تعهدًا من قبل أي مستشار (أو أي من الشركات التابعة له).

خضعت بعض الأرقام الواردة في نشرة الإفصاح للمساهمين هذه لتعديلات بهدف التقريب إلى أعداد صحيحة، وعليه فإن الأرقام المبينة لنفس الفئة المقدمة في جداول مختلفة قد تتباين بشكل طفيف كما أن الأرقام المبينة كأرقام إجمالية في بعض الجداول قد لا تكون تجميعًا حسابيًا للأرقام التي تسبقها.

تحتوي نشرة الإفصاح للمساهمين هذه (بما في ذلك المعلومات المضمنة بالإشارة في نشرة الإفصاح للمساهمين هذه) والبيانات الشفوية التي تم الإدلاء بها بخصوص العرض والمعلومات الأخرى المنشورة من قبل الشركة على بيانات تمثل، أو يمكن اعتبارها بمثابة، "بيانات مستقبلية". وتعد هذه البيانات المستقبلية ذات طبيعة مستقبلية محتملة ولا تستند إلى حقائق سابقة، بل تستند إلى التوقعات الحالية



environment in which RAKWCT operates in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward-looking statements contained in this Shareholders Circular relate to RAKWCT's future prospects, developments and business strategies, expectations in relation to the timing of the Offer and other statements which are not historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies; and (iii) the effects of global economic conditions and governmental regulation on UltraTech's or RAKWCT's business. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and/or regimes and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors. Neither RAKWCT, nor any of its associates or directors, officers or advisers, provides any representation, assurance or

إلى افتراضات عديدة بخصوص استراتيجيات الأعمال والبيئة التي تعمل فيها الشركة في المستقبل وهي عرضة لمخاطر وشكوك قد تتسبب في اختلاف النتائج الفعلية بصورة جوهرية عن النتائج المذكورة صراحة أو المشار إليها ضمناً في هذه البيانات. وتتعلق البيانات المستقبلية الواردة في نشرة الإفصاح للمساهمين هذه بتوقعات الشركة المستقبلية وتطوراتها واستراتيجيات أعمالها وتوقعاتها المتعلقة بتوقيت العرض والبيانات الأخرى التي لا تعد حقائق سابقة. وفي بعض الحالات، يمكن تحديد هذه البيانات المستقبلية من خلال استخدام مصطلحات ذات دلالة مستقبلية، بما في ذلك المصطلحات "تعتقد" أو "تقدر" أو "ستتطلع إلى" أو "قد تتطلع إلى" أو "تخطط" أو "تعد" أو "تتوخى" أو "تتوقع" أو "من المتوقع أن" أو "تخضع ل" أو "الميزانية" أو "المقرر" أو "التنبؤات" أو "التأزر" أو "الاستراتيجية" أو "الهدف" أو "توفير التكاليف" أو "المشاريع" أو "تنوي" أو "يجوز" أو "سوف" أو "يجب" أو "ينبغي" أو نفيها أو صيغ أخرى منها أو مصطلحات مماثلة. وقد تتضمن البيانات المستقبلية البيانات المتعلقة بما يلي: (1) النفقات الرأسمالية المستقبلية، والمصاريف، والإيرادات، والأرباح، وأوجه التأزر، والأداء الاقتصادي، والمديونية، والوضع المالي، وسياسة توزيع أرباح الأسهم، والخسائر، والتوقعات المستقبلية؛ و(2) استراتيجيات الأعمال والإدارة؛ و(3) آثار الظروف الاقتصادية العالمية واللوائح الحكومية على أعمال ألتراك أو الشركة. وتنطوي البيانات المستقبلية بحكم طبيعتها على مخاطر وشكوك لأنها تتعلق بأحداث وتعتمد على ظروف تحدث في المستقبل. وتتضمن هذه الأحداث والظروف تغيرات في القوى العالمية والسياسية والاقتصادية والتجارية والتنافسية والسوقية والتنظيمية، وأسعار الصرف والفائدة المستقبلية، وتغيرات في معدلات و/أو أنظمة الضرائب وعمليات دمج أو بيع الأعمال المستقبلية. وإذا تحقق واحد أو



guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Shareholders Circular shall actually occur. Given these risks and uncertainties, shareholders should not place any reliance on forward looking statements.

أكثر من هذه المخاطر أو الشكوك أو إذا ثبت عدم صحة افتراض أو أكثر من الافتراضات، فإن النتائج الفعلية قد تختلف بصورة جوهرية عن النتائج المتوقعة أو المقدرة أو المرتقبة. ولذلك ينبغي تفسير هذه البيانات المستقبلية في ضوء هذه العوامل. ولا تقدم الشركة، ولا أي من شركائها أو أعضاء مجلس إدارتها أو مسؤوليها أو مستشاريها، أي تعهد أو تأكيد أو ضمان بوقوع الأحداث المذكورة صراحة أو المشار إليها ضمناً في أي بيانات مستقبلية في نشرة الإفصاح للمساهمين هذه وبالنظر إلى هذه المخاطر والشكوك، لا ينبغي للمستثمرين المحتملين الاعتماد على البيانات المستقبلية بشكل أساسي.

This Shareholders Circular has been prepared in compliance with applicable laws and regulations of the UAE and the information disclosed may not be the same as that which would have been disclosed if this Shareholders Circular had been prepared in accordance with the laws and/or regulations of jurisdictions outside the UAE. The Offer is being made in relation to securities of a UAE company and you should be aware that this Shareholders Circular and any other documents relating to the Offer have been or will be prepared in accordance with UAE disclosure requirements, format and style, all of which may differ from those applicable in other jurisdictions.

تم إعداد نشرة الإفصاح للمساهمين هذه وفقاً للقوانين واللوائح المعمول بها في دولة الإمارات العربية المتحدة وقد لا تتطابق المعلومات المُفصَّح عنها فيه مع المعلومات التي كان سيتم الإفصاح عنها حال إعداد نشرة الإفصاح للمساهمين هذه بما يتوافق مع القوانين و/أو لوائح الاختصاصات القضائية في دول أخرى غير الإمارات العربية المتحدة. ويتم تقديم العرض بشأن أوراق مالية لشركة كائنة في دولة الإمارات العربية المتحدة، ونحيطكم علماً بأنه تم أو سيتم إعداد نشرة الإفصاح للمساهمين هذه وأي مستندات أخرى تتعلق بالعرض وفقاً لمتطلبات الإفصاح وصيغته وأسلوبه المتبعة في دولة الإمارات العربية المتحدة، والتي قد تختلف عن تلك المعمول بها في اختصاصات قضائية أخرى.

The Offer is not being made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer is not capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this Shareholders Circular and any accompanying documents are not being, and must not be directly or indirectly, mailed or

لا يتم تقديم العرض، بصورة مباشرة أو غير مباشرة، في أو إلى أو من أي اختصاص قضائي مقيد يشكل فيه ذلك انتهاكاً للقوانين في ذلك الاختصاص القضائي، ولا يمكن قبول العرض من أي اختصاص قضائي مقيد أو داخله. وبناءً عليه، يُمنع ويُحظر إرسال نسخ من نشرة الإفصاح للمساهمين هذه وأي مستند مرفق بالبريد أو



otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Shareholders Circular and any accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to RAKWCT Shareholders who are not resident in the United Arab Emirates may be affected by the laws of the relevant jurisdictions in which they are resident. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction.

If you are a resident of the United States, please read the following:

The Offer is being made to acquire the securities of RAKWCT, a company incorporated and registered in Ras Al Khaimah, United Arab Emirates, and is being made in the United States in reliance on, and compliance with, the exemption from the US Securities Exchange Act of 1934, as amended, afforded by Rule 14d-1(c) Section 14(e) and Regulation 14E thereunder. The Offer shall be made in the United States by UltraTech and no one else.

The Offer is subject to the disclosure and procedural requirements of the United Arab Emirates, which differ from those in the United States, including with respect to withdrawal rights and offer timetable that are different from those applicable under US domestic tender offer procedures and law. In addition, the payment

إعادة توجيهها أو توزيعها أو إرسالها في أو إلى أو من أي اختصاص قضائي مقيد يشكل فيه ذلك انتهاكاً للقوانين في ذلك الاختصاص القضائي، سواء بصورة مباشرة أو غير مباشرة، ويُحظر على الأشخاص الذين يستلمون نشرة الإفصاح للمساهمين هذه وأي مستند مرفق (بما في ذلك أمناء الحفظ والمرشحين والأوصياء) إرسالها بالبريد أو توزيعها أو إرسالها في أو إلى أو من هذا الاختصاص القضائي إذ من شأن ذلك أن يبطل أي قبول مزعوم للعرض. وقد يتأثر توفر العرض لمساهمي الشركة غير المقيمين في دولة الإمارات العربية المتحدة بقوانين الاختصاصات القضائية ذات الصلة التي يقيمون فيها، وينبغي لهؤلاء الأشخاص الاطلاع على أي متطلبات قانونية أو تنظيمية معمول بها في اختصاصاتهم القضائية والالتزام بها.

إذا كنت مقيماً في الولايات المتحدة، فيرجى قراءة ما يلي:

يتم تقديم العرض بهدف الاستحواذ على الأوراق المالية للشركة، وهي شركة مؤسسة ومسجلة في إمارة رأس الخيمة في دولة الإمارات العربية المتحدة، ويتم تقديمه في الولايات المتحدة بالاستناد والامتثال للإعفاء من قانون سوق الأوراق المالية الأمريكي لعام 1934، بصيغته المعدلة، الممنوح بموجب القاعدة 14d-1(ج) القسم 14(هـ) والمادة 14هـ بموجبها، ويجب تقديم العرض في الولايات المتحدة بواسطة ألتراك دون غيرها.

يخضع العرض لمتطلبات الإفصاح والمتطلبات الإجرائية المعمول بها بدولة الإمارات العربية المتحدة، والتي تختلف عن المتطلبات القائمة في الولايات المتحدة، بما في ذلك ما يتعلق بحقوق الانسحاب والجدول الزمني للعرض والتي تختلف عن



and settlement procedure with respect to the Offer shall comply with the relevant United Arab Emirates rules, which differ from United States payment and settlement procedures, particularly with regard to the date of payment of consideration. Neither the United States Securities Exchange Commission, nor any securities commission of any state of the United States, has approved the Offer, passed upon the fairness of the Offer or passed upon the adequacy or accuracy of this Shareholders Circular. Any representation to the contrary is a criminal offence in the United States.

Financial information relating to RAKWCT included in this Shareholders Circular has been prepared in accordance with IFRS and other mandatory reporting requirements applicable in the UAE and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for investors to enforce their rights and any claim they may have arising under US federal securities laws, since UltraTech and RAKWCT are UAE companies, and some or all of their officers and directors are residents of countries other than the United States. Investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. It may be difficult to compel a non US company and its affiliates to subject themselves to a US court's judgment.



تلك السارية على عروض الاستحواذ على الأوراق المالية بموجب الإجراءات والقانون الأمريكي. بالإضافة إلى ذلك، يجب أن يتوافق إجراء الدفع والتسوية فيما يتعلق بالعرض مع قواعد دولة الإمارات العربية المتحدة ذات الصلة، والتي تختلف عن إجراءات الدفع والتسوية في الولايات المتحدة، لا سيما ما يتعلق بتاريخ سداد المقابل. ولم توافق وكالة الأوراق المالية والبورصات الأمريكية، ولا أي لجنة للأوراق المالية في أي ولاية من الولايات المتحدة، على العرض، أو تقرر إنصاف العرض أو كفاية أو دقة نشرة الإفصاح للمساهمين هذه. ويُعد أي تعهد يخالف ذلك جريمة جنائية في الولايات المتحدة.

تم إعداد البيانات المالية المتعلقة بالشركة والواردة في نشرة الإفصاح للمساهمين هذه وفقاً للمعايير الدولية لإعداد التقارير المالية وغيرها من المتطلبات الإلزامية لإعداد التقارير المعمول بها في دولة الإمارات العربية المتحدة، وقد لا تكون مماثلة للبيانات المالية لشركات الولايات المتحدة أو الشركات التي تم إعداد قوائمها المالية وفقاً للمبادئ المحاسبية المتعارف عليها في الولايات المتحدة.

قد يكون من الصعب على المستثمرين تنفيذ حقوقهم وأي مطالبات قد تنشأ عن القوانين الفيدرالية في الولايات المتحدة بشأن الأوراق المالية، حيث إن ألتراك والشركة شركتان إماراتيتان ويقيم بعض موظفيهما وأعضاء مجلس إدارتهما أو جميعهم في بلدان غير الولايات المتحدة. وقد يتعذر على المستثمرين رفع دعاوى قضائية ضد شركة غير أمريكية أو موظفيها أو أعضاء مجلس إدارتها في محكمة غير أمريكية في حالة انتهاكهم لقوانين الأوراق المالية المعمول بها في الولايات المتحدة. وقد يكون من الصعب إلزام شركة غير أمريكية وشركاتها التابعة

بالخضوع لحكم محكمة في الولايات المتحدة.

The receipt of cash pursuant to the Offer by a US holder of securities of RAKWCT may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of securities of RAKWCT is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

إن استلام الأموال النقدية بموجب العرض من جانب حاملي الأوراق المالية للشركة في الولايات المتحدة الأمريكية قد يمثل معاملة خاضعة للضريبة لأغراض ضريبة الدخل الفيدرالية الأمريكية وبموجب قوانين الولاية والقوانين المحلية وكذلك القوانين الأجنبية وغيرها من القوانين الضريبية السارية، ونحث أي مالك للأوراق المالية للشركة بالرجوع إلى مستشاره المهني المستقل على الفور بشأن التبعات الضريبية لقبول العرض.

Any person (including custodians, nominees and trustees) who would, or otherwise intends to, or may have a contractual or legal obligation to forward this Shareholders Circular to any jurisdiction outside the United Arab Emirates, should read [paragraph 5 of Section II (Further Terms of the Offer) of the UltraTech Offer Document] before taking any action.

يتعين على أي شخص (بما في ذلك أمناء الحفظ والمرشحين والأوصياء) يرغب، أو ينوي، أو قد يكون لديه التزام تعاقدى أو قانوني بإرسال نشرة الإفصاح للمساهمين هذه إلى أي اختصاص قضائي خارج دولة الإمارات العربية المتحدة، قراءة [الفقرة 5 من القسم 2 (الشروط الإضافية للعرض) في مستند عرض الترتك] قبل اتخاذ أي إجراء.

This is an unofficial English translation of the formal Shareholders Circular published in the Arabic language. No reliance should be placed on this English translation which may not entirely reflect the official Arabic language Shareholders Circular.

هذه ترجمة غير رسمية إلى اللغة الإنجليزية لنشرة الإفصاح للمساهمين الرسمية الصادرة باللغة العربية. ينبغي عدم الاعتماد على الترجمة الإنجليزية، والتي قد لا تعكس بشكل كامل نشرة الإفصاح للمساهمين الرسمية الصادرة باللغة العربية.

All references to dates and times shown in this Shareholders Circular are to the Gregorian calendar and UAE time, respectively, unless otherwise stated.

تشير التواريخ والتوقيات الواردة في نشرة الإفصاح للمساهمين هذه إلى التقويم الميلادي والتوقيت المحلي لدولة الإمارات العربية المتحدة، على التوالي، ما لم يُنص على خلاف ذلك.

This Shareholders Circular is dated 10 June

تاريخ نشر نشرة الإفصاح للمساهمين هذه هو 10 يونيو



2024.

2024



07 June 2024

7 يونيو 2024

Dear RAKWCT Shareholders

السادة مساهمي الشركة المحترمين،

**RECOMMENDED CONDITIONAL CASH
OFFER FOR THE ACQUISITION BY
ULTRATECH CEMENT MIDDLE EAST
INVESTMENTS LIMITED OF 31.6 % OF THE
ISSUED AND PAID-UP ORDINARY SHARE
CAPITAL OF RAS AL KHAIMAH CO. FOR
WHITE CEMENT & CONSTRUCTION
MATERIALS PSC**

عرض نقدي مشروط موصى به للاستحواذ علي
نسبة 31.6 % من الأسهم العادية لرأس المال
المصدر و المدفوع لشركة رأس الخيمة لصناعة
الاسمنت الأبيض والمواد الإنشائية ش.م.ع من
ألتراكت سيمنت ميدل ايست انفستمنتس ليمتد

1. Introduction

1. المقدمة

On 27 May 2024, ULTRATECH CEMENT MIDDLE EAST INVESTMENTS LIMITED (UltraTech) approached the board of directors of RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS PSC (the Company or RAKWCT) to present a conditional cash offer to acquire 158,049,610 shares, representing 31.6% of the issued and paid up ordinary shares of RAKWCT, not already held by UltraTech (the Offer). UltraTech currently holds 147,000,000 RAKWCT Shares, representing approximately 29.39 % of the existing issued ordinary share capital of RAKWCT.

في 27 مايو 2024، تواصلت ألتراكت سيمنت ميدل ايست انفستمنتس ليميتد (ألتراكت) مع مجلس إدارة شركة رأس الخيمة للأسمنت الأبيض والمواد الإنشائية ش.م.ع. (الشركة أو شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية) لتقديم عرض نقدي مشروط للاستحواذ على 158,049,610 سهم تمثل 31.6% من أسهم الشركة العادية المصدرة والمدفوعة وغير المملوكة من قبل ألتراكت (العرض).

تمتلك ألتراكت 147,000,000 سهم من أسهم الشركة والتي تمثل نسبة 29.39 % من رأس المال العادي المصدر الحالي للشركة.

On 27 May 2024 , RAKWCT announced that its board of directors (the RAKWCT Board) had received the Offer and published the statement of the Offer

في 27 مايو 2024، أعلنت الشركة أن مجلس إدارتها (مجلس إدارة شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية) قد تلقى العرض ونشر



received from UltraTech.

بيان العرض الذي تم استلامه من ألتراك.

On 7 June 2024, RAKWCT announced that the RAKWCT Board had recommended the Offer and UltraTech published its offer document in relation to the Offer (the **UltraTech Offer Document**). A copy of the UltraTech Offer Document can be found on RAKWCT's website at www.rakwhitecement.ae. As a RAKWCT Shareholder, you are encouraged to read the UltraTech Offer Document and this Shareholders Circular in full.

في 7 يونيو 2024، أعلنت الشركة أن مجلس إدارة الشركة قد أوصى بالعرض ونشرت ألتراك مستند العرض الخاص بها فيما يتعلق بالعرض (مستند عرض ألتراك). يمكن العثور على نسخة من مستند عرض ألتراك على موقع الشركة الإلكتروني على www.rakwhitecement.ae بصفتكم مساهمين في الشركة، نشجعكم على قراءة مستند عرض ألتراك ونشرة الإفصاح للمساهمين هذه بالكامل.

On 29 May 2024, UltraTech and RAKWCT entered into an implementation agreement setting out the rights and obligations of the parties as they relate to the Offer among other things.

في 29 مايو 2024، أبرمت ألتراك والشركة اتفاقية تنفيذ تتضمن من بين أمور أخرى حقوق والتزامات الأطراف فيما يتعلق بالعرض.

I am writing to you, on behalf of the RAKWCT Board, to: (i) explain the background to and terms of the Offer; (ii) encourage you to attend and vote if needed at the RAKWCT GM to be held on 9 July 2024 in connection with the Offer; and (iii) explain why the RAKWCT Board, who have been so advised by KPMG Lower Gulf Limited, consider the price of the Offer is in compliance with Article (6) of the Takeover Code so far as RAKWCT Shareholders are concerned and are unanimously recommending that you accept the Offer.

نكتب إليكم بالنيابة عن مجلس إدارة الشركة من أجل: (1) شرح خلفية وشروط العرض؛ و(2) نشجعكم على الحضور والتصويت إذا لزم الأمر في اجتماع الجمعية العمومية للشركة المزمع عقده في 9 يوليو 2024 فيما يتعلق بالعرض؛ و(3) شرح سبب اعتبار مجلس إدارة الشركة -الذي تم توجيهه من قبل مكتب كي بي ام جي لوار جلف ليميتد- أن سعر العرض يتوافق مع المادة (6) من قواعد الاستحواذ بقدر ما يتعلق بمساهمي الشركة ويوصي بالإجماع قبولكم للعرض.

2. Summary of the terms of the Offer

2. ملخص شروط العرض

UltraTech is offering to acquire (on the terms and subject to the conditions set out in the UltraTech Offer Document) 31.6% of the issued and paid up share capital of

تعرض ألتراك الاستحواذ (وفقًا للشروط والأحكام المنصوص عليها في مستند عرض ألتراك) على 31,6% من رأس مال الشركة المصدر والمدفوع (غير



RAKWCT (which are not already owned by UltraTech) for cash.

UltraTech and RAKWCT entered into an Implementation Agreement setting out the rights and obligations of the parties as they relate to the Offer among other things. In particular, UltraTech shall undertake to pay the Offer Price for the RAKWCT Shares which it acquires pursuant to the Offer, subject to satisfaction of certain conditions including those in paragraph 5 of Section I of Ultratech Offer Document (General Terms and Details of the Offer).

Under the terms of the Offer, holders of RAKWCT Shares (excluding UltraTech) shall receive the following offer price (the Offer Price):

for each RAKWCT Share AED 1.15 in cash

The total amount of the Offer, in respect of the RAKWCT Shares which are the subject of the Offer (being 158,049,610 ordinary shares of nominal value AED 1.15 each in RAKWCT), will be AED 181,757,052.

The RAKWCT Shares will be acquired by UltraTech under the Offer on the basis that the RAKWCT Shares are fully paid and free from all liens, charges, equities, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now and hereafter attaching or accruing to them, including, without limitation, voting rights and the right

المملوك بالفعل من قبل ألتراك) بالكامل نقدًا.

قامت شركة ألتراك بإبرام اتفاقية تنفيذ مع الشركة والتي تضمنت، من بين أمور أخرى حقوق والتزامات الأطراف فيما يتعلق بالعرض. وعلى وجه الخصوص، تعهدت شركة ألتراك بدفع سعر العرض مقابل أسهم الشركة التي يتم الاستحواذ عليها بموجب العرض، شريطة استيفاء الشروط الواردة في الفقرة 5 من القسم 1 من مستند عرض شركة ألتراك (الشروط العامة والتفاصيل الخاصة بالعرض)

بموجب شروط العرض، يحصل حاملو أسهم الشركة (باستثناء ألتراك) على سعر العرض التالي (سعر العرض):

عن كل سهم من أسهم الشركة 1,15 درهم إماراتي نقدًا

سيكون المبلغ الإجمالي للعرض، فيما يتعلق بأسهم الشركة (التي تمثل 158,049,610 من الأسهم العادية بقيمة اسمية 1,15 درهم لكل سهم في الشركة) وفقًا لهذا العرض مبلغ 181,757,052 درهم إماراتي.

تستحوذ ألتراك بموجب العرض على أسهم الشركة مدفوعة بالكامل وخالية من جميع الرهون والرسوم وحقوق الملكية والتكاليف والأعباء والخيارات وحقوق الأولوية وأي حقوق ومصالح لجهات خارجية من أي نوع كانت ومن جميع الحقوق التي تلحق بها أو تستحق عليها الآن وفيما بعد، بما في ذلك، على سبيل المثال لا الحصر، حقوق التصويت



to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of the UltraTech Offer Document.

If the number of RAKWCT Shares offered at the end of the Offer Period is more than the specific number of shares set out in the Offer, UltraTech will acquire from all the RAKWCT Shareholders who have accepted the Offer a number of RAKWCT Shares pro rata to the total number of shares set out in the Offer. With rounding of fractions to the benefit of minority RAKWCT Shareholders.

RAKWCT Shareholders whose names appear in the RAKWCT share register during the Offer Period will be eligible to receive the Offer and any RAKWCT Shareholders willing to accept the Offer may do so by following the steps set out under section 10 below.

The Offer is subject to the conditions (the **Conditions**) and further terms set out or referred to in the UltraTech Offer Document.

On 25 June 2024 ((being the day following the Offer closing date), UltraTech will announce the acceptance results of the Offer and provided that all conditions, requirements and approvals related to the Offer are met so that the Offer becomes unconditional in all respects UltraTech will , settle the consideration due to the accepting RAKWCT Shareholders no later than 18 July 2024 through payment by ADX of the cash consideration to the broker who submitted the Sell Order who will in turn make the payment into each accepting

والحق في الاستلام والاحتفاظ الكامل بجميع توزيعات الأرباح والتوزيعات الأخرى (إن وجدت) المُعلنة أو المقررة أو المدفوعة، أو أي عائدات أخرى لقيمة هذه الأسهم (سواء عن طريق تخفيض رأس المال أو حساب علاوة الأسهم أو غير ذلك) في تاريخ مستند عرض التراتك أو بعده.

إذا كان عدد أسهم الشركة المعروضة في نهاية فترة العرض أكثر من العدد المحدد للأسهم المنصوص عليها في العرض، فإن شركة التراتك ستستحوذ من جميع مساهمي الشركة الذين قبلوا العرض على عدد من أسهم الشركة بالتناسب مع إجمالي عدد الأسهم المنصوص عليها في العرض. مع جبر الكسور لصالح المساهمين الأقلية في الشركة.

سيكون مساهمي الشركة الذين تظهر أسماؤهم في سجل أسهم الشركة خلال فترة العرض مؤهلين لتلقي العرض ويمكن لأي مساهم في الشركة يرغب في قبول العرض القيام بذلك عن طريق اتباع الخطوات الواردة في القسم 10 أدناه.

يخضع العرض للأحكام والشروط الإضافية (الشروط) المنصوص عليها أو المشار إليها في مستند عرض التراتك.

في 25 يونيو 2024 (وهو اليوم التالي لتاريخ إغلاق العرض)، ستعلن التراتك عن نتائج قبول العرض، وشريطة استيفاء كافة الشروط و المتطلبات و الموافقات المتعلقة بالعرض بحيث يصبح العرض غير مشروط من جميع النواحي و ستقوم التراتك بتسوية المقابل النقدي المستحق لمساهمي الشركة الذين قبلوا العرض في موعد أقصاه 18 يوليو 2024 من خلال قيام سوق أبوظبي للأوراق المالية بدفع



RAKWCT Shareholder respective account with them.

المقابل النقدي الي الوسيط الذي قدم أمر البيع و الذي سيقوم بدوره بسداد المبلغ الي حساب كل مساهم في الشركة الذي قبل العرض.

3. Background to and reasons for the Offer:

Ras Al Khaimah Co. for White Cement & Construction Materials PSC, a public joint stock company listed on ADX, incorporated in the Emirate of Ras Al Khaimah in the United Arab Emirates, having its registered office address at PO Box 1492, Ras Al Khaimah, United Arab Emirates. The Company is a prominent player in the white cement and construction materials sector. Headquartered in Ras Al Khaimah, United Arab Emirates, the Company has positioned itself as a key contributor to the region's thriving construction industry. RAKWCT's success is its state-of-the-art manufacturing facility, equipped with advanced technology to produce high-quality white cement. The Company's dedication to technological excellence ensures that its products meet stringent industry standards. With a focus on sustainability, RAKWCT implements eco-friendly practices in its manufacturing processes, contributing to both environmental conservation and the production of sustainable construction materials beyond its commitment to produce excellence.

By increasing its ownership percentage in the share capital of RAKWCT, UltraTech wishes to better benefit from its expertise in the field of white cement manufacturing through expanding the business of RAKWCT locally, regionally and globally, including providing modern products such as wall care putty and other new products.



3. نبذة عن العرض ودواعي تقديمه

إن شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية ش.م.ع، هي شركة مساهمة عامة مدرجة في سوق أبوظبي للأوراق المالية، تأسست في إمارة رأس الخيمة بدولة الإمارات العربية المتحدة، يقع عنوان مكتبها المسجل في ص.ب 1492، رأس الخيمة، الإمارات العربية المتحدة. وتعتبر الشركة لاعباً بارزاً في قطاع الاسمنت الأبيض و مواد البناء. يقع المقر الرئيسي للشركة في رأس الخيمة، الإمارات العربية المتحدة، وقد جعلت الشركة نفسها مساهم رئيسي في صناعة البناء والتشييد المزدهرة في المنطقة. ويعود نجاح الشركة إلى منشآتها التصنيعية الحديثة والمجهزة بتكنولوجيا متقدمة لإنتاج الاسمنت الأبيض عالي الجودة. إن تفاني الشركة في التميز التكنولوجي يضمن تلبية منتجاتها لمعايير الصناعة الصارمة. ومن خلال التركيز على الاستدامة، تطبق الشركة ممارسات صديقة للبيئة في عمليات التصنيع الخاصة بها، مما يساهم في الحفاظ على البيئة وإنتاج مواد البناء المستدامة إضافة التزامها بالتميز.

ترغب شركة ألتراك من خلال زيادة نسبة ملكيتها في رأس مال شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية الاستفادة من خبراتها بشكل أوسع في مجال تصنيع الاسمنت الأبيض في توسيع أعمال شركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الإنشائية محلياً وإقليمياً وعالمياً بما في ذلك

تقديم منتجات حديثة مثل معجون العناية بالجدران
و غيرها من المنتجات الجديدة.

Key benefits for RAKWCT Shareholders

الفوائد الرئيسية لمساهمي الشركة

Under the terms of the Offer, RAKWCT Shareholders will be entitled to receive:

بموجب شروط العرض، يحق للمساهمين في الشركة الحصول على:

AED 1.15 in cash for each RAKWCT Share (the "Offer Price")

1.15 درهم نقداً لكل سهم في الشركة ("سعر العرض")

The Offer Price may not be lower than the highest price of the following:

لا يجوز أن يكون سعر العرض أقل من أعلى سعر مما يلي:

- The market price on the first day of the Offer.
- The closing price prior to the first day of the Offer commencement.
- The average price during the 3 months preceding the start of the Offer.
- The highest price paid by the acquiring party to buy the shares during the 12 months preceding the submission of the Offer.

1. السعر السوقي يوم بداية العرض.
2. سعر الإغلاق قبل اليوم الأول لبداية العرض.
3. متوسط السعر خلال فترة الثلاثة أشهر السابقة لبداية العرض.
4. أعلى سعر دفعته الجهة المستحوذة لشراء الأوراق المالية خلال الـ 12 شهراً السابقة على تقديم العرض.

Please refer to RAKWCT's audited consolidated financial statements for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023 as attached in Annex 4 for further information about the financial performance of RAKWCT.

يرجى الرجوع إلى البيانات المالية الموحدة المدققة للشركة للسنوات الثلاث المنتهية في 31 ديسمبر 2021 و 31 ديسمبر 2022 و 31 ديسمبر 2023 كما هو مرفق في الملحق 4، للحصول على مزيد من المعلومات حول الأداء المالي للشركة.

4. Information on UltraTech

4. معلومات عن ألتراك



UltraTech is a company incorporated and registered in the Jebel Ali Free Zone

ألتراك هي شركة مؤسسة ومسجلة في المنطقة

(JAFZA), United Arab Emirates with commercial registration number 132239 and is a wholly owned subsidiary of UltraTech Cement Limited, incorporated in India. There have been no dealings of RAKWCT shares by UltraTech or its associated group during the six months preceding the date of the UltraTech Offer Document.

Given the Offer is an offer of cash consideration, RAKWCT Shareholders will not be issued shares in UltraTech and therefore any accepting RAKWCT Shareholder will not be affected by future profits or losses or changes to the assets or business of UltraTech. There have been no dealings of RAKWCT shares by UltraTech or its associated group during the six months preceding the date of the UltraTech Offer Document.

5. Financing the Offer and cash confirmation

The source of financing for the cash consideration payable in full under the Offer is financing from Abu Dhabi Commercial Bank in the United Arab Emirates which is licensed by the Central Bank of the United Arab Emirates.

6. Management, employees and UltraTech plans for RAKWCT

UltraTech has stated that it attaches great importance to the skills and expertise of the existing management and employees of RAKWCT and intends to retain the skills and expertise of RAKWCT's current senior management team on their existing terms. UltraTech has confirmed that, following the Offer completing, other than any changes

الحرّة في جبل علي (JAFZA) ، الإمارات العربية المتحدة بموجب السجل التجاري رقم 132239 وهي شركة تابعة مملوكة بالكامل لشركة ألتراك، التي تأسست في الهند. لم يكن هناك أي تعاملات في أسهم الشركة من قبل ألتراك أو المجموعة المرتبطة بها خلال الستة أشهر السابقة لتاريخ مستند عرض ألتراك.

نظرًا لأن العرض عبارة عن عرض نقدي، فلن يتم إصدار أسهم لمساهمي الشركة في ألتراك، وبالتالي لن يتأثر أي مساهم من مساهمي الشركة يقبل العرض بالأرباح أو الخسائر المستقبلية أو التغييرات في أصول ألتراك أو أعمالها. لم يتم إجراء أي تعاملات على أسهم الشركة من قبل شركة ألتراك أو المجموعة المرتبطة بها خلال الستة أشهر السابقة لتاريخ مستند عرض ألتراك.

5. تمويل العرض و التأكيد علي توافر المقابل النقدي

مصدر تمويل المقابل النقدي المستحق الدفع بالكامل بموجب العرض هو تمويل من بنك أبو ظبي التجاري في دولة الامارات العربية المتحدة والمرخص من مصرف الامارات العربية المتحدة المركزي.

6. إدارة وموظفي وخطة ألتراك للشركة

ذكرت ألتراك أنها تولي أهمية كبيرة لمهارات وخبرات الإدارة الحالية للشركة وموظفيها وتعتزم الاحتفاظ بمهارات وخبرات فريق الإدارة العليا الحالي في الشركة وفقًا لشروطهم الحالية. أكدت ألتراك أنه بعد استكمال العرض، بخلاف أي تغييرات يتم إجراؤها في سياق العمل العادي (على النحو الذي يحدده مجلس



made in the ordinary course of business (as determined by the RAKWCT Board or the management team of RAKWCT), UltraTech has no intention to change the existing governance model of RAKWCT or employment rights of RAKWCT's employees.

The RAKWCT Board welcomes UltraTech's confirmations in relation to management, employees and its plans for the Company set out above.

إدارة الشركة أو فريق إدارتها)، وليس لدى التراتك أي نية لتغيير نموذج الحوكمة الحالي للشركة أو حقوق توظيف موظفي الشركة

يرحب مجلس إدارة الشركة بإقرارات التراتك فيما يتعلق بالإدارة والموظفين وخططها للشركة الموضحة أعلاه.

7. Conditions

7. الشروط

The Offer is subject to the Conditions and further terms set out or referred to in the UltraTech Offer Document. For more information about the conditions of the Offer, please refer to UltraTech Offer Document.

هذا العرض خاضع للشروط الواردة بمستند عرض التراتك. لمزيد من المعلومات عن تلك الشروط، برجاء الرجوع ل مستند عرض التراتك.

8. Interests and dealings

8. الحصص والمعاملات

(a) Interests in RAKWCT Shares

(أ) الحصص في أسهم الشركة

As at the Latest Practicable Date:

القائمة بأخر تاريخ عملي:

- (i) RAKWCT does not have an ownership interest of 5% or more in UltraTech;
- (ii) the members of the RAKWCT Board do not have an ownership interest of 5% or more in UltraTech;
- (iii) the members of the RAKWCT Board do not have an ownership interest of 5% or more in RAKWCT Shares;
- (iv) no affiliate of RAKWCT, or pension fund affiliated to either RAKWCT or an affiliate

- (1) لا تملك الشركة حصة ملكية بنسبة 5% أو أكثر في التراتك؛
- (2) لم يمتلك أعضاء مجلس إدارة الشركة حصة ملكية بنسبة 5% أو أكثر في التراتك؛
- (3) لم يمتلك أعضاء مجلس إدارة الشركة حصة ملكية بنسبة 5% أو أكثر في أسهم الشركة؛
- (4) لم تملك أي شركة تابعة للشركة أو صندوق



of RAKWCT, or any consultant to RAKWCT or any person acting in agreement with RAKWCT has an ownership interest of 5% or more in RAKWCT Shares;

تفاعدي تابع لأي من الشركة أو شركة تابعة للشركة أو أي مستشار للشركة أو أي شخص يتصرف بموجب اتفاق مع الشركة حصة ملكية بنسبة 5% أو أكثر في أسهم الشركة؛

(v) no person, with whom RAKWCT or persons acting in concert with RAKWCT has a Dealing Arrangement, had or controlled an ownership interest of 5% or more in RAKWCT Shares; and

(5) لم يمتلك أي شخص سواء كان يتعامل مع الشركة بموجب ترتيب التعامل أو مع الأشخاص الذين يتصرفون بموجب ترتيب التعامل مع الشركة - كان أو يتحكم بحصة ملكية ما نسبته 5% أو أكثر في أسهم الشركة؛ و

(vi) no fund manager related to RAKWCT manages an ownership interest of 5% or more in RAKWCT Shares.

(6) لم يدير أي مدير صندوق متعلق بالشركة حصة ملكية بنسبة 5% أو أكثر في أسهم الشركة.

(b) Dealings

(ب) المعاملات

In the 12 months preceding the Offer until the day prior to the date of this Shareholders Circular

خلال الاثني عشر شهرا السابقة للعرض وحتى اليوم السابق لتاريخ نشرة الإفصاح للمساهمين هذه

(i) RAKWCT has not dealt in any RAKWCT Shares;

(1) لم تتعامل الشركة في أي من أسهم الشركة؛

(ii) none of the members of the RAKWCT Board has dealt in any RAKWCT Shares.

(2) لم يتعامل أي من أعضاء مجلس إدارة الشركة في أي من أسهم الشركة.

During the Offer Period until the day prior to the date of this Shareholders Circular:

خلال فترة العرض وحتى اليوم السابق لتاريخ نشرة الإفصاح للمساهمين هذه:

(i) no affiliate of RAKWCT, or pension fund affiliated to either RAKWCT or an affiliate of RAKWCT, or any consultant to RAKWCT or any person acting in agreement with

(1) لم تتعامل أي شركة تابعة للشركة أو صندوق تأمين تابع لأي من الشركة أو شركة تابعة للشركة أو أي مستشار للشركة أو أي شخص يتصرف بموجب اتفاق مع الشركة في أي من أسهم



RAKWCT has dealt in any RAKWCT Shares;

الشركة؛

(ii) no person, with whom RAKWCT or persons acting in concert with RAKWCT has a Dealing Arrangement, has dealt in any RAKWCT Shares; and

(2) لم يتعامل أي شخص سواء كان يتعامل مع الشركة بموجب ترتيب التعامل أو مع الأشخاص الذين يتصرفون بموجب ترتيب التعامل مع الشركة في أي من أسهم الشركة؛ و

(iii) no fund manager related to RAKWCT has dealt in any RAKWCT Shares.

(3) لم يتعامل أي مدير صندوق متعلق الشركة في أي من أسهم الشركة.

9. Background to and reasons for the recommendation

9. نبذة عن التوصية ودواعي تقديمها

The offer price was determined in accordance with the provisions of Article (6) of the Takeover Code which provides that the Offer Price may not be lower than the highest price of the following:

تم تحديد سعر العرض وفقاً لأحكام المادة (6) من قواعد الاستحواذ والتي تنص على أنه لا يجوز أن يقل سعر العرض عن أعلى سعر مما يلي:

- The market price on the first day of the Offer.
- The closing price prior to the first day of the Offer commencement.
- The average price during the 3 months preceding the start of the Offer.
- The highest price paid by the acquiring party to buy the shares during the 12 months preceding the submission of the Offer.

1. السعر السوقي يوم بداية العرض.
2. سعر الإغلاق قبل اليوم الأول لبداية العرض.
3. متوسط السعر خلال فترة (3) أشهر السابقة لبداية العرض.
4. أعلى سعر دفعته الجهة المستحوذة لشراء الأوراق المالية خلال (12) شهراً السابقة على تقديم العرض.

KPMG Lower Gulf Limited prepared a financial study for the RAKWCT Board to determine if the Offer is in compliance with Article (6) of the Takeover Code.

أعدت شركة كي بي ام جي لوار جلف ليميتد دراسة مالية لمجلس إدارة الشركة لتحديد ما إذا كان العرض يتوافق مع المادة (6) من قواعد الاستحواذ.



The closing price of RAKWCT Shares, for the first day of each of the six months immediately preceding the date of publication of UltraTech Offer Document is:

سعر إغلاق أسهم الشركة، في اليوم الأول من كل شهر من الأشهر الستة السابقة لتاريخ نشر مستند عرض ألتراك هو:

Date	Closing Price (AED)
01/05/2024	0.98
01/04/2024	1.06
01/03/2024	1.15
01/02/2024	1.16
01/01/2024	1.14
01/12/2023	1.17
01/11/2023	1.18

التاريخ	سعر الإغلاق (درهم)
2024/05/01	0.98
2024/04/01	1.06
2024/03/01	1.15
2024/02/01	1.16
2024/01/01	1.14
2023/12/01	1.17
2023/11/01	1.18

The price of RAKWCT Shares on the last day preceding the commencement of the Offer Period is AED 1.09 and the UltraTech offer price is AED 1.15.

إن سعر أسهم الشركة في اليوم الأخير الذي يسبق بدء فترة العرض هو 1.09 درهم، وسعر عرض ألتراك هو 1.15 درهم.

Following detailed consideration, the RAKWCT independent Board members believe that the Offer is fair and has been determined in compliance with SCA's rules and regulations and that the independent Board members recommend the Offer to the RAKWCT Shareholders.

بعد الدراسة التفصيلية يعتقد أعضاء مجلس إدارة الشركة المستقلين بأن سعر العرض هو سعر عادل وأنه قد تم تحديده وفقاً لقواعد ولوائح هيئة الأوراق المالية والسلع ويوصي به لمساهمي الشركة.

10. Actions to be taken and how to accept the Offer



10. الإجراءات الواجب اتخاذها وآلية قبول العرض

RAKWCT Shareholders wishing to accept the Offer must contact their broker where their shares are deposited and instruct them to place their Sell Order as a good till cancelled order with a limited price equating the Offer Price no later than 2.00 pm on 24 June 2024 (or such later date as may be notified by UltraTech to RAKWCT).

Submission of the Sell Order shall be construed as acceptance of the Offer. Further guidance on the procedures for acceptance of the Offer and placing the Sell Order are set out in this UltraTech Offer Document.

If you have any questions relating to the procedure for acceptance of the Offer, please contact the representative of Abu Dhabi Commercial Bank on +97128126481 between 8.00 A.M. and 4.00 P.M. from Monday to Friday or at CapitalMarketsTeam@adcb.com, or you may contact your broker. The Transaction Manager cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

You are advised to read the whole of this document carefully.

THE OFFER CLOSING DATE IS 2.00 P.M. ON 24 JUNE 2024.

The Offer is in accordance with the procedure applied by the ADX and will be executed as follows:

(a) the Shares of RAKWCT shall be traded in accordance with the trading rules applicable to ADX;

(b) Buy & Sell Orders will be placed on the "Negotiated Deal" board of ADX; whereby, UltraTech's Buy Order will be

يجب على المساهمين في شركة رأس الخيمة لصناعة الأسمنت الأبيض والمواد الإنشائية ش.م.ع الذين يرغبون في قبول العرض الاتصال بالوسيط الخاص بهم حيث يتم إيداع أسهمهم وإرشادهم لتقديم أمر البيع الخاص بهم كأمر صالح حتى يتم إلغاء الأمر بسعر محدود يعادل سعر العرض في موعد لا يتجاوز الساعة 2.00 ظهراً بتوقيت دولة الإمارات العربية المتحدة بتاريخ 24 يونيو 2024 (أو أي تاريخ لاحق من هذا القبيل قد تبلغه شركة ألتراك إلى شركة رأس الخيمة لصناعة لأسمنت الأبيض والمواد الإنشائية).

يفسر تقديم أمر البيع إلى الوسيط على أنه قبول للعرض. مزيد من الإرشادات حول إجراءات قبول العرض وتقديم أمر البيع موضحة في مستند عرض التراك.

إذا كانت لديكم أي أسئلة تتعلق بإجراءات قبول العرض، فيرجى الاتصال ممثل بنك أبوظبي التجاري على رقم +97128126481 بين الساعة 8,00 صباحاً والساعة 4,00 مساءً بتوقيت دولة الإمارات العربية المتحدة من يوم الاثنين إلى الجمعة أو على البريد الإلكتروني CapitalMarketsTeam@adcb.com أو يمكنك الاتصال بالوسيط الخاص بك. لا يمكن لمدير الصفقة تقديم المشورة بشأن مزايا العرض ولا تقديم أي مشورة مالية، قانونية أو ضريبية.

ننصحك بقراءة هذا المستند بالكامل بعناية

تاريخ إغلاق العرض هو الساعة 2,00 ظهراً بتاريخ 24 يونيو 2024.

يتم العرض وفقاً للإجراءات المطبقة من قبل سوق أبوظبي للأوراق المالية وسيتم تنفيذه على النحو التالي:

أ. يتم التداول على أسهم الشركة وفقاً لقواعد التداول المعمول بها في السوق؛

ب. ستنشر أوامر البيع والشراء على صفحة "الصفقات المتفاوض عليها" لدى السوق أبوظبي للأوراق المالية، حيث يتم تقديم أمر



placed daily with ADCB Securities LLC, the brokerage subsidiary of the Transaction Manager ("ADCBS");

- (c) Sell Orders will be placed on the "Negotiated Deal" board daily by a licensed broker;
- (d) Sell Orders placed on the "Negotiated Deal" board of ADX are valid for one day only;
- (e) ADX will consider Sell Orders placed on the "Negotiated Deal" board which are consistent with the terms of the Offer; Sales Orders which are placed on the "Negotiated Transactions" board but whose prices differ from the price shown in Ultratech Offer Document will be cancelled;
- (f) orders will only be entered during the Offer Period, with no execution until the closing date/time of the Offer Period; and
- (g) Sell Orders on the last day of the Offer Period shall be entered in the electronic trading system starting 10:00 am until 2:00 pm of the same day without executing any such order and the trading system shall proceed to the execution of these orders (as per the mechanism stipulated in Ultratech Offer Documents) after trading hours.

Any RAKWCT Shareholder, who has pledged or otherwise subjected his RAKWCT Shares to any form of security, must contact the bank or entity in whose favour the RAKWCT Shares have been pledged or any other security over the shares has been granted and obtain written clearance from that bank or entity to transfer those RAKWCT Shares (as relevant) to UltraTech. The written clearance (or a certified copy thereof) must be submitted with the Sell Order to your licensed broker, otherwise, those RAKWCT Shares (as

الشراء من قبل التراتك يومياً لدى شركة أبوظبي التجاري للأوراق المالية ذ.م.م، وهي شركة الوساطة التابعة لمدير الصفقة؛

ت. يتم تقديم أوامر البيع يومياً من قبل أي وسيط مرخص عامل في السوق؛

ث. أوامر البيع المنشورة على صفحة "الصفقات المتفاوض عليها" لدى السوق تكون صالحة لمدة يوم واحد فقط؛

ج. يقبل السوق أوامر البيع المنشورة على صفحة "الصفقات المتفاوض عليها" التي تتوافق مع العرض، ويتم إلغاء أوامر البيع المدخلة على صفحة "الصفقات المتفاوض عليها" التي تختلف أسعارها عن السعر المبين في مستند عرض التراتك؛

ح. يتم إدخال الأوامر فقط خلال فترة العرض، مع عدم التنفيذ حتى تاريخ/وقت إغلاق فترة العرض؛ و

خ. يتم إدخال أوامر البيع في اليوم الأخير من فترة العرض في نظام التداول الإلكتروني بدءاً من الساعة 10:00 صباحاً وحتى الساعة 2:00 ظهراً من نفس اليوم دون تنفيذ أي أمر من هذا القبيل ويقوم السوق بتنفيذ أوامر التداول وفقاً للآلية الموضحة في مستند عرض التراتك بعد إقفال السوق.

يجب على مساهم الشركة، الذي رهن أو أخضع أسهمه في الشركة لأي نوع من أنواع الضمان، التواصل مع البنك أو الكيان الذي تم رهن أسهم الشركة أو تقديم أي ضمان آخر على الأسهم لصالحه والحصول على تصريح خطي من ذلك البنك أو الكيان لتحويل أسهم الشركة (حسب الاقتضاء) إلى التراتك. ويجب تقديم التصريح الخطي (أو نسخة مصدقة منه) مع أمر البيع إلى الوسيط المرخص، وإلا فلن يتم نقل أسهم الشركة (حسب الاقتضاء)



relevant) will not be transferred to UltraTech and the Offer will not have been accepted in respect of such shares.

إلى ألترا تيك ولن يتم قبول العرض فيما يتعلق بهذه الأسهم.

If a RAKWCT Shareholder lodges the Sell Order in respect of RAKWCT Shares, but subsequently transfers all of its RAKWCT Shares to a third party prior to the Offer Closing Date, its Sell Order in respect of RAKWCT Shares will be deemed invalid and it will not have accepted the Offer in respect of such shares.

إذا قدم مساهم الشركة أمر البيع فيما يتعلق بأسهم الشركة، وقام بعد ذلك بنقل ملكية جميع أسهمه في الشركة إلى الغير قبل تاريخ إغلاق العرض، فسيتم اعتبار أمر البيع الخاص به فيما يتعلق بأسهم الشركة غير ساري ولن يعتبر قد قبل العرض فيما يتعلق بهذه الأسهم.

11. General Assembly Meeting

11. اجتماع الجمعية العمومية

The RAKWCT Shareholders are invited to attend a general assembly meeting to be held on 9 July 2024 to consider the agenda items as set out in the general assembly invitation set out in Annex 1.

لقد تم دعوة مساهمي الشركة لحضور اجتماع الجمعية العمومية التي سوف تنعقد بتاريخ 9 يوليو 2024 للنظر في بنود جدول الأعمال الوارد بدعوة الجمعية العمومية المرفقة في الملحق رقم 1 من هذا المستند.

The required resolutions will be proposed at the RAKWCT GM, to be held at 11:00 am on Tuesday 9 July 2024 at Waldorf Astoria Hotel - Ras Al Khaimah, United Arab Emirates

سيتم اقتراح القرارات المطلوبة في اجتماع الجمعية العمومية للشركة الذي سيعقد في الساعة 11:00 صباحاً وذلك يوم الثلاثاء الموافق 9 يوليو 2024 في فندق والدورف أستوريا- إمارة رأس الخيمة - الإمارات العربية المتحدة

A copy of the invitation to the RAKWCT GM is attached to this Shareholders Circular as Annex 1.

نسخة من الدعوة لحضور الجمعية العمومية مرفقة في الملحق 1 من نشرة الإفصاح للمساهمين هذه

12. Timing

12. التواريخ والوقت

The following are the key dates for the Offer. Please note that these dates are indicative

فيما يلي التواريخ الرئيسية للعرض. يرجى ملاحظة



only and will depend, among other things, on the dates on which the conditions to the Offer are satisfied.

أن هذه التواريخ هي استرشادية فقط وسيتم الاعتماد من ضمن أمور أخرى على التواريخ التي يتم فيها استيفاء شروط العرض.

Event	Time and/or date
Announcement of the Offer	Monday, 27 May 2024
Dispatch of the UltraTech Offer to RAKWCT Document to	Monday, 27 May 2024
Publication of this Shareholders Circular	10 June 2024
Offer opening date	Tuesday, 28 May 2024
Record Date	8 July 2024
Time and date of RAKWCT GM	Tuesday, 9 July 2024
Offer Closing Date	2.00 p.m. on Monday, 24 June 2024
Offer results announcement	Tuesday, 25 June 2024

الحدث	الوقت و/أو التاريخ
الإعلان عن نية تقديم العرض	الاثنين 27 مايو 2024
ارسال مستند العرض الى الشركة	الاثنين 27 مايو 2024
نشرة الإفصاح للمساهمين هذه	10 يونيو 2024
تاريخ افتتاح العرض	الثلاثاء 28 مايو 2024
تاريخ التسجيل	8 يوليو 2024
وقت وتاريخ اجتماع الجمعية العمومية للشركة	الثلاثاء 9 يوليو 2024
تاريخ إغلاق العرض	2:00 ظهرا الاثنين 24 يونيو 2024
الإعلان عن نتائج العرض	الثلاثاء 25 يونيو 2024



Settlement of the applications for acceptance	No later than 18 July 2024
Re-registration of RAKWCT Shares relating to the shareholders who accepted the Offer in the name of UltraTech	No later than 18 July 2024

في موعد اقصاه 18 يوليو 2024	تسوية طلبات القبول
في موعد اقصاه 18 يوليو 2024	إعادة تسجيل أسهم الشركة الخاصة بالمساهمين الذين قبلوا العرض باسم ألتراك

13. Recommendation

13. التوصية

KPMG Lower Gulf Limited, considers the price of the Offer is in compliance with Article (6) of Takeover Code.

يعتبر مكتب كي بي ام جي لوار جلف ليمنند ان سعر العرض يتوافق مع المادة (6) من قواعد الاستحواذ .

IBRAHIM .N. PARTNERS confirms that the Company has adhered to all necessary procedures concerning the acquisition offer received from UltraTech to acquire 31.6% of the Company's total share capital. The Company has complied with all the legal procedures stipulated in the Board of Directors' Resolution of the Securities and Commodities Authority No. 18/R.M of 2017 regarding the rules of acquisition and merger of public joint stock companies, as well as the Administrative Resolution No. 62/R.T of 2017 concerning the technical requirements for the acquisition and merger system of public joint stock companies.

ويؤكد مكتب ابراهيم ومشاركوه انه قد قامت الشركة باتباع كافة الإجراءات الواجب اتباعها فيما يتعلق بعرض الاستحواذ الذي تم استلامه من قبل شركة ألتراك للاستحواذ على نسبة 31.6% من إجمالي أسهم رأس مال الشركة وقد قامت الشركة باتباع كافة الإجراءات القانونية المنصوص عليها بقرار مجلس إدارة هيئة الأوراق المالية والسلع رقم 18 ر.م. لسنة 2017 بشأن قواعد الاستحواذ والاندماج للشركات المساهمة العامة وكذلك القرار الإداري رقم 62 ر.ت. لسنة 2017 بشأن المتطلبات الفنية لنظام الاستحواذ والاندماج للشركات المساهمة العامة.

The RAKWCT Board, consider the terms of the Offer to be fair and reasonable so far as RAKWCT Shareholders are concerned.

يعتبر مجلس إدارة الشركة أن شروط العرض عادلة ومعقولة بقدر ما يتعلق الأمر بمساهمي الشركة.



Accordingly, the RAKWCT independent Board members after taking the advice of the financial advisor on price determination

وعليه يوصي اعضاء مجلس الادارة المستقلين بالإجماع، وذلك بعد الحصول علي النصيحة من

as per Article 6 of Takeover Code and the legal counsel, consider and believe that the Offer is fair and has been determined in compliance with SCA's rules and regulations, and that the independent Board members recommend the Offer to the RAKWCT Shareholders.

المستشار المالي بشأن عملية تحديد السعر وفقاً لنص المادة 6 من قواعد الاستحواذ وكذلك رأي المستشار القانوني ، بأن سعر العرض هو سعر عادل وقد تم تحديده وفقاً لقرارات ولوائح هيئة الأوراق المالية و السلع وبوصي أعضاء مجلس الإدارة المستقلين عرض الاستحواذ للسادة المساهمين.

Yours faithfully

تفضلوا بقبول فائق الاحترام

Dr. Mohammed Abdullatif Al Shehhi

الدكتور / محمد عبداللطيف الشحي

Vice-Chairman of RAKWCT

نائب رئيس مجلس إدارة الشركة



Annex 1

ملحق 1

Invitation to Attend the General Assembly Meeting for RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS PSC (the "Company" or "RAKWCT")

دعوة لحضور اجتماع الجمعية العمومية لشركة رأس الخيمة لصناعة الاسمنت الأبيض والمواد الانشائية ش.م.ع ("الشركة")

The Board of Directors of the Company ("Board of Directors") is honored to invite the shareholders of the Company (the "Shareholders") to attend the General Assembly Meeting ("") which will be held physically at 11:00 am on Tuesday 9 July 2024 at Waldorf Astoria Hotel - Ras Al Khaimah, United Arab Emirates and electronically/from distance to consider, discuss or, as the case may be, approve the following:

يتشرف مجلس إدارة الشركة ("المجلس") بدعوة السادة مساهمين الشركة (يُشار إليهم فيما يلي بلفظ المساهمون أو المساهمين) لحضور اجتماع الجمعية العمومية لمساهمي الشركة المقرر انعقاده حضورياً في تمام الساعة 11:00 صباحاً وذلك يوم الثلاثاء بتاريخ 9 يوليو 2024 في فندق والدورف أستوريا- إمارة رأس الخيمة - الإمارات العربية المتحدة ، وإلكترونياً/عن بعد وذلك للمناقشة أو النظر أو حسب مقتضى الحال، الموافقة ، إذا لزم الأمر، على ما يلي:

1. Ratifying the entry into the implementation agreement between the Company and ULTRA TECH CEMENT MIDDLE EAST INVESTMENTS LIMITED ("Ultra Tech") ("Implementation Agreement") entered into on 29 May 2024, setting out the rights and obligations of the parties as they relate to the conditional cash offer of Ultra Tech to acquire 158,049,610 shares representing 31.6% of the issued and paid up ordinary share capital of the Company, with a value of AED 1.15 in cash for each share of the Company (according to the terms and conditions set out in the Ultra Tech Offer Document ("Offer").

1. التصديق على اتفاقية التنفيذ بين الشركة وشركة ألتراك سيمنت ميدل ايست انفستمننتس ليمتد ("ألتراك") ("اتفاقية التنفيذ") الموقعة يوم 29 مايو 2024 ، والتي تتضمن، من بين جملة أمور أخرى حقوق والتزامات الأطراف فيما يتعلق بالعرض النقدي المشروط المقدم من ألتراك وذلك للاستحواذ على 158,049,610 سهم تمثل 31.6% من الأسهم العادية المصدرة والمدفوعة من أسهم الشركة بقيمة تعادل 1.15 درهم إماراتي نقدا لكل سهم من أسهم الشركة (وفقا للشروط والأحكام الواردة في مستند العرض المقدم من ألتراك ("العرض").

2. Ratify of the conditional cash Offer from Ultra Tech to the Board of Directors to

2. التصديق على العرض النقدي المشروط

acquire 158,049,610 shares, representing 31.6% of the issued and paid up ordinary share capital of the Company, not already held by Ultra Tech.

المقدم من ألتراك إلى مجلس إدارة الشركة للاستحواذ على 158,049,610 سهم بما يمثل نسبة 31.6% من الأسهم العادية المصدرة والمدفوعة في رأس مال الشركة وغير المملوكة من قبل ألتراك.

3. To approve the authorisation of the Board of Directors, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply to Abu Dhabi Securities Exchange to update the Company's share register to record the shares of those who have accepted the Offer in the name of Ultra Tech following the close of the Offer period. The Board of Directors is authorised to communicate with the Securities and Commodities Authority, the Ministry of Economy, the Department of Economic Development and the competent authorities and Abu Dhabi Securities Exchange, and further to be authorised to take all necessary action to amend the records with all persons and entities whether official or otherwise.

3. الموافقة على تفويض مجلس إدارة الشركة وأي شخص مُفوض من قبل مجلس الإدارة باتخاذ كافة الإجراءات والخطوات اللازمة لتنفيذ أي من القرارات الواردة أعلاه بما في ذلك دون الحصر التقدم بطلب إلى سوق أبوظبي للأوراق المالية لتحديث سجل مساهمي الشركة لتسجيل أسهم هؤلاء الذين قبلوا العرض باسم شركة ألتراك عقب تمام فترة العرض، إضافةً إلى تفويض أعضاء مجلس الإدارة للتواصل مع هيئة الأوراق المالية والسلع، وزارة الاقتصاد ودائرة التنمية الاقتصادية والسلطات المختصة وسوق أبوظبي للأوراق المالية كما يفوض لاتخاذ ما يلزم من إجراءات لتعديل السجلات مع جميع الجهات أو الأشخاص سواء الرسمية أو غيرها.

4. Ratifying the Board of Directors' recommendation to accept the acquisition offer from UltraTech Cement Middle East Investments Limited ("UltraTech") to acquire up to 31.6% of the issued and paid-up ordinary shares in the company's capital, and to explain the impact of the acquisition offer's implementation on the company.

4. التصديق على توصية مجلس إدارة الشركة بقبول عرض شراء حواشريك أفنتواتلتي من مبدل ايبست افنتيتمسل يبد ألتراك") للاستحواذ على حاصل إل يي مث لن سبة 31.6% من الأسهم ال عاية ال مصدرة وال موع في رأس مال الشركة وتوضيح تلي يفتني ذ عرض الاستحواذ ليها

5. Ratifying and presenting of the results and recommendations submitted by the financial advisor and the legal advisor regarding the acquisition offer from UltraTech.

5. التصديق وعرض النتائج والتوصيات المقدمة من المستشار المالي والمستشار القانوني فيما يتعلق بعرض الاستحواذ المقدم من قبل

شركة ألترا تيك.

Notes:

ملاحظات:

1. يجوز لمن له حق حضور الجمعية أن ينوب عنه من يختاره من غير أعضاء مجلس الإدارة أو العاملين بالشركة أو شركة وساطة في الأوراق المالية أو العاملين بها بمقتضى توكيل خاص ثابت بالكتابة، ويجب ألا يكون الوكيل عن المساهمين حائزاً بهذه الصفة على أكثر من (5%) خمسة بالمائة من رأس مال الشركة، أما إذا كان وكيلاً عن مساهم واحد فيجوز أن يتخطى في وكالته نسبة 5% من رأس مال الشركة، ويمثل ناقصي الأهلية وفاقديها النائبون عنهم قانوناً. في حال عدم اكتمال النصاب القانوني في الاجتماع الأول، تعتبر التوكيلات الصادرة لحضور الاجتماع الأول سارية المفعول وناظفة لأي اجتماعات لاحقة ما لم يتم إلغاؤها صراحةً من قبل المساهم المعني بإشعار يوجه إلى a.ayash@rakwhitecement.ae وذلك قبل يومين على الأقل من موعد الاجتماع اللاحق. هذا ويتوجب مراعاة متطلبات البندين 1 و 2 و (4-ج) من المادة 40 من دليل الحوكمة بشأن اعتماد التوكيلات والموضحة بالإفصاح التوضيحي بشأن اعتماد التوكيلات.
2. إذا كان المساهم شخصاً اعتبارياً، يجوز

2. If a shareholder is a corporate person, it

may delegate one of its representatives or those in charge of its management by way of a resolution passed by its board of directors or any authorized person to represent the corporate person in the GAM. The delegated person shall have the authority as determined by the delegation resolution.

له أن يفوض أحد ممثليه أو القائمين على إدارته بموجب قرار من مجلس إدارته أو من يقوم مقامه، ليمثله في الجمعية العمومية، ويكون للشخص المفوض الصلاحيات المقررة بموجب قرار التفويض.

Electronic Registration, Attendance and eVoting:

تعليمات التسجيل والحضور والتصويت الإلكتروني للاجتماع:

- a) One day prior to the GAM on 8 July 2024 a text message with the registration and voting link will be sent to all investors.

أ) سيتم في اليوم السابق لاجتماع الجمعية العمومية بتاريخ 8 يوليو 2024 إرسال رسالة نصية تحمل رابط التسجيل والتصويت لجميع المستثمرين.

- b) Each investor can register for attendance and vote from the time of receipt of the link until the beginning of the GAM at 10:00 am on Tuesday 9 July 2024 at Waldorf Astoria Hotel - Ras Al Khaimah, United Arab Emirates.

ب) يمكن لكل مستثمر التسجيل للحضور والتصويت من وقت استلام الرابط وحتى بداية اجتماع الجمعية العمومية في الساعة 10:00 صباحا وذلك يوم الثلاثاء بتاريخ 9 يوليو 2024 في فندق والدورف أستوريا- إمارة رأس الخيمة - الإمارات العربية المتحدة.

- c) The voting will be valid during the meeting and the investors have the right to attend the online meeting and keep or change their vote.

ج) سيظل باب التصويت مفتوح أثناء الاجتماع ويحق للمستثمرين حضور الجمعية العمومية افتراضيا والاحتفاظ بأصواتهم أو تغييرها.

- d) Shareholders may watch the live broadcast of the meeting through the registration and voting link referred to above and submit questions using the same link.

د) يمكن للمساهمين مشاهدة البث المباشر للاجتماع من خلال رابط التسجيل والتصويت المشار إليه أعلاه، وإرسال الأسئلة باستخدام نفس الرابط.

- e) For inquiries please call Mr. Alaa Ayash –

هـ) للاستفسارات، يرجى الاتصال على السيد /

علاء عياش - موبايل 0552522515 and Mr. 0552522515
السيد/ عبدالواحد فتح الله رقم الاتصال
072034227
Abdelwahed Fathallah No. 072034227

- و) ويمكن للمساهم الاطلاع على الإفصاح المنشور على موقع الشركة الإلكتروني وعلى الموقع الإلكتروني لسوق أبوظبي للأوراق المالية بشأن الإجراءات الواجبة لاعتماد التوكيل.
3. يحق لكل مساهم مسجل بتاريخ 8 يوليو 2024 حضور اجتماع الجمعية العمومية والتصويت على قراراته. وفي حالة انعقاد اجتماع الجمعية العمومية في 16 يوليو 2024 بسبب عدم اكتمال النصاب القانوني في الاجتماع الأول، فإنه يحق لكل مساهم مسجل في 15 يوليو 2024 التصويت في اجتماع الجمعية العمومية.
4. يمكن للمساهمين الاطلاع على البيانات المالية للشركة وتقرير مجلس الإدارة وتقرير مدققي الحسابات من خلال الموقع الإلكتروني لسوق أبوظبي للأوراق المالية www.adx.ae وكذلك الموقع الإلكتروني للشركة www.rakwhitecement.ae.
5. لا يكون انعقاد الجمعية العمومية صحيحاً إلا إذا حضره مساهمون يملكون أو يمثلون بالوكالة ما لا يقل عن (50%) من رأس مال الشركة، فإذا لم يتوافر هذا النصاب في الاجتماع الأول فإنه سيتم عقد الاجتماع الثاني يوم الثلاثاء الموافق 16 يوليو 2024 في نفس المكان والتوقيت. ويعتبر الاجتماع الثاني
- f) The shareholders may review the disclosure in relation to the procedure for the adoption of a proxy published on the Company's website and the ADX.
3. Every shareholder whose name is registered on 8 July 2024 shall be entitled to attend and vote at the GAM. In case the GAM is held on 16 July 2024 due to lack of quorum in the first meeting, every shareholder whose name is registered on 15 July 2024 shall be entitled to vote at the GAM.
4. The shareholders can review the financial statements and the Board report and the auditors' report by visiting the ADX website www.adx.ae and the Company's website www.rakwhitecement.ae.
5. The GAM is valid only if attended by shareholders holding or representing by proxy at least 50% of the Company's share capital. In the event that such quorum is not achieved at the first GAM, a second meeting will take place on Tuesday 16 July 2024 at the same place and time and the second meeting shall be valid irrespective of the shareholders

attendance percentage.

صحيحاً أياً كان عدد الحاضرين.

6. The shareholders can view and download the investor protection guide at the Securities and Commodities Authority's website:

6. يمكن للمساهمين الاطلاع على دليل حقوق المستثمرين في الأوراق المالية والمتوفر بالصفحة الرئيسية على موقع الهيئة الرسمي حسب الرابط التالي:

<https://www.sca.gov.ae/ar/services/minority-investor-protection.aspx>

<https://www.sca.gov.ae/ar/services/minority-investor-protection.aspx>

Board of Directors

أعضاء مجلس الإدارة

**RAS AL KHAIMAH CO. FOR WHITE
CEMENT & CONSTRUCTION MATERIALS
PSC**

**شركة رأس الخيمة لصناعة الاسمنت الأبيض
والمواد الانشائية ش.م.ع**

ANNEX 2

الملحق 2





Project Dome

Ras Al Khaimah Co. for White Cement
& Construction Materials P.S.C.

Transaction presentation

3 June 2024

KPMG Lower Gulf Limited



Private and confidential

Ras Al Khaimah Co. for White Cement & Construction P.S.C.
Ras Al Khaimah
United Arab Emirates

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03 June 2024

Dear Sirs,

Project Dome

We refer to our recent correspondence in relation to the engagement of KPMG Lower Gulf Limited ("KPMG" or "we") by Ras Al Khaimah Co. for White Cement & Construction P.S.C. ("RAKWCT") to act as your adviser for providing limited support with regards to the proposed acquisition of RAKWCT's listed shares on the Abu Dhabi Stock Exchange ("ADX") by Ultratech Cement Middle East Investment Limited ("UltraTech") ("Transaction").

As stated in our Engagement Letter, you have agreed that this final written presentation (the "Presentation") will supersede all previous oral, draft, interim advice, reports and presentations, and that any reliance will be placed by you on such oral, draft, interim advice, reports or presentations only at your own risk.

Our Report is confidential and is released to you on the basis that it is not to be copied, referred to or disclosed, in whole or in part, without our prior written consent, save as permitted in our Engagement Letter. The scope of work for this report has been agreed by the addressee and to the fullest extent permitted by law we will not accept responsibility or liability to any other party, save as permitted in our Engagement Letter (including the addressee's legal and other professional advisers), in respect of our work or the Report.

In accordance with our Engagement Letter, you may disclose our report to your legal and other professional advisers in order to seek advice in relation to our work for you, provided that when doing so you inform them that, to the fullest extent permitted by law, we accept no responsibility or liability to them in connection with our Report and our work to you.

The scope of work is set out in our Engagement Letter. This details the agreed scope of our enquiries, directed at those issues that you determined to be critical to you. You should note that our findings do not constitute recommendations to you as to whether or not you should proceed with the proposed course of action.

Yours faithfully,

KPMG

KPMG Lower Gulf Limited



Important notice

This Presentation is prepared on the basis of information presented to us by the Company and/or its representatives, the offer submitted by UltraTech to the Board of Directors of RAKWCT ("BoD"), and publicly available information.

We are not performing any management functions for you nor make any decisions. You are responsible for making management decisions, including accepting responsibility for the results. You should note that the Presentation does not constitute recommendations to you as to whether or not you should proceed with the Transaction.

RAKWCT and its BoD will clearly retain complete and final control and responsibility of all key decisions, including but not limited to, those concerning the legal and financial structure for the Transaction; acceptance of the offer from UltraTech, and the appointment of legal, accounting, tax and any other due diligence advisors, if required.

Please note that our scope does not include any valuation of business or any other assets, both tangible and intangible.

For clarity, the scope of work does not include the following elements: a legal, financial, commercial, technical and tax due diligence of the Company; preparation of a valuation or a fairness opinion, preparation of budgets, forecasts or the business plan; current trading analysis; investing capital; provision of finance.

Neither KPMG, nor affiliated corporate bodies, nor its directors, shareholders, managers, partners or employees make any representation or warrant, expressly or by interpretation, as to the accuracy, reasonableness or completeness of the information contained in the Presentation. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained in, or errors in or omissions from, this Presentation or based on or relating to the recipient's use of this Presentation.

KPMG has undertaken a limited analysis of the current financial position of RAKWCT in relation to its financial performance. Information provided to KPMG has been mentioned in this report. We have not otherwise undertaken an audit, investigation or enquiry into the affairs of RAKWCT and therefore express no opinion on the financial information contained in the Presentation.





In accordance with the requirements of auditing standards involving the use of an expert, the auditors of RAKWCT have the sole responsibility for its audit opinion expressed in respect of the financial reports. We do not warrant or represent that the Report will provide sufficient appropriate audit evidence for the purpose of your auditors engagement, as in performing this engagement we may not have addressed matters in which they may be interested or may be material to them. Accordingly, the auditors are not entitled to rely on this Presentation or the conclusions drawn.

We accept no responsibility or liability for any losses occasioned by any party as a result of our reliance on the financial and non-financial information that was provided to us or that we have obtained from third parties.

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Transaction overview

Background 	Offer details 	Rationale 	Conditions 
<ul style="list-style-type: none"> Ultratech Cement Middle East Investment Limited (“UltraTech” or “Acquiring Party”) made a partial conditional cash offer to the shareholders of Ras Al Khaimah Co. for White Cement and Construction Materials P.S.C. (“RAKWCT”) to acquire 158,049,610 shares listed on the ADX, representing 31.6% of the ordinary shares of the issued and paid-up share capital (collectively, the “Offer”). The Offer was made in accordance with the terms and conditions set out in the document prepared by UltraTech (the “Offer Document”). UltraTech notified the Board of Directors of RAKWCT on 27 May 2024 (“Offer Announcement Date”) of its intention to submit the Offer. Within 14 days of receiving the Offer Document, the board of RAKWCT is required to share a circular with the RAKWCT shareholders with its recommendation (“Offeree Circular”). 	<ul style="list-style-type: none"> Under the terms of the Offer, RAKWCT shareholders who will accept the Offer (“RAKWCT Shareholders”) shall receive AED 1.15 in cash for each RAKWCT share (the “Offer Price”); The offer period is from May 28, 2024, to June 24, 2024 (“Offer Period”). If the number of RAKWCT shares offered at the end of the Offer Period is more than the number of shares set out in the Offer, UltraTech will acquire from RAKWCT Shareholders a number of shares pro-rata to the total number of shares set out in the Offer. The Offer and Offer Price was determined in accordance with the provisions of Article 6 of the Decision of the Chairman of SCA Board of Directors (18/R.M.) of 2017 concerning the rules of acquisition and merger of public companies (the “Takeover Code”). UltraTech and RAKWCT (the “Parties”) will also enter into an implementation agreement, which will set out the rights and obligations of the Parties. 	<ul style="list-style-type: none"> UltraTech is a company incorporated and registered in the Jebel Ali Free Zone (“JAFZA”), United Arab Emirates, and is a wholly-owned subsidiary of UltraTech Cement Limited, incorporated in India. As at the Offer Announcement Date, UltraTech has an ownership interest representing 29.39% (being 147,000,000 shares) of the shares in RAKWCT. Ultratech is looking to further benefit from RAKWCT’s expertise in the manufacturing of white cement by expanding the business of RAKWCT locally, regionally, and internationally, as well as expanding the core business by providing modern products such as wall care putty and other new products. 	<ul style="list-style-type: none"> The Offer is subject to the waive or fulfilment of, <i>inter alia</i>, the following conditions: <ul style="list-style-type: none"> Obtaining all required governmental, corporate, commercial, regulatory and statutory approvals RAKWCT furnishing SCA with all require/requested information Dispatch of Offeree Circular by RAKWCT to its shareholders The RAKWCT shareholders passing the requisite shareholder resolutions No material adverse changes occur prior to the satisfaction of all conditions.

Source: Management information, The Offer Document



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Document Classification: Confidential

Company overview

Company overview

Overview

Established in 1980 and listed on the Abu Dhabi Stock Exchange (“ADX”), **RAKWCT** manufactures and distributes white cement, lime, and concrete blocks primarily across the UAE, wider GCC, and India. It operates across 3 companies: Ras Al Khaimah White Cement (“**RAK White Cement**”), Ras Al Khaimah Lime Co, (“**Noora**”) and Modern Block Factory (“**MBF**”).

Summary of brands



RAK White Cement

- One of the largest white cement producers globally
- Leading regional white cement exporter
- 550k tonnes of white cement capacity annually



White cement clinker



White Portland cement



Noora

- Largest exporter of lime stone products to industrials which caters to the local market
- 1,000 tonnes per day capacity (lime stone burning)



Various lime stone products (quick / hydrated / dolomitic lime)



MBF

- Leading force in the construction materials industry
- Produces concrete blocks and interlocking paving stones
- 100% automated press & robot-controlled curing chamber



Concrete blocks

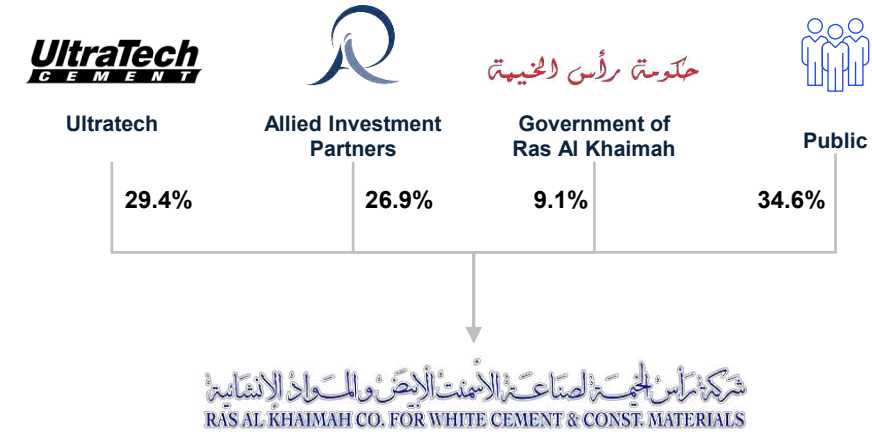


Interlocks




Kerbstone


Ownership structure⁽¹⁾




Key facts and figures⁽²⁾




AED 256m
Revenue (FY23A)




c. 3%
Revenue CAGR (FY21A-FY23A)




4.0%
Operating profit margin (FY23A)



8.0%
Net Profit margin (FY23A)



550k tonnes
White cement capacity p.a.⁽³⁾



1k tonnes / day
Lime stone burning capacity

Source: Company website, Audited Financial Statements, ADX
Note: (1) Sourced from ADX, as at 27 May 2024; (2) Sourced from Audited Financial Statements; (3) Per annum

Financial overview (1/2) – Revenue and profitability

RAKWCT - Income Statement					
AEDm	FY21	FY22	FY23	Q1 23	Q1 24
Local sales	103.3	95.9	88.2	n/a	n/a
Exports sales	136.5	151.7	167.7	n/a	n/a
Revenue	239.8	247.7	255.9	66.7	63.0
Cost of sales	(202.4)	(213.5)	(224.5)	(60.8)	(46.0)
Gross profit	37.4	34.1	31.4	5.8	17.0
Operating expenses	(24.1)	(22.0)	(21.5)	(5.4)	(6.3)
Other income	9.6	0.9	0.3	0.1	0.0
Operating profit	22.9	13.0	10.2	0.5	10.7
Dividend income	6.0	6.1	3.2	0.4	-
Interest income	0.0	1.3	9.2	1.5	3.6
Other investment income	5.8	2.7	(1.7)	(1.7)	-
Investment income	11.8	10.2	10.7	0.1	3.6
Impairment allowance for expected credit losses	-	(0.7)	-	-	-
Foreign exchange loss	(0.3)	(0.7)	(0.3)	(0.0)	(0.0)
Finance cost	(1.6)	(0.8)	-	-	-
Profit before tax	32.9	21.1	20.5	0.6	14.3
Income tax expense	-	-	-	-	(1.2)
Net Profit	32.9	21.1	20.5	0.6	13.1
KPIs					
Revenue growth (%)	8.4%	3.3%	3.3%	n/a	n/a
Gross margin (%)	15.6%	13.8%	12.3%	8.8%	27.0%
Operating profit margin (%)	9.5%	5.3%	4.0%	0.8%	16.9%
Net Profit margin (%)	13.7%	8.5%	8.0%	0.9%	20.8%

Historical performance

- Revenue grew at a CAGR c. 3% between FY21A-FY23A (“Historical Period”) mainly driven by the growth in export sales, which generated AED 168m (FY23A), representing c. 65% of revenue.
- Gross margin declined from 15.6% in FY21A to 12.3% in FY23A mainly due to an increase in direct material costs and direct utility costs.
- Operating expenses mainly consist of staff, marketing, office, and legal expenses. Operating expenses declined at a CAGR of 5.6% over the Historical Period, as a result of lower legal fees and marketing expenses.
- Operating profit margin declined from 9.5% in FY21A to 4.0% in FY23A, in line with the decline in gross profit, coupled with a decrease in other income attributable to a one-time reversal of liability of AED 9.0m in FY21A.
- Investment income consists of dividend income received from investments in quoted securities, interest income from bank deposits, and others⁽¹⁾.
- Net profit margin declined from 13.7% in FY21A to 8.0% in FY23A, in line with the decline in operating profit margins.

Current trading

- RAKWCT generated AED 63.0m of revenue for the period ending 31 March 2024 (“Q1 24”), representing a 5.4% decline (AED 66.7m) compared to revenue generated for the period ending 31 March 2023 (“Q1 23”).
- Gross profit increased from AED 5.8m in Q1 23 to AED 17.0m in Q1 24, primarily driven by a decline in cost of sales.
- Operating profit increased from AED 0.5m in Q1 23 to AED 10.7m in Q1 24, primarily driven by the increase in gross profits across the period.

Source: Company website, S&P Capital IQ, Audited Financial Statements

Note: (1) Includes Unrealized gain on revaluation of investments at Fair Value Through Profit and Loss, Realized gain on sale of investments at Fair Value Through Profit and Loss, and Investment management fee



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Financial overview (2/2) – Balance sheet position

RAKWCT - Balance Sheet				
AEDm	Dec-21	Dec-22	Dec-23	Mar-24
Property, plant, and equipment	492.4	466.1	440.2	435.2
Investments at FVTOCI	174.0	107.3	59.7	56.3
Total non-current assets	666.4	573.4	499.9	491.5
Inventories	81.2	78.5	79.9	76.1
Trade and other receivables	46.0	51.7	51.8	57.0
Investments at FVTPL ⁽²⁾	42.0	31.5	-	-
Cash and cash equivalents	127.5	147.1	251.3	269.7
Total current assets	296.7	308.8	382.9	402.8
Total assets	963.1	882.2	882.8	894.3
End of service benefits	9.3	10.5	10.2	10.3
Bank borrowings	50.5	-	-	-
Deferred tax liability	-	-	-	0.1
Total non-current liabilities	59.8	10.5	10.2	10.3
Bank borrowings	22.5	-	-	-
Income tax liability	-	-	-	1.2
Trade and other payables	87.0	89.5	76.4	76.9
Total current liabilities	109.5	89.5	76.4	78.1
Total liabilities	169.3	100.0	86.6	88.4
Share capital	500.2	500.2	500.2	500.2
Statutory reserve	116.0	118.1	120.2	120.2
Cumulative changes in FVTOCI	(50.7)	(38.9)	(40.3)	(43.8)
Retained earnings	228.4	202.8	216.2	229.4
Equity	793.8	782.2	796.2	805.9
Liabilities & Equity	963.1	882.2	882.8	894.3

Overview of Balance Sheet

- Total non-current assets primarily consist of plant, property, and equipment and investments at FVTOCI⁽¹⁾, which mainly relate to investments in UAE-quoted shares.
- Total current assets mainly include cash and cash equivalents, inventories, and trade and other receivables.
 - Cash and cash equivalents reached c. AED 270m in Mar-24, out of which c. AED 246m relate to term deposits with maturity of 3+ months.
 - Inventories mainly consist of spare parts, work-in-progress items, and finished products. Inventory days averaged 162 days⁽³⁾ over the Historical Period.
 - Trade and other receivables mainly consist of trade receivables, dues from related parties, refundable deposits, and other receivables. Receivable days averaged 62 days⁽⁴⁾ over the Historical Period.
- Current liabilities primarily consist of trade and other payables, including trade payables, accrued expenses and advances, and dividends payable. Payable days averaged 56 days⁽³⁾ over the Historical Period.

Source: Company website, S&P Capital IQ, Audited Financial Statements

Note: (1) Fair Value Through Other Comprehensive Income; (2) Fair Value Through Profit and Loss; (3) Based on trade payables and cost of sales excluding depreciation and amortization; (4) Based on net trade receivables, which include trade receivables less allowances for expected credit losses



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Offer price

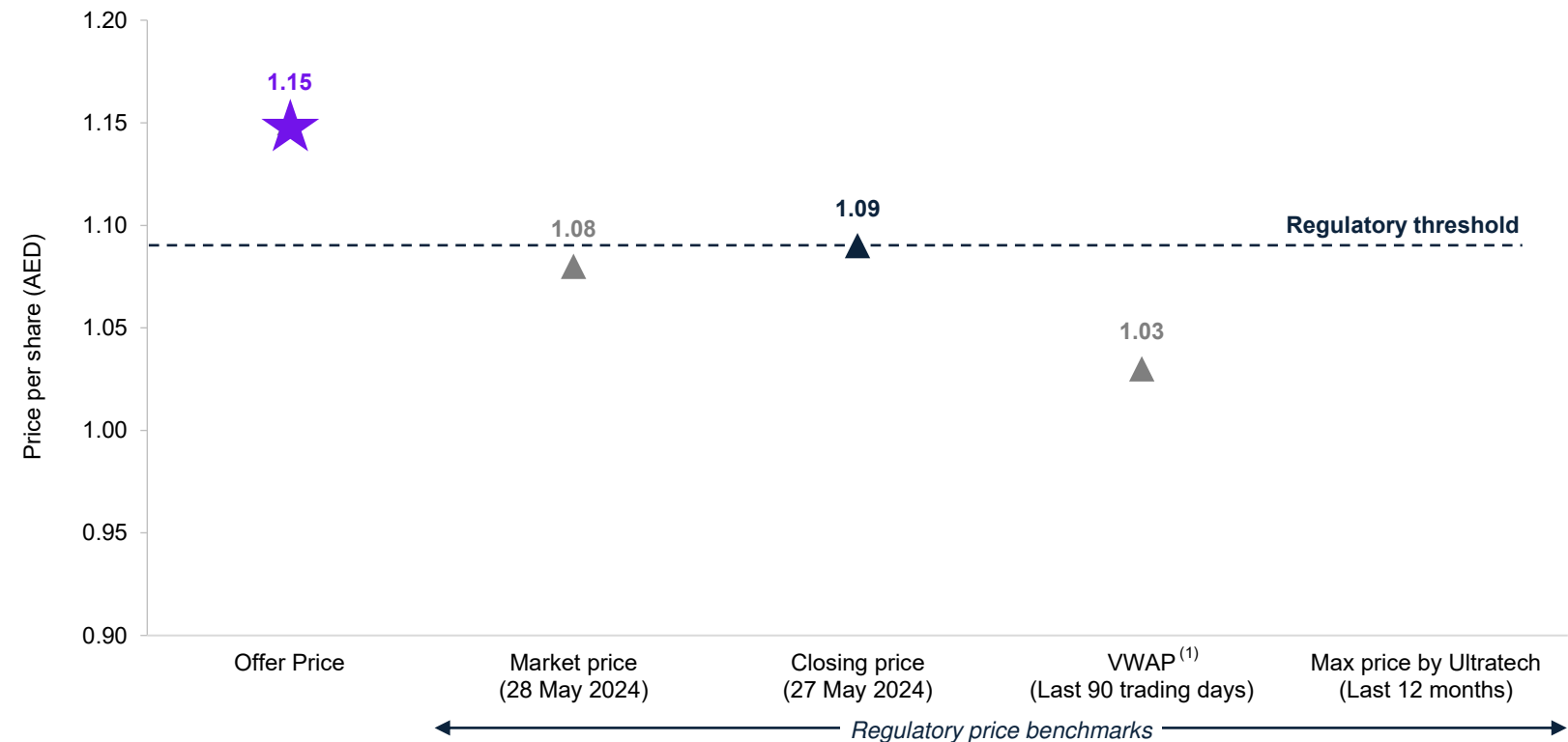
Summary of Article 6



According to Article 6 of the Takeover Code, the Offer Price **may not be lower than the highest of the following:**

- Market price on the first day of the Offer (28 May 2024)
- Closing price prior to the first day of offer Commencement (27 May 2024)
- Average price during the 3 months preceding the start of the offer
- Highest price paid by the acquiring party in the last 12 months prior to the offer

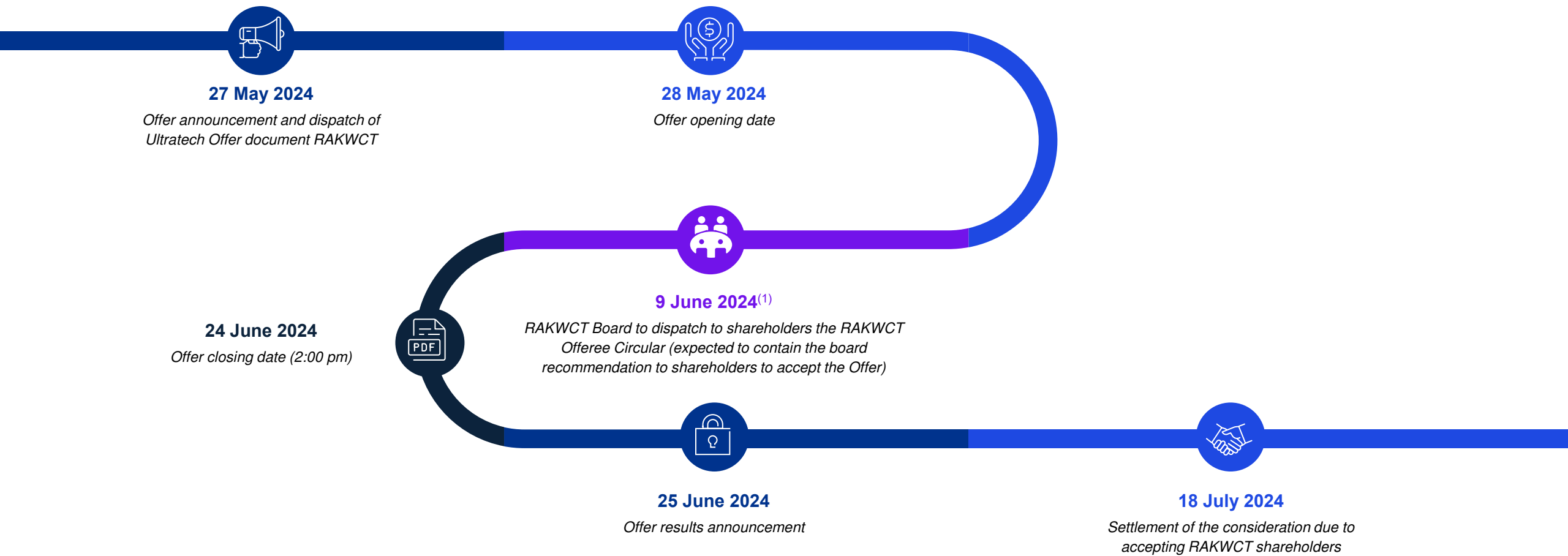
Comparison of Offer Price to regulatory price benchmarks, set out in Article 6 of the Takeover Code



Based on our analysis of the Offer Price, Ultratech’s Offer is higher than the regulatory threshold and is **in compliance with Article 6 of the Takeover Code**

Source: ADX, Securities and Commodities Authority, KPMG analysis
Note: (1) Volume weighted average price based on the last 90 trading days (i.e. 10 October 2023 and 27 May 2024), using volume and opening price data from ADX

Process timeline and next steps



Source: Management information, The Offer Document
Note: (1) Within 14 days of receiving the Offer Document



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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السادة/ أعضاء مجلس الإدارة المستقلين
شركة رأس الخيمة لصناعة الأسمنت الأبيض والمواد الإنشائية (ش.م.ع)
امارة رأس الخيمة
الامارات العربية المتحدة

التاريخ: 05 يونيو 2024

تحية طيبة وبعد،،،

توصية قانونية للسادة أعضاء مجلس الإدارة المستقلين لشركة رأس الخيمة لصناعة
الأسمنت الأبيض والمواد الإنشائية (ش.م.ع) ("الشركة")

بالإشارة إلى الموضوع المذكور على وبصفتنا المستشار القانوني للشركة، نتشرف بأن نتقدم
لسيادتكم بتوصية القانونية لعملية الاستحواذ والعرض المقدم من شركة ألتراك سيمنت ميدل
ايسست انفسستمنتس ليميتد ("ألتراك") وذلك لإستحواذ على نسبة 31.6% من إجمالي أسهم
رأس مال الشركة، وذلك كما يلي:

1. الإجراءات المتبعة

لقد قامت الشركة باتّباع كافة الإجراءات الواجب اتباعها فيما يتعلق بعرض
الاستحواذ الذي تم استلامه من قبل شركة ألتراك للإستحواذ على نسبة
31.6% من إجمالي أسهم رأس مال الشركة وقد قامت الشركة باتّباع كافة
الإجراءات القانونية المنصوص عليها بقرار مجلس إدارة هيئة الأوراق المالية
والسلع رقم 18 ر.م. لسنة 2017 بشأن قواعد الاستحواذ والاندماج للشركات
المساهمة العامة وكذلك القرار الإداري رقم 62 ر.ت. لسنة 2017 بشأن
المتطلبات الفنية لنظام الاستحواذ والاندماج للشركات المساهمة العامة.

تحديد سعر العرض

.2

لقد تم تحديد سعر العرض وفقا المادة 6 من قرار مجلس إدارة هيئة الأوراق المالية السلع رقم 18 ر.م. لسنة 2017 وبالتالي فإن عملية تحديد سعر الاستحواذ جاء وفقا للوائح والقرارات واجبة التطبيق في هذا الشأن.

الموافقات التي تم الحصول عليها

.3

لاغراض عملية الاستحواذ، فقد تم الحصول على الموافقات اللازمة بشأن عرض الاستحواذ المقدم من شركة ألتراك وعلى الاخص تم الحصول على موافقة كل من الهيئات والجهات الآتية:

أ. هيئة الأوراق المالية والسلع

ب. وزارة الاقتصاد

ت. دائرة التنمية الاقتصادية بإمارة رأس الخيمة

ث. سوق أبوظبي للأوراق المالية

وهذه توصية منا بذلك،،،

أحمد إبراهيم
الحدا ج ا ه م

الشريك القائم بالإدارة
مكتب ابراهيم ومشاركوه



To the Independent Board Members of Ras Al Khaimah Company for White Cement and Construction Materials (PSC) Emirate of Ras Al Khaimah United Arab Emirates

Date: June 6, 2024

Greetings,

Legal Recommendation to the Independent Board Members of Ras Al Khaimah Company for White Cement and Construction Materials (PSC) (the "Company")

With reference to the aforementioned subject and in our capacity as the legal advisor to the company, we are honored to present to you our legal recommendation regarding the acquisition process and the offer made by UltraTech Cement Middle East Investments Limited ("UltraTech") to acquire 31.6% of the company's total share capital, as follows:

1. Procedures Followed

The Company has adhered to all necessary procedures concerning the acquisition offer received from UltraTech to acquire 31.6% of the company's total share capital. The Company has complied with all the legal procedures stipulated in the Board of Directors' Resolution of the Securities and Commodities Authority No. 18/R.M of 2017 regarding the rules of acquisition and merger of public joint stock companies, as well as the Administrative Resolution No. 62/R.T of 2017 concerning the technical requirements for the acquisition and merger system of public joint stock companies.

2. Determination of the Offer Price

The offer price was determined in accordance with Article 6 of the Board of Directors' Resolution of the Securities and Commodities Authority No. 18/R.M of 2017. Therefore, the determination of the acquisition price was made in accordance with the applicable regulations and resolutions in this regard.

3. Approvals Obtained

For the purposes of the acquisition process, the necessary approvals regarding the acquisition offer submitted by UltraTech have been obtained, particularly the approval of the following authorities:

- a. Securities and Commodities Authority
- b. Ministry of Economy
- c. Department of Economic Development in the Emirate of Ras Al Khaimah
- d. Abu Dhabi Securities Exchange



This is our recommendation accordingly.

Ahmed Ibrahim

Managing Partner

Ibrahim & Partners Law Firm



ANNEX 3

DEFINITIONS

AED	the UAE dirham, being the lawful currency of the UAE
Companies Law	UAE Federal Decree by Law No. 32 of 2021 concerning commercial companies of the UAE
Dealing Arrangement	any agreement for compensation, or option, or commitment to any agreement, formal or informal, of whatever type, that serve as a motive for any person to maintain, deal, or refrain from dealing in RAKWCT's Shares
ADX	the Abu Dhabi Securities Exchange
Offer Period	the period beginning on and including 28 May 2024 and ending on the earlier of: (a) 24 June 2024; (b) the date on which the Offer lapses or is withdrawn; and (c) such other date as SCA may decide

الملحق 3

التعريفات

الدريهم الإماراتي	الدريهم الإماراتي، وهو العملة الرسمية لدولة الإمارات العربية المتحدة
قانون الشركات	المرسوم بقانون اتحادي لدولة الإمارات العربية المتحدة رقم 32 لسنة 2021 بشأن الشركات التجارية
ترتيب التعامل	أي اتفاقية للتعويض أو خيار أو الالتزام بأي اتفاقية، بشكل رسمي كان أم غير رسمي، من أي نوع، يكون بمثابة دافع لأي شخص للاحتفاظ بأسهم الشركة أو التعامل أو الامتناع عن التعامل فيها
سوق أبوظبي للأوراق المالية	سوق أبوظبي للأوراق المالية
فترة العرض	الفترة التي تبدأ من وتتضمن تاريخ 28 مايو 2024 وتشمله، وتنتهي في: الأسبق من (أ) 24 يونيو 2024؛ و(ب) تاريخ انقضاء العرض أو سحبه؛ و(ج) أي تاريخ آخر قد تقرره الهيئة



RAKWCT GM	the general assembly meeting of RAKWCT to be convened in connection with the Offer
RAKWCT Shareholders	holders of RAKWCT Shares that appear on RAKWCT's share register from time to time
RAKWCT Shares	[the existing unconditionally issued and fully paid ordinary shares of a nominal value of AED1.00 each in the capital of RAKWCT, Being 500,157,000 shares as at the date of this Shareholders Circular
IFRS	International Financial Reporting Standards
Latest Practicable Date	___ June 2024 being the latest practicable date prior to the date of this Shareholders Circular
Restricted Jurisdiction	any jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction]
SCA	The Securities and Commodities Authority of the UAE



الجمعية العمومية للشركة	اجتماع الجمعية العمومية للشركة المقرر عقده فيما يتعلق بالعرض
مساهمي الشركة	حاملو أسهم الشركة الذين تظهر أسماؤهم من وقت لآخر في سجل أسهم الشركة
أسهم الشركة	[الأسهم العادية الحالية غير المشروطة المصدرة والمدفوعة بالكامل بقيمة 1.00 درهم إماراتي لكل سهم في رأس مال الشركة، والذي يبلغ 500,157,000 سهم كما في تاريخ نشرة الإفصاح للمساهمين هذه.
المعايير الدولية لإعداد التقارير المالية	هي المعايير الدولية المطبقة لإعداد التقارير المالية
آخر تاريخ عملي	___ يونيو 2024 وهو آخر تاريخ عملي قبل تاريخ صدور نشرة الإفصاح للمساهمين هذه
الاختصاص القضائي المقيد	أي اختصاص قضائي يكون تمديد أو قبول العرض فيه مخالفاً لقانون ذلك الاختصاص القضائي

Sell Order	means the deposit of the sell order at the Offer Price by a RAKWCT Shareholder wishing to accept the Offer with the broker where their shares are deposited which shall be deemed an acceptance of the Offer
Takeover Code	the Decision of the Chairman of SCA Board of Directors No. (18 / R.M.) of 2017 concerning the rules of acquisition and merger of public shareholding companies
Governance Code	Securities and Commodities Chairman Decision No. (3/Chairman) of 2020 on the Approval of Public Joint Stock Companies Governance Guide (as amended)
Transaction	the completion of the Offer
UAE	United Arab Emirates
United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof



هيئة الأوراق المالية والسلع	الهيئة
يعني إيداع امر البيع وفقا لسعر العرض بواسطة مساهم الشركة الراغب في قبول العرض الي الوسيط المودع لديه اسهمه و الذي يعتبر بمثابة قبول للعرض	أمر البيع
قرار رئيس مجلس إدارة هيئة الأوراق المالية والسلع رقم (18 / ر.م.) لسنة 2017 بشأن قواعد الاستحواذ والاندماج في الشركات المساهمة العامة	قواعد الاستحواذ
دليل حوكمة الشركات المساهمة العامة المرفق بقرار رئيس مجلس إدارة هيئة الأوراق المالية والسلع رقم (3 / ر.م.) لسنة 2020 و تعديلاته	دليل الحوكمة
الانتهاء من العرض	الصفقة
دولة الإمارات العربية المتحدة	الإمارات العربية المتحدة
الولايات المتحدة الأمريكية وأراضيها وممتلكاتها وأي ولاية من الولايات المتحدة الأمريكية ومقاطعة كولومبيا وجميع المناطق الأخرى الخاضعة لاختصاصها القضائي وأي تقسيم فرعي سياسي لها	الولايات المتحدة

ملحق 4

البيانات المالية الموحدة المدققة للشركة للسنوات الثلاث المنتهية في 31 ديسمبر 2021 و 31 ديسمبر
2022 و 31 ديسمبر 2023



**Ras Al Khaimah Co. for White Cement & Construction
Materials P.S.C. and its subsidiaries**

Consolidated Financial Statements
For the year ended 31 December 2021

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.
Consolidated financial statements
For the year ended 31 December 2021

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Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Directors' report for the year ended 31 December 2021

The Directors submit their report along-with the audited consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries for the year ended 31 December 2021.

Incorporation and registered office

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C., Ras Al Khaimah (the "Company") is incorporated as a public shareholding company by Emiri decree number 13/81 dated 3 October 1981 issued by His Highness the Ruler of Ras Al Khaimah. The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, United Arab Emirates.

The "Group" comprises Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries.

Name of subsidiaries	Proportion of ownership interest	Country of incorporation	Principal activities
a) Modern Block Factory Establishment	100%	U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products.
b) Ras Al Khaimah Lime Co. Noora LLC	100%	U.A.E.	Manufacturing of lime products.

The principal activities of the Group are manufacturing and supply of white cement, lime products and cement products and investing, establishing, and managing relevant activities.

Results and appropriation

The operating results and the financial position of the Group are fully set out in the attached consolidated financial statements. The Group reported a net profit of AED 32.9 million for the year ended 31 December 2021 (2020: net profit of AED 12.7 million).

Dividends

At the annual general meeting held on 12 April 2021, the Shareholders approved cash dividends of 5% from share capital amounting to AED 25.01 million to the shareholders in respect for the year ended 31 December 2020. They have also approved the Board of Directors' remuneration for an amount of AED 1.14 million.

At the annual general meeting held on 21 June 2020, the Shareholders did not approve any cash dividend to the shareholders in respect of the year ended 31 December 2019 and it has approved the Board of Directors' remuneration by an amount of AED 1.2 million. (Note 21).

Auditors

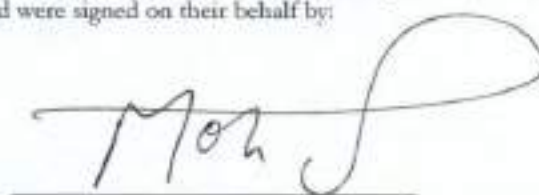
Grant Thornton were appointed as auditors of the Group for the year ended 31 December 2021 and being eligible, have offered themselves for re-appointment.

These consolidated financial statements for the year ended 31 December 2021 (including comparatives) were approved by the Board of Directors on 26 February, 2022 and were signed on their behalf by:

On behalf of the Board



Chairman



General Manager

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of income, 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, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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), and we have fulfilled our other ethical responsibilities in accordance with the requirements of IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. 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.

Independent Auditor's Report

**To the Shareholders of
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (continued)**

Key Audit Matters (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment losses on trade receivables

As at 31 December 2021, trade receivables were AED 43.84 million against which impairment loss allowance of AED 2.95 million was recorded (Note 7 to the consolidated financial statements).

Management exercises significant judgement when determining both when and how much to record as trade receivable impairment allowance as per requirements of IFRS 9 "Financial instruments". Because of the significance of these judgements and the materiality of trade receivables, the audit of trade receivables impairment loss allowance is a key area of focus.

The work that we performed to address this key audit matter included the following procedures:

- We obtained an understanding of the Group's process for estimating impairment loss allowance.
- Tested the reasonableness of management's key assumptions and judgments used in the determination of impairment loss allowance and its consistency with IFRS 9.
- Tested the accuracy and completeness of data used in the determination of impairment loss allowance.
- Tested the adequacy of the disclosures pertaining to impairment loss allowances included in these consolidated financial statements.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Directors' report of the Group (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the remaining information of the annual report which is expected to be made available to us after that date.

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, on the other information that we obtained prior to the date of this auditor's report, 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 remaining information of the annual report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report

**To the Shareholders of
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (continued)**

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company, UAE Federal Law No. (2) of 2015 as amended, 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 auditor's 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure 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.

Independent Auditor's Report**To the Shareholders of****Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (continued)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- 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 or 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 to 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 to 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 and regulations preclude 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.

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015 as amended, we report that for year ended December 31 2021:

- i) We have obtained all the information 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. (2) of 2015 as amended;
- iii) The Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) Note 5 to the consolidated financial statements discloses investment in shares by the Group during the financial year ended 31 December 2021;

Independent Auditor's Report

**To the Shareholders of
Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (continued)**

Report on other Legal and Regulatory Requirements (continued)

- vi) note 20 to the consolidated financial statements discloses material related party transactions and balances, 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, during the financial year ended 31 December 2021, contravened any of the applicable provisions of the UAE Federal Law No. (2) of 2015 as amended or, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2021; and
- viii) note 28 reflects the social contributions were made during the year ended 31 December 2021.


GRANT THORNTON
Farouk Mohamed
Registration No: 86

Sharjah, 26 February 2022

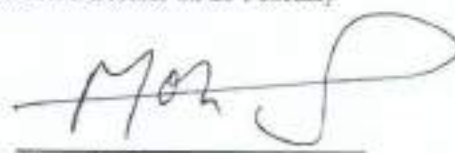


Consolidated statement of financial position
As at 31 December 2021

	Notes	2021 AED	2020 AED
ASSETS			
Non-current assets			
Property, plant and equipment	4	492,412,716	513,912,008
Investments carried at fair value through other comprehensive income (FVTOCI)	5	173,974,245	211,659,656
		<u>666,386,961</u>	<u>725,571,664</u>
Current assets			
Inventories	6	94,705,074	100,804,940
Trade and other receivables	7	45,263,970	72,449,372
Investments carried at fair value through profit or loss (FVTPL)	5	41,951,275	25,164,972
Cash and cash equivalents	8	127,510,534	43,139,406
		<u>309,430,853</u>	<u>241,558,690</u>
TOTAL ASSETS		<u>975,817,814</u>	<u>967,130,354</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital	9	500,157,000	500,157,000
Statutory reserve	10	115,993,875	112,706,699
Cumulative changes in fair value (FVTOCI)		(50,746,724)	(69,166,114)
Retained earnings		228,371,952	212,080,555
TOTAL EQUITY		<u>793,776,103</u>	<u>755,778,140</u>
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	11	9,261,158	8,856,815
Bank borrowings	12	50,511,745	73,261,798
		<u>59,772,903</u>	<u>82,118,613</u>
Current liabilities			
Bank borrowings	12	22,500,000	22,249,947
Trade and other payables	13	99,768,808	106,983,654
		<u>122,268,808</u>	<u>129,233,601</u>
TOTAL LIABILITIES		<u>182,041,711</u>	<u>211,352,214</u>
TOTAL EQUITY AND LIABILITIES		<u>975,817,814</u>	<u>967,130,354</u>

The consolidated financial statements were approved for issue by the Board of Directors on 26 February 2022 and signed on their behalf by:


 Chairman


 General Manager

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Consolidated statement of income
For the year ended 31 December 2021

	Notes	2021 AED	2020 AED
Revenue	14	239,809,046	221,192,660
Cost of sales		(202,443,235)	(183,938,677)
Gross profit		37,365,811	37,253,983
Selling, general and administrative expenses	16	(24,067,641)	(23,399,500)
Other income	18	9,580,465	513,281
Operating profit		22,878,635	14,367,764
Investment income	17	11,826,288	1,187,722
Foreign exchange (loss)/gain		(259,588)	97,756
Finance costs		(1,573,576)	(2,963,394)
Profit for the year		32,871,759	12,689,848
Basic and diluted earnings per share	19	0.07	0.03

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Consolidated statement of comprehensive income
For the year ended 31 December 2021

	Notes	2021 AED	2020 AED
Profit for the year		<u>32,871,759</u>	<u>12,689,848</u>
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of investments carried at FVTOCI	5	18,419,390	(7,758,508)
Gain/(loss) in fair value on disposal of investments carried at FVOCI		<u>12,854,664</u>	<u>(1,462,517)</u>
Other comprehensive income/(loss) for the year		<u>31,274,054</u>	<u>(9,221,025)</u>
Total comprehensive income for the year		<u>64,145,813</u>	<u>3,468,823</u>

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Consolidated statement of changes in equity
For the year ended 31 December 2021

	Share capital AED	Reserves AED	Cumulative changes in fair value (FVTOCI) AED	Retained earnings AED	Total equity AED
Balance as at 31 December 2019	500,157,000	211,469,114	(61,407,606)	103,290,809	753,509,317
Profit for the year	-	-	-	12,689,848	12,689,848
Other comprehensive loss for the year	-	-	(9,221,025)	-	(9,221,025)
Total comprehensive loss for the year	-	-	(9,221,025)	12,689,848	3,468,823
Transferred to retained earnings (Note 10)	-	(100,031,400)	-	100,031,400	-
Transfer to statutory reserve	-	1,268,985	-	(1,268,985)	-
Transfer to retained earnings upon disposal of investment recorded at FVTOCI	-	-	1,462,517	(1,462,517)	-
Board of Directors' remuneration (Note 20)	-	-	-	(1,200,000)	(1,200,000)
Balance as at 31 December 2020	500,157,000	112,706,699	(69,166,114)	212,080,555	755,778,140
Balance as at 31 December 2020	500,157,000	112,706,699	(69,166,114)	212,080,555	755,778,140
Profit for the year	-	-	-	32,871,759	32,871,759
Other comprehensive income for the year	-	-	31,274,054	-	31,274,054
Total comprehensive income for the year	-	-	31,274,054	32,871,759	64,145,813
Transfer to statutory reserve	-	3,287,176	-	(3,287,176)	-
Dividend declared (Note 21)	-	-	-	(25,007,850)	(25,007,850)
Transfer to retained earnings upon disposal of investment recorded at FVTOCI	-	-	-	12,854,664	-
Board of Directors' remuneration (Note 20)	-	-	(12,854,664)	(1,140,000)	(1,140,000)
Balance as at 31 December 2021	500,157,000	115,993,875	(50,746,724)	228,371,952	793,776,103

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Consolidated statement of cash flows
For the year ended 31 December 2021

	Notes	2021 AED	2020 AED
Cash flows from operating activities:			
Profit for the year		32,871,759	12,689,848
Adjustments for:			
Depreciation of property, plant and equipment	4	33,486,259	32,510,106
Reversal of liability	11	-	(410,436)
Provision for expected credit losses	7	-	165,000
Provision for employees' end of service benefits	11	915,968	875,999
Dividend income	17	(5,982,416)	(8,004,563)
Interest income	17	(23,090)	(117,062)
(Gain)/loss on disposal of investments carried at FVTPL	17	(6,366,943)	2,220,488
Finance costs	12	1,573,576	2,963,394
Unrealized (gain)/loss on investments carried at FVTPL	5	(1,254,167)	4,180,735
Investment management fee	17	1,800,328	532,680
Cash flows before changes in working capital		57,021,274	47,606,189
Changes in working capital:			
Inventories		6,099,866	22,635,371
Trade and other receivables		27,185,402	(22,309,970)
Trade and other payables		(9,171,560)	(714,095)
		81,134,982	47,217,495
Employees' end of service benefits paid	11	(511,625)	(901,341)
Board of Directors' Remuneration paid	20	(1,140,000)	(1,200,000)
Net cash flows from operating activities		79,483,357	45,116,154
Cash flows from investing activities:			
Purchase of property, plant and equipment	4	(11,986,967)	(7,340,187)
Dividend received	17	5,982,416	8,004,563
Purchase of investments carried at FVTOCI	5	(36,962,776)	(92,458,827)
Purchase of investments carried at FVTPL	5	(65,559,554)	(22,812,608)
Disposal of investments carried at FVTOCI		105,922,241	37,217,223
Disposal of investments carried at FVTPL		56,394,361	31,132,245
Interest received	17	23,090	117,062
Investment management fee paid	17	(1,800,328)	(532,680)
Net cash flows generated from/(used in) investing activities		52,012,483	(46,673,209)
Cash flows from financing activities:			
Repayment of bank borrowings	12	(22,500,000)	(22,500,000)
Finance costs paid		(1,550,053)	(3,298,688)
Dividends paid		(23,074,659)	(1,001,758)
Net cash flows used in financing activities		(47,124,712)	(26,800,446)
Net increase/(decrease) in cash and cash equivalents		84,371,128	(28,357,501)
Cash and cash equivalents at the beginning of the year	8	43,139,406	71,496,907
Cash and cash equivalents at the end of the year	8	127,510,534	43,139,406

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Notes to the consolidated financial statements

For the year ended 31 December 2021

1. General information

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (the "Company") is incorporated as a public shareholding company by Emiri decree number 13/81 dated 3 October 1981 issued by His Highness, The Ruler of Ras Al Khaimah. The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Company and its subsidiaries (the "Group") are manufacturing and supply of white cement, lime products, cement products and investing, establishing and managing similar activities.

The "Group" comprises of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries.

Details of Company's subsidiaries as at 31 December 2021 and 2020 are as follows:

Name of subsidiary	Proportion of ownership	Place of incorporation	Principal activities
Modern Block Factory Establishment	100%	Ras Al Khaimah, U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products.
Ras Al Khaimah Lime Co. Noora LLC	100%	Ras Al Khaimah, U.A.E.	Manufacturing of lime products.

Federal Law By Decree No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on September 20, 2021 with an effective date of January 2, 2022, and will entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended. The Group has twelve months from the effective date to comply with the provisions of the New Companies Law."

2 Standards, interpretations and amendments to existing standards

2.1 Standards, interpretations and amendments to existing standards that are effective in 2021

Following relevant new amendments to existing standards were issued by the IASB, which are effective for the annual period beginning on or after January 1, 2021, and have been adopted by the Group:

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

This amendment did not have a significant impact on these consolidated financial statements. and therefore, the disclosures have not been made.

On May 28, 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

2 Standards, interpretations and amendments to existing standards (continued)

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

Other standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group include:

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction

These standards, amendments and interpretations are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to each of the years presented.

3.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS interpretations committee ("IFRS IC") applicable to Group companies reporting under IFRS and applicable requirements of the UAE Federal Law No. (2) of 2015 as amended.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

The Group presents its consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3 Summary of significant accounting policies (continued)

3.3 Basis of consolidation

The consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries (the "Group") incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Foreign currencies

Functional and presentation currency

Items included in the consolidated financial statements are measured and presented in United Arab Emirates Dirhams ('AED'), being the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in AED, which is the Group's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.5 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Land is stated at cost less impairment loss, if any.

Assets under construction is stated at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount are recognized 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 is charged so as to write off the cost of assets, other than land and capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss. Depreciation is provided on the straight-line method based on the anticipated useful lives, as follows:

Class of asset	Life (years)
Buildings and building improvements	5-20
Plant and machinery	5-30
Tools, equipment, furniture and fixture	10-15
Vehicles	5-10

3.6 Financial instruments

3.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.2 Cash and cash equivalents and trade and other receivables

Cash and cash equivalents and trade and other receivables (excluding advances to suppliers and prepayments) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Trade and other receivables (excluding advances to suppliers and prepayments). Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained for other receivables.

3.6.3 Equity instruments at FVTOCI

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTOCI are recognised in other gains/ (losses) in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.3 Equity instruments at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.6.4 Debt instruments at amortised cost or at FVTOCI

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.

3.6.5 Financial assets at FVTPL

Financial assets at FVTPL are:

- (i) assets with contractual cash flows that are not SPPI; or/and
- (ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Fair value option: A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising related gains and losses on a different basis (an "accounting mismatch").

3.6.6 Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.7 Impairment

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

- Cash and cash equivalents; and
- Trade and other receivables.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance at an amount equal to 12-month ECL at the current reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).
- A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group has elected to measure loss allowance for cash and bank balances and trade and other receivables at an amount equal to life time ECLs.

Loss allowance for financial investments measured at amortised costs are deducted from gross carrying amount of assets. For debt securities at FVTOCI, the loss allowance is recognised in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis, based on Group's historical experience and informed credit assessment and including forward-looking information.

For certain categories of financial asset, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and cash equivalents and trade and other receivables are presented separately in the consolidated statement of income and other comprehensive income.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment.

3.6.8 Measurement of ECL

The Group employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters will be derived from the Group's internally developed statistical models and other historical data. They will be adjusted to reflect forward-looking information.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

3.6.9 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

3.6.10 Presentation of allowance for ECL in the consolidated financial statements

Loss allowances for ECL are presented in the consolidated financial statements as follows:

- for financial assets measured at amortised cost (trade and other receivables (excluding advances to suppliers and prepayments) and cash and cash equivalents): as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in revaluation reserve and recognised in other comprehensive income.

3.7 Financial liabilities and equity instruments issued by the Group

3.7.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.7.2 Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at FVPL or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

3.7.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3.7.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3.7.5 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividend is approved by the Group's shareholders.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts and other inventories cost comprises of their purchase price.

Raw materials cost comprises of purchase cost and other costs incurred in bringing the raw material to their present location and condition. Products in process cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into products in process. Finished goods cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into finished products. Cost is calculated using the weighted average method.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, are recognised as reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

3.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.11 Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and current accounts with bank and short-term deposits with original maturities of three months or less, less bank overdrafts.

3.12 Share capital and reserves

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Statutory reserve is required to be created by UAE Federal Law No. (2) of 2015 as amended as described in note 10.

Retained earnings include all current and prior period retained profits.

3.13 Employee benefits

3.13.1 Defined contribution plan

U.A.E. national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the "contribution calculation salary" respectively, to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to profit or loss.

3.13.2 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.

3.13.3 Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the U.A.E. Labour Law and is based on current remuneration and their period of service at the end of the reporting period.

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

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred within profit or loss in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.15 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as a lessee

Where applicable, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

3.16 Revenue

The Group enters into transactions involving supply of goods.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties e.g. value added tax.

Revenue is recognised at a point in time for sale of goods when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Sale of goods comprises the sale of white cement, lime products and blocks. Revenue is recognised at point in time when the Group has transferred to the buyer the control of ownership of the goods supplied. Control are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

3.17 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.17 Dividend and interest income (continued)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

3.18 Value added tax

Effective 1 January 2018, the Group recognises value added tax ("VAT") in line with the rules and regulations set out in the VAT law set out by the Federal Tax Authority of the Government of United Arab Emirates ("UAE"). The law requires that all sales, supplies and consumptions within UAE eligible to 5% VAT. The sales, supplies and consumptions outside the UAE or to designated areas, those are subject to zero percent VAT.

Revenue, expenses, assets and liabilities are recognised net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of assets or as part of the expensed item as applicable.

3.19 Earning per share

Basic earnings per share is calculated by dividing:

- The profit attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

3.20 Segment reporting

For management purposes, the Group is organised into business units based on their products and services and has reportable segments as follows:

- a) Manufacturing of white cement, lime products, cement products.
- b) Investments in marketable equity securities.

There are no sales between segments during the year.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

3.21 Critical accounting judgements and key sources of estimation uncertainty

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

(a) Impairment of financial assets

Measurement of Expected Credit Loss ("ECL") is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The expected loss rates are based on aging of receivables. The historical loss rates are adjusted for to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.21 Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Allowance for slow moving and obsolete inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

(c) Useful lives of property, plant and equipment

Management reviews the residual values and estimated useful lives of property, plant and equipment at the end of each annual reporting period in accordance with IAS 16. Management determined that current year expectations do not differ from previous estimates based on its review.

(d) Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

4. Property, plant and equipment

2021	Lands AED	Buildings and building improvements AED	Plant and machinery AED	Vehicles AED	Tools, equipment, furniture and fixtures AED	Assets under construction AED	Total AED
Cost							
Balance at January 1,	21,157,893	28,464,491	733,281,582	22,518,436	21,024,583	4,147,308	830,594,293
Additions	-	207,090	4,393,050	921,500	1,201,133	5,264,194	11,986,967
Transfers	-	-	9,411,502	-	-	(9,411,502)	-
Balance at December 31,	21,157,893	28,671,581	747,086,134	23,439,936	22,225,716	-	842,581,260
Accumulated depreciation							
Balance at January 1,	-	13,884,396	266,879,263	20,168,035	15,750,591	-	316,682,285
Charge for the year	-	1,449,815	30,405,060	698,795	932,589	-	33,486,259
Balance at December 31,	-	15,334,211	297,284,323	20,866,830	16,683,180	-	350,168,544
Carrying amount at December 31,	21,157,893	13,337,370	449,801,811	2,573,106	5,542,536	-	492,412,716

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

4. Property, plant and equipment (continued)

2020	Lands AED	Buildings and building improvements AED	Plant and machinery AED	Vehicles AED	Tools, equipment, furniture and fixtures AED	Assets under construction AED	Total AED
Cost							
Balance at January 1,	21,157,893	28,464,491	732,291,068	21,432,436	18,476,217	1,432,001	823,254,106
Additions	-	-	871,167	1,086,000	2,548,366	2,834,654	7,340,187
Transfers	-	-	119,347	-	-	(119,347)	-
Balance at December 31,	21,157,893	28,464,491	733,281,582	22,518,436	21,024,583	4,147,308	830,594,293
Accumulated depreciation							
Balance at January 1,	-	12,608,742	237,399,924	19,364,114	14,799,399	-	284,172,179
Charge for the year	-	1,275,654	29,479,339	803,921	951,192	-	32,510,106
Balance at December 31,	-	13,884,396	266,879,263	20,168,035	15,750,591	-	316,682,285
Carrying amount at December 31,	21,157,893	14,580,095	466,402,319	2,350,401	5,273,992	4,147,308	513,912,008

Asset under construction mainly represents expenditure incurred on the construction of packing machines.

Plant and machinery having a carrying amount of AED 110 million (2020: AED 110 million) is mortgaged to a bank against credit facilities provided to the Group (Note 12).

Plots of land on which, clinker and lime production facilities, administrative office buildings are constructed are situated in Ras Al Khaimah and owned by the Group.

No borrowing costs have been capitalised during the current year (2020: Nil) as the amount eligible are immaterial.

The depreciation for the year has been allocated to cost of production amounting to AED 33,034,547 (2020: AED 32,045,489) and selling, general and administrative expenses amounting to and AED 451,712 (2020: AED 464,617) (note 16).

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

5. Investments in securities

(i) Investments carried at fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the group considers this classification to be more relevant.

	2021 AED	2020 AED
Quoted – at fair value:		
In the U.A.E.	112,399,840	129,018,646
In other GCC countries	61,574,405	82,641,010
	<u>173,974,245</u>	<u>211,659,656</u>

Movement in investments carried at FVTOCI were as follows:

	2021 AED	2020 AED
Fair value at the beginning of the year	211,659,656	165,639,077
Purchased during the year	36,962,776	92,458,827
Disposal during the year	(93,067,577)	(38,679,740)
Increase / (decrease) in fair value of investments at FVTOCI	18,419,390	(7,758,508)
	<u>173,974,245</u>	<u>211,659,656</u>

(ii) Investments carried at fair value through profit or loss (FVTPL)

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

	2021 AED	2020 AED
Quoted – at fair value:		
In the U.A.E.	27,515,804	23,779,065
In other GCC countries	14,435,471	1,385,907
	<u>41,951,275</u>	<u>25,164,972</u>

Movement in investments carried at FVTPL were as follows:

	2021 AED	2020 AED
Fair value at the beginning of the year	25,164,972	39,885,832
Purchased during the year	65,559,554	22,812,608
Disposal during the year	(50,027,418)	(33,352,733)
Unrealized gain/(loss) on investments carried at FVTPL	1,254,167	(4,180,735)
	<u>41,951,275</u>	<u>25,164,972</u>

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

5. Investments in securities (continued)

During the year, the Group purchased and invested in shares amounting to AED 102,522,330 (2020: AED 115,271,435).

Investment in securities with a fair value of AED 104,281,301 (2020: AED 141,705,946) are pledged to the bank against credit facilities granted to the Group (Note 12).

6. Inventories

	2021 AED	2020 AED
Finished goods	14,886,776	18,094,731
Raw materials	5,101,725	6,804,983
Work in progress	51,135,827	57,905,668
Bags, fuel, and lubricant	10,479,446	7,305,578
	<u>81,603,774</u>	<u>90,110,960</u>
Spare parts	30,986,022	28,576,490
Allowance for slow-moving/write down inventory	(17,886,397)	(17,886,397)
Goods in transit	1,675	3,887
	<u>94,705,074</u>	<u>100,804,940</u>

The amount of materials consumed included in cost of sales during the year was AED 66,944,205 (2020: AED 57,269,097).

7. Trade and other receivables

	2021 AED	2020 AED
Financial assets		
Trade receivables	43,843,157	66,380,017
Less: provision for expected credit losses	<u>(2,948,434)</u>	<u>(2,948,434)</u>
	40,894,723	63,431,583
Other receivables	<u>1,605,968</u>	<u>105,968</u>
	42,500,691	63,537,551
Non-financial assets		
Advance to suppliers	1,216,224	7,183,909
Prepaid expenses	<u>1,547,055</u>	<u>1,727,912</u>
	2,763,279	8,911,821
	<u>45,263,970</u>	<u>72,449,372</u>

Before accepting new customers, the Group generally obtains bank guarantees or letter of credit from the potential customers. Of the total trade and other receivables balance at the end of the year, AED 18.79 million representing 43.60% of the trade receivables (2020: AED 32 million representing 48.20% of the trade receivables) are due from the Group's 5 customers (2020: 5 major customers).

The Group measures the loss allowance for trade receivables at an amount equal to life-time ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

7. Trade and other receivables (continued)

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings etc.

The following table shows the movement in loss allowance that has been recognised for trade receivables.

	2021 AED	2020 AED
At 1 January	2,948,434	2,783,434
Provision during the year	-	165,000
At 31 December	<u>2,948,434</u>	<u>2,948,434</u>

Analysis of trade receivables as set out below:

	2021 AED	2020 AED
Secured against unconditional bank guarantees	11,999,860	12,842,714
Secured against letter of credit	15,283,996	33,304,952
Open credit	<u>16,559,301</u>	<u>20,232,351</u>
	<u>43,843,157</u>	<u>66,380,017</u>

The average credit period on sales of goods is 62 days. No interest is charged on outstanding receivables.

8. Cash and cash equivalents

	2021 AED	2020 AED
Cash on hand	175,853	68,376
Portfolio account	<u>39,816,344</u>	<u>4,879,327</u>
	<u>39,992,197</u>	<u>4,947,703</u>
Bank balances:		
Current accounts	11,188,969	2,960,745
Call deposits	12,997,482	4,156,208
Fixed deposits	<u>63,331,886</u>	<u>31,074,750</u>
	<u>87,518,337</u>	<u>38,191,703</u>
Cash and cash equivalents	<u>127,510,534</u>	<u>43,139,406</u>
By geographical area:		
In the U.A.E.	114,078,013	39,331,223
In other GCC countries	<u>13,432,521</u>	<u>3,808,183</u>
	<u>127,510,534</u>	<u>43,139,406</u>

Bank balances are held with local and international branch of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings (Note 24.7).

The average interest rates for the bank deposits during the year were 0.1% (2020: 0.1% per annum).

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

9. Share capital

	2021 AED	2020 AED
Issued and fully paid 500,157,000 ordinary shares of AED 1 each	500,157,000	500,157,000

10. Reserves

Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies Law Number (2) of 2015 as amended and the Company's Articles of Association, 10% of the profit for each year is transferred to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. During the year ended December 31, 2021, the Group has transferred AED 3,287,176 to statutory reserve (2020: AED 1,268,985).

This reserve is not available for distribution except in circumstances stipulated by the law. The Group adjusts the statutory reserve to transfer 10% of net profit.

Voluntary reserve

Appropriations to the voluntary reserve account represents appropriation of 10% of the profit for each year. The transfer to voluntary reserve may be suspended by the ordinary general assembly at the recommendation of the Board of Directors or when it reaches 20% of the Group's paid-up share capital. As at December 31, 2018, voluntary reserve balance reached 20% of the Group's paid-up share capital. At the recommendation of the Board of Directors, an ordinary general assembly meeting was held on 20 April 2019 and it was decided to suspend the transfer to voluntary reserve as the total of the reserve has reached 20% of the Group's paid-up share capital. So, no further transfer will be made to the reserve and it has been transferred to retained earnings during 2020 according to a resolution passed in general assembly meeting.

	Statutory reserve AED	Voluntary reserve AED	Total AED
As at January 1, 2020	111,437,714	100,031,400	211,469,114
Transferred to statutory reserve	1,268,985	-	1,268,985
Transferred to retained earnings	-	(100,031,400)	(100,031,400)
As at December 31, 2020	112,706,699	-	112,706,699
Transferred to statutory reserve	3,287,176	-	3,287,176
As at December 31, 2021	115,993,875	-	115,993,875

11. Employees' end of service benefits

Employees' end of service benefits include gratuity and movement is as follows:

	2021 AED	2020 AED
At January 1,	8,856,815	9,292,593
Charge for the year	915,968	875,999
Reversals during the year	-	(410,436)
Payments during the year	(511,625)	(901,341)
Balance at December 31,	9,261,158	8,856,815

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

12. Bank borrowings

	2021 AED	2020 AED
Balance at January 1	95,511,745	118,011,745
Repayment during the year	(22,500,000)	(22,500,000)
Balance as at December 31	<u>73,011,745</u>	<u>95,511,745</u>
Non-current	50,511,745	73,261,798
Current	<u>22,500,000</u>	<u>22,249,947</u>
	<u>73,011,745</u>	<u>95,511,745</u>
Finance costs on bank borrowings	<u>(1,573,576)</u>	<u>(2,963,394)</u>

In addition, to the above the Group has entered into a credit facility agreement of bank overdraft, short term loan and letter of credit amounting to AED Nil (2020: AED 73 million).

Property, plant and equipment items having a carrying amount of AED 110 million (2020: AED 110 million) are pledged to a bank against above facilities granted by the bank until the end of facilities term or full settlement of the above credit facilities (note 4). In addition, bank borrowings are secured by a pledge over investments in securities with a fair value of AED 104,281,301 (2020: AED 141,705,946). Bank borrowings carried an interest rate in the range of 1.88% to 2 % per annum (2020: 2% to 3.7% per annum).

The Group has complied with the financial covenants of its borrowing facilities during the year 2021 and 2020, see note 23 for details.

13. Trade and other payables

	2021 AED	2020 AED
Financial liabilities		
Trade payables	29,055,785	32,764,084
Accruals and other payables	<u>66,218,045</u>	<u>71,729,733</u>
	<u>95,273,830</u>	<u>104,493,817</u>
Non-financial liability		
Advances from customers	<u>4,494,978</u>	<u>2,489,837</u>
	<u>99,768,808</u>	<u>106,983,654</u>

14. Revenue

Revenue recognised at point in time:	2021 AED	2020 AED
Local sales	102,361,891	99,163,124
Export sales	<u>137,447,155</u>	<u>122,029,536</u>
	<u>239,809,046</u>	<u>221,192,660</u>

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2021

15. Staff costs

	2021	2020
	AED	AED
Salaries and wages	29,376,179	27,207,753
Other benefits	2,617,811	2,950,203
End of service benefits	915,968	875,999
	<u>32,909,958</u>	<u>31,033,955</u>

Staff cost is allocated as follows:

Production cost	20,688,853	19,370,942
Selling, general and administrative expenses	<u>12,221,105</u>	<u>11,663,013</u>
	<u>32,909,958</u>	<u>31,033,955</u>

16. Selling, general and administrative expenses

	2021	2020
	AED	AED
Payroll and related expenses	12,221,105	11,663,013
Legal and professional fees	4,782,767	5,097,862
Marketing	3,090,440	2,912,793
Office expenses	1,106,559	1,305,057
Depreciation of property, plant and equipment (note 4)	451,712	464,617
Bank charges	786,104	554,893
Other expenses	<u>1,628,954</u>	<u>1,401,265</u>
	<u>24,067,641</u>	<u>23,399,500</u>

17. Investment income

	2021	2020
	AED	AED
Dividends income	5,982,416	8,004,563
Unrealised gain/(loss) on revaluation of investments carried at FVTPL	1,254,167	(4,180,735)
Realised gain/(loss) on sale of investments carried at FVTPL	6,366,943	(2,220,488)
Interest income	23,090	117,062
Investment management fees	<u>(1,800,328)</u>	<u>(532,680)</u>
	<u>11,826,288</u>	<u>1,187,722</u>

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

18. Other income

	2021 AED	2020 AED
Gain on reversal of liability (*)	9,014,618	410,436
Others	565,847	102,845
	<u>9,580,465</u>	<u>513,281</u>

*Gain of AED 9,000,000 was due to the reversal of provision in regards to a favorable legal case outcome that occurred during the year.

19. Basic earnings per share

	2021	2020
Profit for the year (AED)	32,871,759	12,689,848
Number of shares	500,157,000	500,157,000
Basic earnings per share (AED)	0.07	0.03

Basic earnings per share has been calculated by dividing the profit for the year by the number of shares outstanding at the end of the reporting year.

There were no potentially dilutive shares as at 31 December 2021 and 2020.

20. Related party

The Group in the normal course of business carries on transactions with other enterprises that fall within the definition of related parties. Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Transactions with related parties are measured at amount agreed to by both the parties.

During the year ended 31 December 2021, there were no balances or transactions with related parties other than the below disclosed transactions:

	2021 AED	2020 AED
Board of Directors' remuneration	1,140,000	1,200,000
Short term benefits	424,996	471,096

21. Dividends

At the annual general meeting held on 12 April 2021, the Shareholders approved cash dividends of 5% from share capital amounting to AED 25.01 million to the shareholders in respect for the year ended 31 December 2020. They have also approved the Board of Directors' remuneration for an amount of AED 1.14 million.

At the annual general meeting held on 21 June 2020, the Shareholders did not approve any cash dividend to the shareholders in respect of the year ended 31 December 2019 and it has approved the Board of Directors' remuneration by an amount of AED 1.2 million.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

22. Commitments and contingent liabilities

	2021 AED	2020 AED
Letters of guarantee	2,688,299	66,724

23. Capital risk management

The Group manages its capital to ensure that the Group entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debts and equity balance.

The capital structure of the Group consists of bank borrowings, bank balances and cash and equity, comprising issued capital, reserves and retained earnings.

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with capital. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective.

As at 31 December, the gearing ratios of the Group was as follows:

	2021 AED	2020 AED
Bank borrowings (Note: 12)	73,011,745	95,511,745
Less: Cash and cash equivalents (Note: 8)	(127,510,534)	(43,139,406)
Net debt	(54,498,789)	52,372,339
Total equity	793,776,103	755,778,140
Total	739,277,314	808,150,479
Gearing ratio	7.4%	6.5%

Under the terms of the borrowing facilities, the Group is required to comply with the following financial covenants:

- The tangible net worth must not, at any time, be less than AED 650 million,
- The total debt to net worth ratio (gearing) must not, in respect of any relevant period, be more than 1:1; and
- Current ratio must not, in respect of any relevant period, be less than 1:1.

The Group has complied with these covenants throughout the reporting year.

24. Financial instruments

The Group is potentially exposed to a range of financial risks through its financial assets and financial liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its investment contracts. The most important components of this financial risk are cash flow and fair value interest rate risk, equity price risk, foreign currency risk, credit risk and liquidity risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and financial liabilities are interest rate risk and equity price risk.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

24. Financial instruments (continued)

24.1 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

24.2 Categories of financial instruments

	2021 AED	2020 AED
Financial assets		
At amortised cost		
Trade and other receivables (Note 7)	42,500,691	63,537,551
Cash and cash equivalents (Note 8)	127,510,534	43,139,406
	<u>170,011,225</u>	<u>106,676,957</u>
At fair value		
Investments carried at fair value through other comprehensive income (FVTOCI) (Note 5)	173,974,245	211,659,656
Investments carried at fair value through profit or loss (FVTPL) (Note 5)	41,951,275	25,164,972
	<u>215,925,520</u>	<u>236,824,628</u>
	<u>385,936,745</u>	<u>343,501,585</u>
Financial liabilities		
At amortised cost		
Bank borrowing (Note 12)	73,011,745	95,511,745
Trade and other payables (Note 13)	95,273,830	104,493,817
	<u>168,285,575</u>	<u>200,005,562</u>

24.3 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, cash flow and fair value interest rates and equity price risks.

Market risk exposures are measured using sensitivity analysis.

24.4 Foreign currency risk management

Majority of the Group's transactions are denominated in AED or in currencies AED is pegged to. However, the Group undertakes certain transactions denominated in other foreign currencies. Hence, exposures to exchange rate fluctuations arise.

	Liabilities		Assets	
	2021 AED	2020 AED	2021 AED	2020 AED
Kuwaiti Dinar	-	-	79,363,795	84,709,033
Euro	790,793	104,610	22,024	27,348
JPY	-	11,894	-	-
QAR	-	-	2,229,677	1,864,663

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

24. Financial instruments (continued)

24.5 Foreign currency sensitivity analysis

The Group is mainly exposed to Kuwaiti Dinar, Saudi Riyal and Qatari Riyal. Based on the sensitivity analysis to a 10% increase or decrease in the AED against Kuwaiti Dinar, Saudi Riyal and Qatari Riyal the Group's profit for the year ended 31 December 2021 and equity as of and 31 December 2021 would have increased or decreased by approximately AED 8.08 million (2020: AED 8.65 million). The Group has no material exposure against Euro and Japanese Yen. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

24.6 Cash flow and fair value interest rate risk management

The Group's exposure to interest rate risk is limited to fixed deposits and call deposits with banks at floating interest rates and borrowings from banks at floating rates of interest linked to EIBOR. At 31 December 2021, bank fixed and call deposits carried an interest rate in the range of 0.10% (2020: 0.10% per annum) and bank loans carried an interest rate in the range of 1.88% to 2% per annum (2020: 2% to 3.7% per annum).

If interest rates had been 50 basis points higher/lower throughout the year and all other variables were held constant, the Group's profit for the year ended 31 December 2021 and equity as at 31 December 2021 would have decreased/increased by approximately AED 0.39 million (2020: decrease/increase by AED 0.54 million).

24.7 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade receivables consist of a number of customers. On-going credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables and short-term deposits are disclosed in Notes 7 and 8.

The credit risk associated with the Group's trade receivables (note 7) is considered limited as the Group holds receivables amounting to AED 27.28 million (2020: AED 46.1 million) fully covered by unconditional bank guarantees and letters of credit to secure the collectability of these trade receivables.

Other financial assets represent investments carried at fair value through other comprehensive income (FVOCI) and investments carried at fair value through profit and loss (FVTPL), where all their investments are listed equity securities as at 31 December 2021 (Note 24.10).

Credit risk with respect to concentration of trade receivables by geographical area is as follows:

	2021 AED	2020 AED
United Arab Emirates	22,229,033	24,938,430
Other Gulf Cooperation Council countries	6,110,525	7,067,014
Other countries	15,503,599	34,374,573
	<u>43,843,157</u>	<u>66,380,017</u>

For banks and financial institutions, bank ratings are reviewed on an annual basis. Management does not expect any losses from non-performance by these counterparties.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

24. Financial instruments (continued)

24.7 Credit risk management (continued)

The table below shows the balance and Moody's credit rating of the bank with which balances are maintained by the Group at the reporting date.

	Rating	2021 AED	2020 AED
Bank 1	Baa1	79,334,767	36,623,880
Bank 2	A1	3,957,711	555,521
Bank 3	A3	3,999,326	438,049
Bank 4	Aa3	226,533	574,253
		<u>87,518,337</u>	<u>38,191,703</u>

The table above excludes portfolio accounts amounting to AED 39,816,344 (2020: AED 4,879,327) and cash on hand amounting to AED 175,853 (2020: AED 68,376) which are unrated.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risks.

24.8 Liquidity risk

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group's liquidity risk is the availability of funds to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Less than 1 year AED	Between 1-5 years AED	Total AED
2021			
Borrowings	22,934,765	51,487,777	74,422,542
Trade and other payables (note 13)	95,273,830	-	95,273,830
	<u>118,208,595</u>	<u>51,487,777</u>	<u>169,696,372</u>
2020			
Borrowing	22,679,880	74,677,427	97,357,307
Trade and other payables (note 13)	104,493,817	-	104,493,817
	<u>127,173,697</u>	<u>74,677,427</u>	<u>201,851,124</u>

24.9 Equity price risk

The group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as at fair value through other comprehensive income (FVOCI) (note 5) or at fair value through profit or loss (FVPL) (note 5). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the group. The majority of the group's equity investments are publicly traded.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

24. Financial instruments (continued)

24.9 Equity price risk (continued)

Sensitivity analysis

At the reporting date if the equity prices are 20% higher/ lower as per the assumptions mentioned below and all the other variables were held constant, the Group's consolidated statements of income and comprehensive income would have increased/decreased by AED 8.34 million and by AED 34.80 million, respectively (2020: AED 5 million and by AED 42.3 million, respectively).

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- As at the reporting date if equity prices are 20% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and other comprehensive income has been shown above.
- A 20% change in equity prices has been used to give a realistic assessment as a plausible event.

24.10 Fair value measurements

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

(a) Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

(b) Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	2021	2020				
	AED	AED				
Investments carried at FVTOCI						
Listed equity Securities (Note 5)	173,974,245	211,659,656	Level 1	Quoted bid prices in an active market.	None	N/A
Financial assets carried at FVTPL						
Listed equity Securities (Note 5)	41,951,275	25,164,972	Level 1	Quoted bid prices in an active market.	None	N/A

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

24. Financial instruments (continued)

24.10 Fair value measurements (continued)

Fair value hierarchy

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

31 December 2021

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets carried at FVTOCI				
Quoted equities (Note 5)	173,974,245	-	-	173,974,245
Financial assets carried at FVTPL				
Quoted equities (Note 5)	41,951,275	-	-	41,951,275
	215,925,520	-	-	215,925,520

31 December 2020

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets carried at FVTOCI				
Quoted equities (Note 5)	211,659,656	-	-	211,659,656
Financial assets carried at FVTPL				
Quoted equities (Note 5)	25,164,972	-	-	25,164,972
	236,824,628	-	-	236,824,628

There were no transfers between the levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

25. Geographical information

In presenting information on the basis of geographical areas, revenue is based on the geographical location of customers.

	2021 AED	2020 AED
United Arab Emirates	102,361,891	99,163,124
Gulf Cooperation Council countries	41,211,224	37,947,234
India	70,069,259	62,979,184
Jordan	1,669,349	6,197,431
Yemen	2,534,198	2,260,144
Other countries	21,963,125	12,645,543
	239,809,046	221,192,660

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

26. Comparatives

Certain comparative figures have been reclassified in order to conform to current year's presentation. However, there is no effect on previously reported total equity, profit for the year and the net change in cash and cash equivalents.

27. Subsequent events

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 June 1, 2023. There are no implications to the consolidated financial and reporting year ended December 31, 2021. Management is in the process of evaluating the consequences to the consolidated financial statements and will communicate the conclusion of their evaluation at an appropriate future time.

There have been no other events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements for the year ended December 31, 2021.

28. Social contributions

The social contributions (including donations and charity) made during the year amounted to AED 245,000 (2020: AED 275,331).

29. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

For management purposes, the Group is organized into business units based on their products and services and the following reportable segments:

- (1) Manufacturing of white cement, lime products, cement products.
- (2) Investments in marketable equity securities.

There are no sales between segments during the year.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2021

29. Segment information (continued)

	Year ended 31 December 2021			Year ended 31 December 2020		
	Manufacturing AED	Investments AED	Total AED	Manufacturing AED	Investments AED	Total AED
Segment revenue	239,809,046	-	239,809,046	221,192,660	-	221,192,660
Segment result	21,045,471	11,826,288	32,871,759	11,502,126	1,187,722	12,689,848
Depreciation	33,486,259	-	33,486,259	32,510,106	-	32,510,106
Finance costs	1,573,576	-	1,573,576	2,963,394	-	2,963,394
	2021			2020		
Segment assets	632,381,760	215,925,520	848,307,280	687,166,320	236,824,628	923,990,948
Unallocated assets	-	-	127,510,534	-	-	43,139,406
Total assets	632,381,760	215,925,520	975,817,814	687,166,320	236,824,628	967,130,354
Segment liabilities	182,041,711	-	182,041,711	211,352,214	-	211,352,214

**RAS AL KHAIMAH CO. FOR WHITE CEMENT &
CONSTRUCTION MATERIALS P.S.C.**

**RAS AL KHAIMAH
UNITED ARAB EMIRATES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2022**

**RAS AL KHAIMAH CO. FOR WHITE CEMENT &
CONSTRUCTION MATERIALS P.S.C.**

**RAS AL KHAIMAH
UNITED ARAB EMIRATES**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries for the year ended December 31, 2022.

Incorporation and registered office

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C., Ras Al Khaimah (the "Company") is incorporated as a public shareholding company by Emiri decree number 13/81 dated 3 October 1981 issued by His Highness the Ruler of Ras Al Khaimah. The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, United Arab Emirates.

The "Group" comprises Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its subsidiaries:

Name of subsidiary	Proportion of ownership interest	Country of incorporation	Principal activities
Modern Block Factory Establishment	100%	U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products.
Ras Al Khaimah Lime Co. Noora LLC	100%	U.A.E.	Manufacturing of lime products.

The principal activities of the Group are manufacturing and supply of white cement, lime products and cement products and investing, establishing and managing relevant activities.

Results and appropriation

The operating results and the consolidated financial position of the Group are fully set out in the attached consolidated financial statements. The Group reported a net profit of AED 21.08 million for the year ended December 31, 2022 (2021: net profit of AED 32.87 million).

Dividends

At the annual general meeting held on March 31, 2022, the Shareholders approved cash dividends of 10% amounting to AED 50,015,700 to the shareholders in respect for the year ended December 31, 2021. They have also approved the board of Directors' remuneration for an amount of AED 2.85 million.

At the annual general meeting held on April 12, 2021, the Shareholders approved cash dividends of 5% amounting to AED 25,007,850 to the shareholders in respect for the year ended December 31, 2020. They have also approved the board of Directors' remuneration for an amount of AED 1.14 million.

Auditors

Talal Abu Ghazaleh & Co. International - RAK were appointed as auditors for the year ended December 31, 2022 and being eligible, they have expressed their willingness to continue in office once elected at the forthcoming Annual General Meeting.

These consolidated financial statements for the year ended December 31, 2022 (including comparatives) were approved by the Board of Directors on February 25, 2023 and were signed on their behalf by:


Chairman


Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

The Shareholders,
M/s. Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C
Ras Al Khaimah
United Arab Emirates.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss and other 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, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (the "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 opinion.

Other Matter

The consolidated financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 26, 2022.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Impairment losses on trade receivables

As at December 31, 2022, trade receivables were AED 47,452,447 against which impairment loss allowance of AED 3,616,295 was recorded (Note 7 to the consolidated financial statements).

Management exercises significant judgement when determining both when and how much to record as trade receivable impairment allowance as per requirements of IFRS 9 "Financial instruments". Because of the significance of these judgements and the materiality of trade receivables, the audit of trade receivables impairment loss allowance is a key area of focus.

The work that we performed to address this key audit matter included the following procedures:

- We obtained an understanding of the Group's process for estimating impairment loss allowance.
- Tested the reasonableness of management's key assumptions and judgments used in the determination of impairment loss allowance and its consistency with IFRS 9.
- Tested the accuracy and completeness of data used in the determination of impairment loss allowance.
- Tested the adequacy of the disclosures pertaining to impairment loss allowances included in these consolidated financial statements.

Allowance for slow moving inventories

As at December 31, 2022, Gross value of Inventories amounted to AED 109,809,236, against which provision for slow moving inventories amounted to AED 31,342,762. Inventories include various types of inventories that are reported at the lower of cost of net realizable value. Assessing net realizable value of inventories is an area of significant judgement, in particular with regard to the estimation of allowance for slow-moving inventories.

The management has relied upon their experience, physical verification, operational condition and understanding of the nature and use of spare parts, and has accordingly made estimations for allowance for slow moving inventories. Since significant judgement is involved in assessing the required allowance, we have identified this as a key area of focus.

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

Key audit matters (continued...)

The work that we performed to address this key audit matter included the following procedures:

- We inquired of the management to understand the procedures undertaken by them as part of the inventory review and assessment of allowance for slow moving items.
- Verified the physical existence and good condition of randomly selected samples of the inventory.
- Tested the valuation of year-end inventory including challenging judgements taken regarding obsolescence, net realizable value provisions, historical usage and future usage expectation.

Other Information

The Board of directors are responsible for the other information. Other information consists of information included in the Director's report, other than the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of consolidated financial statement, 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 on the other information that we obtained prior to the auditor's report, 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.

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 IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and 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 consolidated financial reporting process.

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

Auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditors' 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 or 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.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued...)

We also provide the board of directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.

Report on other legal and regulatory requirements

As required by UAE Federal Law No. (32) of 2021, we report that for the year ended December 31, 2022:

1. We have obtained all the information we considered necessary for purposes of our audit.
2. The consolidated financial statements have been prepared and comply, in all material respect with the applicable provisions of UAE Federal Law No. (32) of 2021 and the Articles of Association of the Company.
3. The Group has maintained proper books of accounts.
4. The consolidated financial information included in the Directors' report is consistent with the books of accounts of the Group.
5. Investments in shares and stocks are included in note 5 to the consolidated financial statements.
6. Transactions and term with related parties disclosed in Note 21.
7. The Group made social contributions as disclosed in Note 27 to the consolidated financial statements.
8. Based on the information that has been made available to us, nothing came to our attention which causes us to believe that the Group has contravened during the financial year ended December 31, 2022, any of the applicable provisions of UAE Federal Law No. (32) Of 2021 or the Articles of Association of the Company which would have a material effect on its activities or on its consolidated financial position as at December 31, 2022.

For **TALAT ABU-GHAZALEH & CO. INTERNATIONAL**

TALAT ZABEN
LICENS D AUDITOR NO. 68

Ras Al Khaimah
February 25, 2023



RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH

UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At December 31, 2022

EXHIBIT A

<u>ASSETS</u>	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>Non-current assets</u>		<u>AED</u>	<u>AED</u>
Property, plant and equipment	4	466,096,947	492,412,716
Investments at fair value through other comprehensive income (FVTOCI)	5 (a)	107,312,273	173,974,245
Total non-current assets		573,409,220	666,386,961
<u>Current assets</u>			
Inventories	6	78,466,474	81,248,709
Trade and other receivables	7	51,681,491	45,952,556
Investments at fair value through profit or loss (FVTPL)	5 (b)	31,504,588	41,951,275
Cash and bank balances	8	147,119,440	127,510,534
Total current assets		308,771,993	296,663,074
TOTAL ASSETS		882,181,213	963,050,035
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	9	500,157,000	500,157,000
Statutory reserve	10	118,102,515	115,993,875
Cumulative changes in fair value (FVTOCI)		(38,916,271)	(50,746,724)
Retained earnings		202,812,080	228,371,952
Net equity - Exhibit C		782,155,324	793,776,103
<u>Non-current liabilities</u>			
Employees' end of service benefits	11	10,485,524	9,261,158
Bank borrowings	12	-	50,511,745
Total non-current liabilities		10,485,524	59,772,903
<u>Current liabilities</u>			
Bank borrowings	12	-	22,500,000
Trade and other payables	13	89,540,365	87,001,029
Total current liabilities		89,540,365	109,501,029
Total liabilities		100,025,889	169,273,932
TOTAL EQUITY AND LIABILITIES		882,181,213	963,050,035

To the best of our knowledge, the consolidated financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, consolidated result of operation and consolidated cash flows of the Group as of, and for, the periods presented therein.

These consolidated financial statements were approved for issue by the Board of Directors on February 25, 2023 and signed on their behalf by:


Chairman


Chief Executive Officer

The accompanying notes from 1 to 30 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

EXHIBIT B - 1

	<u>Note</u>	<u>2022</u> <u>AED</u>	<u>2021</u> <u>AED</u>
Sales	14	247,668,393	239,809,046
Cost of sales	15	(213,525,258)	(202,443,235)
Gross profit		34,143,135	37,365,811
General and administrative expenses	16	(21,997,856)	(24,067,641)
Other income	17	884,415	9,580,465
Operating Profit		13,029,694	22,878,635
Investment income	18	10,218,447	11,826,288
Impairment allowance for expected credit losses	7 (b)	(667,861)	-
Foreign exchange loss		(690,766)	(259,588)
Finance cost		(803,117)	(1,573,576)
Profit for the year - Exhibits B - 2 & C		21,086,397	32,871,759
Basic earnings per share	19	0.04	0.07

The accompanying notes from 1 to 30 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

EXHIBIT B - 2

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Profit for the year – Exhibit B – 1	21,086,397	32,871,759
<u>Other comprehensive income/(loss)</u>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of investments at FVTOCI	11,830,453	18,419,390
Realized gain on disposal of investments at FVTOCI	8,328,071	12,854,664
Total other comprehensive income for the year – Exhibit C	<u>20,158,524</u>	<u>31,274,054</u>
Total comprehensive income for the year - Exhibit C	<u>41,244,921</u>	<u>64,145,813</u>

The accompanying notes from 1 to 30 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH

UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

EXHIBIT C

	<u>Share Capital</u> <u>AED</u>	<u>Statutory</u> <u>reserve</u> <u>AED</u>	<u>Cumulative</u> <u>changes in</u> <u>fair value</u> <u>(FVTOCI)</u> <u>AED</u>	<u>Retained</u> <u>earnings</u> <u>AED</u>	<u>Net</u> <u>AED</u>
As at December 31, 2020	500,157,000	112,706,699	(69,166,114)	212,080,555	755,778,140
Profit for the year – Exhibit B – 1	-	-	-	32,871,759	32,871,759
Other comprehensive income for the year – Exhibit B – 2	-	-	31,274,054	-	31,274,054
Total comprehensive income for the year	-	-	31,274,054	32,871,759	64,145,813
Dividend declared during the year	-	-	-	(25,007,850)	(25,007,850)
Transfer to retained earnings upon disposal of investment at FVTOCI	-	-	(12,854,664)	12,854,664	-
Transfer to statutory reserve	-	3,287,176	-	(3,287,176)	-
Board of directors remuneration	-	-	-	(1,140,000)	(1,140,000)
As at December 31, 2021 – Exhibit A	500,157,000	115,993,875	(50,746,724)	228,371,952	793,776,103
Profit for the year – Exhibit B – 1	-	-	-	21,086,397	21,086,397
Other comprehensive income for the year – Exhibit B – 2	-	-	20,158,524	-	20,158,524
Total comprehensive income for the year	-	-	20,158,524	21,086,397	41,244,921
Transfer to retained earnings upon disposal of investment at FVTOCI	-	-	(8,328,071)	8,328,071	-
Dividend declared during the year	-	-	-	(50,015,700)	(50,015,700)
Transfer to statutory reserve	-	2,108,640	-	(2,108,640)	-
Board of directors remuneration	-	-	-	(2,850,000)	(2,850,000)
As at December 31, 2022 – Exhibit A	500,157,000	118,102,515	(38,916,271)	202,812,080	782,155,324

The accompanying notes from 1 to 30 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

EXHIBIT D

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
<u>Cash Flows from Operating Activities</u>		
Profit for the year – Exhibit B – I	21,086,397	32,871,759
<u>Adjustments:</u>		
Depreciation of property, plant and equipment	33,875,016	33,486,259
Provision for employees' end of service benefits	1,435,168	915,968
Dividend income	(6,147,012)	(5,982,416)
Interest income	(1,349,832)	(23,090)
Investment management fees	601,745	1,800,328
Profit on sale of investment at FVTPL	(9,312,018)	(6,366,943)
Impairment allowance for expected credit losses	667,861	-
Finance cost	803,117	1,573,576
Unrealized loss/(gain) on investments at FVTPL	5,988,670	(1,254,167)
Operating profit before working capital changes	47,649,112	57,021,274
Inventories	2,782,235	6,099,866
Trade and other receivables	(5,131,886)	27,185,402
Trade and other payables	(1,758,975)	(9,171,560)
Employees' end of service benefits paid	(210,802)	(511,625)
Board of Directors Remuneration paid	(2,850,000)	(1,140,000)
Net cash provided by operating activities	40,479,684	79,483,357
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(7,559,247)	(11,986,967)
Dividend received	6,147,012	5,982,416
Purchase of investments at FVTOCI	(31,591,723)	(36,962,776)
Purchase of investments at FVTPL	(39,874,675)	(65,559,554)
Proceeds from disposal of investments at FVTOCI	118,412,219	105,922,241
Proceeds from disposal of investments at FVTPL	53,644,710	56,394,361
Interest received	84,922	23,090
Management fees paid	(601,745)	(1,800,328)
Term deposits with maturity more than three months	(124,865,000)	-
Net cash (used in)/provided by investing activities	(26,203,527)	52,012,483
<u>Cash Flows from Financing Activities</u>		
Repayment of term loans	(73,011,745)	(22,500,000)
Finance cost paid	(1,046,084)	(1,550,053)
Dividend paid	(45,474,422)	(23,074,659)
Net cash used in financing activities	(119,532,251)	(47,124,712)
Net (decrease)/increase in cash and cash equivalents	(105,256,094)	84,371,128
Cash and cash equivalents at the beginning of the year	127,510,534	43,139,406
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR – NOTE 8	22,254,440	127,510,534

The accompanying notes from 1 to 30 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION:

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (the "Company") is incorporated as a public shareholding company by Emiri decree number 13/81 dated 3 October 1981 issued by His Highness, The Ruler of Ras Al Khaimah. The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, and United Arab Emirates.

The principal activities of the Company and its subsidiaries (the "Group") are manufacturing and supply of white cement, lime products, cement products and investing, establishing and managing similar activities. The "Group" comprises of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its Subsidiaries.

At the Annual General Assembly Meeting held on March 31, 2022, the shareholders approved to amend Company's article of association with respect to Article 5 (2) – Purposes of the Company and Article (7) – Percentage of Ownership and on April 13, 2022 the changes were applied.

Details of Company's subsidiaries at December 31, 2022 are mentioned in Note 3: Basis of consolidation.

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those applied by the Group in the interpretation of the consolidated financial statements for the year ended December 31, 2021 except for the adoption of the following new standards, interpretation and amendments.

2.1 Standards, interpretations issued and effective for the current year

The Group has adopted all the applicable new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 January 2022.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS
(continued...)

2.1 Standards, interpretations issued and effective for the current year (continued...)

- ***Proceeds before intended use (Amendments to IAS (16) Property, Plant and Equipment.***

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments also clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset.

If not presented separately in the consolidated statement of comprehensive income, the consolidated financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the consolidated statement of comprehensive income include(s) such proceeds and cost.

- ***Reference to the Conceptual Framework (Amendments to IFRS 3).***

Minor amendments were made to IFRS 3 'Business Combinations' to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date.

- ***Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37).***

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract, among others)

Before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS
(continued...)

2.1 Standards, interpretations issued and effective for the current year (continued...)

- *Annual improvements to IFRS 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)*

- *IFRS 1 Amendments, First-time Adoption of International Financial Reporting Standards*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1: D16 (a) may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16 (a).

- *IFRS 9 Amendments, Financial Instruments*

The amendments clarify the fees an entity includes when it applies the '10 per cent' in assessing whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- *IFRS 16 Amendments, Leases*

The amendment to illustrative example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements.

- *IAS 41 Amendments, Agriculture*

The amendment removes the requirement in paragraph 22 of IAS 41 for the entities to exclude taxation cash flows when measuring the fair value under IAS 41

These amendments had no material impact on the consolidated financial statements of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

2. NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS
(continued...)

2.2 Standards, interpretations and amendments in issue not yet effective and not early adopted:

		Effective date
IAS 1 – Amendment	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS- 17 – New	Insurance Contracts	1 January 2023
IAS 1 – Amendment & IFRS practice statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8- Amendment	Definition of Accounting Estimate	1 January 2023
IAS 12- Amendment	Deferred Tax related to Assets and Liabilities arising from a from a Single transaction	1 January 2023
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and an and its Associate or Joint Venture	Indefinite effective date

If applicable, the Group intends to adopt these new and amended standards and interpretations when they become effective. The management anticipates that the adoption of the above standards and interpretations in future periods may have an impact on the consolidated financial statements of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance:

The Group prepared its consolidated financial statements in accordance, and comply with, International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) applicable to the group companies reporting under IFRS and applicable requirements of the UAE Federal Law No. (32) Of 2021.

Basis of preparation:

These consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial instrument. Historical cost is generally based on fair value of the consideration given in the exchange for the asset.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purpose in these consolidated financial statement is determined on such basis, and measurement that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation:

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

The Group presents its consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

Basis of consolidation:

The consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C and its subsidiaries (the "Group") incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...):

Basis of consolidation (Continued...):

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statement of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

The Company has the following subsidiaries over which it exercises effective control:

<u>Name of subsidiaries</u>	<u>Proportion of Ownership interest</u>	<u>Country of incorporation</u>	<u>Principal activities</u>
Modern Block Factory Establishment	100%	Ras Al Khaimah U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products.
Ras Al Khaimah Lime Co. Noora LLC	100%	Ras Al Khaimah U.A.E.	Manufacturing of lime products.

Foreign currencies

Functional and presentation currency

Items included in the consolidated financial statements are measured and presented in United Arab Emirates Dirhams (AED), being the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in AED, which is the Group's functional and presentation currency.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...):

Foreign currencies

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged.

Property and equipment:

Property and equipment held for use in production or supply of goods or services or for administrative purposes are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by the Management.

After initial recognition, the property and equipment are carried, in the consolidated statement of financial position, at their cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group over the estimated useful lives of the assets and accordingly annual depreciation rates are decided for each class of assets.

The annual rate of depreciation used are as follows:

<u>Asset category</u>	<u>Life (Years)</u>
Buildings and building improvements	5-20
Plant and machinery	3-30
Tools, equipment, furniture and fixture	3-20
Vehicles	5-10

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Property and equipment: (continued...)

The depreciation charge for each year is recognized in the consolidated statement of profit or loss and other comprehensive income. The estimated useful lives, residual values and depreciation method are reviewed at each Year-end, with the effect of any changes in estimate accounted for on a prospective basis.

On the subsequent derecognition (sale or retirement) of the property and equipment, the resultant gain or loss, being the difference between the net disposal proceeds, if any, and the carrying amount, is included in the consolidated statement of profit or loss and other comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant Year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter Year, to the net carrying amount on initial recognition.

Financial assets

Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

a) Initial measurement:

Financial assets are recognized when the Group becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

b) Subsequent measurement:

- Debt Instruments

Subsequent measurement of debt instruments depends on an entity's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group's financial assets are mainly debt instruments that are subsequently measured at amortized cost. The Group's financial assets are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through amortization process.

c) Impairment:

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVTOCI. For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses.

d) Derecognition:

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

e) Financial assets designated at fair value through Other Comprehensive Income – equity instruments ("FVTOCI")

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as gain on investments in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

e) Financial assets designated at fair value through OCI (equity instruments) (continued...)

Investments carried at fair value through other comprehensive income (FVTOCI) represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to classify irrevocably its listed equity investments under available for sale category as financial assets designated at fair value through OCI.

f) Financial assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash comprises cash on hand and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

a) Initial recognition and measurement:

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

b) Subsequent measurement:

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

c) Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

d) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the impairment loss allowance and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts and other inventories cost comprises of their purchase price.

Raw materials cost comprises of purchase cost and other costs incurred in bringing the raw material to their present location and condition. Products in process cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into products in process. Finished goods cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into finished products. Cost is calculated using the weighted average method.

When inventories are sold, the carrying amounts of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of any write down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, are recognized as reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Impairment of non-financial assets

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior Years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Related party transactions

Related parties includes persons (or a close member of that person's family) that are related to the Group, has control or joint control over the Group, has significant influence over the Group, and/or member of the key management personnel of the reporting entity, or of a parent of the reporting entity. The Group is related to another entity if they are members of the same Group (that is all entities within a Group are related to each other).

Transactions with related parties, normally, comprise of transfer of resources, services, or obligations between the parties. At the consolidated statement of financial position date, the related parties' receivables are stated at the net realizable value.

Employees' end-of-service benefits

Provision for employees' end-of-service benefits is calculated in accordance with the Federal Labour Laws of United Arab Emirates.

Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the consolidated statement of financial position date or to transfer it to a third party.

Provisions are reviewed and adjusted at each consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed.

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FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Current versus non – current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current Classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Value added tax ("VAT")

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and current accounts with bank and short-term deposits with original maturities of three months or less.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Share capital and reserves

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Statutory reserve is required to be created by UAE Federal Law No. (32) Of 2021 as described in note 10.

Retained earnings include all current and prior period retained profits.

Revenue recognition

Revenue is measured at an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognize revenue: When (or as) the Group satisfies a performance obligation.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Dividend and interest income

Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset net carrying amount.

Earnings per share

Basic earnings per share is calculated by dividing;

- The profit attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

Segment reporting

For management purposes, the Group is organized into business units based on their products and service and has reportable segments as follows;

- a) Manufacturing of White cement, lime products, cements products.
- b) Investment in marketable equity securities.

There are no sale between segments during the year.

Management monitors the operating results of its business units for the purpose of making decisions about resources allocations and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Management is required to make judgments, estimates and assumptions about the reporting amounts of assets, liabilities, income and expenses 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 recognized in the Year in which the estimate is revised if the revision affects only that Year or in the Year of the revision and future Years if the revision affects both current and future Years.

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FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Critical accounting judgments and key sources of estimation uncertainty: (continued...)

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

Impairment of financial assets

Measurement of Expected Credit Loss ("ECL") is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The expected loss rates are based on aging of receivables. The historical loss rates are adjusted for to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Allowance for slow moving inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Useful lives of property, plant and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Critical accounting judgments and key sources of estimation uncertainty:
(continued...)

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

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4. PROPERTY, PLANT AND EQUIPMENT:

a) Property, plant and equipment are stated at cost less accumulated depreciation as follows:

Cost:	Lands AED	Buildings and improvements AED	Plant and machinery AED	Vehicles AED	Tools, equipment, furniture and fixtures AED	Assets under construction AED	Total AED
At December 31, 2020 (restated - Note 28)	21,157,893	33,515,809	732,853,426	21,728,438	21,105,789	4,147,308	834,508,663
Additions during the year	-	207,090	4,393,050	921,500	1,201,133	5,264,194	11,986,967
Transfer	-	-	9,411,502	-	-	(9,411,502)	-
At December 31, 2021	21,157,893	33,722,899	746,657,978	22,649,938	22,306,922	-	846,495,630
Additions during the year	-	241,808	2,317,910	576,334	333,787	4,089,408	7,559,247
At December 31, 2022	21,157,893	33,964,707	748,975,888	23,226,272	22,640,709	4,089,408	854,054,877
Accumulated Depreciation:							
At December 31, 2020 (restated - Note 28)	-	17,800,198	266,693,174	20,167,928	15,935,355	-	320,596,655
Charged for the year	-	1,449,815	30,405,060	698,795	932,589	-	33,486,259
At December 31, 2021	-	19,250,013	297,098,234	20,866,723	16,867,944	-	354,082,914
Charged for the year	-	1,278,052	30,673,529	799,710	1,123,725	-	33,875,016
At December 31, 2022	-	20,528,065	327,771,763	21,666,433	17,991,669	-	387,957,930
Net Carrying Amount:							
At December 31, 2021 - Exhibit A	21,157,893	14,472,886	449,559,744	1,783,215	5,438,978	-	492,412,716
At December 31, 2022 - Exhibit A	21,157,893	13,436,642	421,204,125	1,559,839	4,649,040	4,089,408	466,096,947

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4. PROPERTY, PLANT AND EQUIPMENT: (continued...)

- b) Plant and machinery having a carrying amount of AED 44 million (2021: AED 110 million) is pledged to bank against facilities obtained by the Group.
- c) Clinker and lime production facilities, administrative office buildings are constructed on lands shown in Note 4 (a). These lands are situated in Ras Al Khaimah and owned by the Group.
- d) Assets under construction amounting to AED 4,089,408 (2021: AED Nil) as shown in Note 4 (a) represents expenditures incurred on installation of New Silo machine which is under progress.
- e) No borrowing costs have been capitalized during the current year (2021: AED Nil) as the amount eligible are immaterial.
- f) Depreciation expense classified as follows;

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Cost of sales	33,404,563	33,034,547
General and administrative expenses	470,453	451,712

5. INVESTMENT IN SECURITIES:

- a) Investments at fair value through other comprehensive income (FVTOCI)

Equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognize in this category. These are strategic investment and the group considers this classification to be more relevant.

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Equity shares, Quoted - Local - UAE	100,166,391	112,399,840
Equity shares, Quoted - GCC countries	7,145,882	61,574,405
Total – Exhibit A	107,312,273	173,974,245

Movement details are as follows:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Balance at beginning of the year	173,974,245	211,659,656
Purchase during the year	31,591,723	36,962,776
Disposal during the year	(110,084,148)	(93,067,577)
Change in fair value	11,830,453	18,419,390
Balance at end the year	107,312,273	173,974,245

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5. INVESTMENT IN SECURITIES: (continued...)

b) Investments at fair value through profit and loss (FVTPL):

This item comprise of equity investments that are held for trading and equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income.

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Equity shares, Quoted - Local - UAE	20,715,802	27,515,804
Equity shares, Quoted - GCC countries	10,788,786	14,435,471
Total - Exhibit A	31,504,588	41,951,275

Movement details are as follows:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Balance at beginning of the year	41,951,275	25,164,972
Purchase during the year	39,874,675	65,559,554
Disposal during the year	(44,332,692)	(50,027,418)
Change in fair value	(5,988,670)	1,254,167
Balance at end the year	31,504,588	41,951,275

6. INVENTORIES:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Finished goods	14,293,885	14,886,776
Raw materials	7,615,827	5,101,725
Work in progress	47,946,314	51,135,827
Bags, fuel and lubricants	7,244,347	10,479,446
Spare parts	32,694,581	30,986,022
Total	109,794,954	112,589,796
Allowance for slow-moving inventories	(31,342,762)	(31,342,762)
Goods in transit	14,282	1,675
Net - Exhibit A	78,466,474	81,248,709

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7. TRADE AND OTHER RECEIVABLES:

a) This item comprises of the following:	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Trade accounts receivable - Note 7 (c)	47,452,447	44,104,921
Impairment allowances for expected credit losses - Note 7 (b)	(3,616,295)	(2,948,434)
Net	43,836,152	41,156,487
Prepaid expenses	1,547,690	1,121,522
Advance to suppliers	1,665,038	1,216,224
Refundable deposits & other receivables	4,632,611	2,458,323
Total – Exhibit A	51,681,491	45,952,556

Before accepting new customers, the Group generally obtains bank guarantee or letter of credit from the potential customers. Trade receivables at the end of year amounting to AED 22.56 million representing 47.54% of the total trade receivables (2021: 18.79 million representing 43.60% of trade receivables) are due from the Group's six customers (2021: five customers).

The average credit period on sales of goods is 73 days. No interest is charged on outstanding receivables. The Group measures the impairment allowance for expected credit losses at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for the factors that are specific to the customers bank guarantees, and letters of credit provided, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

All the Group trade receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business to business market that are experiencing financial difficulties.

The Group write off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings etc.

b) Movement details of impairment allowances for expected credit losses are as follows:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Balance at the beginning of the year	2,948,434	2,948,434
Net increase/(decrease) during the year - Exhibit B	667,861	-
Balance at the end of the year	3,616,295	2,948,434

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7. TRADE AND OTHER RECEIVABLES: (continued...)

c) Analysis of trade receivables are set out below:	2022	2021
	AED	AED
Secured against unconditional bank guarantees	15,602,758	11,999,860
Secured against letter of credit	14,288,383	15,283,996
Open credit	17,561,306	16,821,065
Total	47,452,447	44,104,921

8. CASH AND BANK BALANCES:

This item comprises of the following:	2022	2021
	AED	AED
Cash in hand	190,095	175,853
Checking accounts with bank	7,181,166	11,188,969
Portfolio accounts	3,377,357	39,816,344
Call deposits	3,695,322	12,997,482
Term deposits with maturity less than three months	7,810,500	63,331,886
Cash and cash equivalents - Exhibit D	22,254,440	127,510,534
Term deposits with maturity more than three months	124,865,000	-
Total -Exhibit A	147,119,440	127,510,534
<i>By Geographical area:</i>		
In the U.A.E	138,368,315	114,078,013
In other GCC countries	8,751,125	13,432,521

Bank balances are held with local and international branch of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings.

The average interest rates for the bank deposits during the year were 4.5% (2021: 0.1% per annum).

9. SHARE CAPITAL:

This item comprises of the following:	2022	2021
	AED	AED
Issued and fully paid 500,157,000 shares of AED 1 each - Exhibits A & C	500,157,000	500,157,000

10. STATUTORY RESERVE:

In accordance with the U.A.E Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the profit for each year is transferred to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of share capital. During the year ended December 31, 2022, the Group has transferred AED 2,108,640 (2021: AED 3,287,176) to statutory reserve. This reserve is not available for distribution except in circumstances stipulated by the law.

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11. EMPLOYEES' END OF SERVICE BENEFITS:

Movement details are as follows:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
At January 1	9,261,158	8,856,815
Charge for the year	1,435,168	915,968
Payments during the year	(210,802)	(511,625)
At December 31 - Exhibit A	<u>10,485,524</u>	<u>9,261,158</u>

12. BANK BORROWINGS:

a) This item consists of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Term Loan - Note 12 (b) & (c)	-	73,011,745
Total -Exhibit A	<u>-</u>	<u>73,011,745</u>

Classified as follows:

Bank borrowings – current – Exhibit A	<u>-</u>	<u>22,500,000</u>
Bank borrowings – non-current – Exhibit A	<u>-</u>	<u>50,511,745</u>

b) Movement of term loan are as follows:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Opening balance	73,011,745	95,511,745
Payment during the year	(73,011,745)	(22,500,000)
Ending balance	<u>-</u>	<u>73,011,745</u>

c) Term loan were obtained from UNB, as part of merger between UNB and ADCB which resulted in existing loan taken over by ADCB and new facilities of AED 118,011,745 commenced in November 2019 that is repayable over 4 years. On August 25, 2022, the Group settled all the outstanding dues against the term loan.

d) The Group has amended credit facility agreement for bank overdrafts, short term loan and letter of credit amounting to AED 63,000,000 (Previously AED 73,000,000).

e) Bank facilities are secured by pledge of property, plant and equipment; (Refer to Note 4).

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13. TRADE AND OTHER PAYABLES:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Trade accounts payable	29,529,137	29,055,785
Dividend payable	39,900,041	35,358,763
Accrued expenses and other provisions	13,853,708	16,711,563
Advance from customers/contract liabilities	6,257,479	5,874,918
Total - Exhibit A	89,540,365	87,001,029

14. SALES:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Local sales	95,937,581	103,277,715
Export sales	151,730,812	136,531,331
Total - Exhibit B - 1	247,668,393	239,809,046

15. COST OF SALES:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Material and spare parts consumption cost	78,278,768	76,922,002
Natural gas, electricity and water	80,324,260	69,567,884
Salaries, wages and related benefits	21,079,068	20,688,853
Depreciation	33,404,563	33,034,547
Other expense	438,599	2,229,949
Total - Exhibit B - 1	213,525,258	202,443,235

16. GENERAL AND ADMINISTRATIVE EXPENSES:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Salaries and related benefits	13,167,024	12,396,105
Legal and professional fee	1,775,925	4,607,767
Marketing expense	2,273,420	3,090,440
Office expense	1,286,508	1,106,559
Depreciation	470,453	451,712
Bank charges	873,702	786,104
Other expense	2,150,824	1,628,954
Total - Exhibit B - 1	21,997,856	24,067,641

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

17. OTHER INCOME:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Reversal of liability*	382,841	9,014,618
others	501,574	565,847
Total – Exhibit B – 1	884,415	9,580,465

* Reversal of liability include an amount of AED Nil (2021: AED 9,000,000) representing reversal of provisions in regards to a favorable legal outcome that occurred during the year.

18. INVESTMENT INCOME:

This item comprises of the following:

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Dividend income	6,147,012	5,982,416
Unrealized (loss)/gain on revaluation of investments at FVTPL	(5,988,670)	1,254,167
Realized gain on sale of investments at FVTPL	9,312,018	6,366,943
Interest income	1,349,832	23,090
Investment management fee	(601,745)	(1,800,328)
Net – Exhibit B – 1	10,218,447	11,826,288

19. EARNINGS PER SHARE:

The basic earnings per share computed by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
Net profit for the year	21,086,397	32,871,759
Weighted average number of shares outstanding	500,157,000	500,157,000
Basic earnings per share (AED)	0.04	0.07

Diluted earnings per share as of December 31, 2022 and December 31, 2021 are equivalent to basic earnings per share.

20. DIVIDENDS:

At the Annual general meeting held on 31 March 2022, the shareholders approved a cash dividend of 10% amounting to AED 50,015,700 in respect of the year ended December 31, 2021.

At the Annual general meeting held on 12 April 2021, the shareholders approved cash dividends of 5% amounting to AED 25,007,850 in respect of the year ended December 31, 2020.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

21. RELATED PARTY TRANSACTIONS:

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significant influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and mutually agreed with the related parties.

	<u>2022</u> <u>AED</u>
<i>Trade accounts receivable:</i>	
Ultratech Cement Limited - India	4,086,620
(Parent of significant shareholder w.e.f. date of change in control i.e. June 23, 2022)	

Transactions with related party as follows:

	<u>From</u> <u>June 23 to</u> <u>December 31,</u> <u>2022</u> <u>AED</u>
<i>Sales (Including freight):</i>	
Ultratech Cement Limited - India	6,365,954
(Parent of significant shareholder w.e.f. date of change in control i.e. June 23, 2022)	

<i>Key Management Personnel Compensation:</i>	<u>2022</u> <u>AED</u>	<u>2021</u> <u>AED</u>
Short-term benefits	515,996	424,996
Board remuneration paid	2,850,000	1,140,000

22. COMMITMENTS AND CONTINGENT LIABILITIES:

This item comprises of the following:

	<u>2022</u> <u>AED</u>	<u>2021</u> <u>AED</u>
Letter of guarantees	2,755,024	2,688,299

23. RISK MANAGEMENT:

a) Capital risk management:

The Group manages its capital to ensure that Group entities will be able to continue as a going concern while maximizing the return to shareholders and benefit to other stakeholders through the optimization of the debt and equity balance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

23. RISK MANAGEMENT (continued...):

a) Capital risk management (continued...):

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with capital. The Group does not have a formalized optimal target capital structure or target ratios in connection with its capital risk management objective.

The Group changed its strategy during the year by settling all its term loan and currently its capital structure consist of equity, comprising issued capital, reserves and retained earnings.

b) Market risk:

The Group activities expose it primarily to the financial risks of changes in foreign currency exchange rates, cash flow and fair value interest rates and equity price risk. Market risk exposures are measured using sensitivity analysis.

• **Foreign currency risk management:**

Majority of the Group transactions are denominated in AED or in currencies AED is pegged to. However, the Group undertakes certain transactions denominated in other foreign currencies. Hence exposure to exchange rate fluctuations arise.

	Liabilities		Assets	
	2022	2021	2022	2021
	AED	AED	AED	AED
Kuwaiti dinar	-	-	23,582,993	79,393,795
Euro	371,645	790,793	397,476	22,024
QAR	-	-	-	2,229,677
GBP	-	-	7,068	-
JPY	35,887	-	32,213	-

The Group is mainly exposed to Kuwaiti Dinar in 2022 (2021: Kuwaiti Dinar and Qatari Riyal). Based on the sensitivity analysis to a 10% increase or decrease in the AED against Kuwait Dinar the Group's profit for the year ended December 31, 2022 and equity as of and December 31, 2022 would have increased or decreased by approximately AED 1.79 million (2021: AED 8.08 million). The Group has no material exposure against Euro, Qatar Riyals, British Pound Sterling and Japanese Yen. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10%/ change in foreign currency rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

23. RISK MANAGEMENT (continued...):

b) Market risk (continued...):

• **Cash flow and fair value interest rate risk management**

The Group's exposure to interest rate risk is limited to fixed deposits and call deposits with banks at floating interest rates and borrowings from banks at floating rates of interest linked to EIBOR. At December 31, 2022, bank fixed and call deposits carried an interest rate in the avg. of 4.5% p.a. (2021: 0.1% p.a.) and bank loans carried an interest rate in the avg. of 2.2% p.a. (2021: 1.88% to 2% p.a.).

If interest rates had been 50 basis points higher/lower throughout the year and all other variables were held constant, the Group's profit for the year ended December 31, 2022 and equity as at December 31, 2022 would have decreased /increased by approximately. AED 0.71 million (2021: decrease/ increase by AED 0.39 million).

• **Equity price risk:**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as at fair value through other comprehensive income (FVTOCI) (note 5) or at fair value through profit or loss (FVTPL) (note 5). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the group. The majority of the group's equity investments are publicly traded.

Sensitivity analysis

At the reporting date if the equity prices are 20% higher/ lower as per the assumptions mentioned below and all the other variables were held constant, the Group's consolidated statements of income and comprehensives income would have increased/decreased by AED 6.30 million and by AED 21.46 million, respectively (2021: AED 8.34 million and by AED 34.80 million, respectively).

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- As at the reporting date if equity prices are 20% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and other comprehensive income has been shown above.
- A 20% change in equity prices has been used to give a realistic assessment as a plausible event.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

23. RISK MANAGEMENT: (continued...)

c) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade receivables consist of a number of customers. On-going credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables and short-term deposits are disclosed in Notes 7 and 8 respectively.

The credit risk associated with the Group's trade receivables (note 7) is considered limited as the Group holds receivables amounting to AED 29.89 million (2021: AED 27.28 million) fully covered by unconditional bank guarantees and letters of credit to secure the collectability of these trade receivables.

Other financial assets represent investments carried at fair value through other comprehensive income (FVOCI) and investments carried at fair value through profit and loss (FVTPL), where all their investments are listed equity securities as at December 31, 2022 (Note 25).

Credit risk with respect to concentration of trade receivables by geographical area is follows;

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
United Arab Emirates	17,713,198	22,490,797
Other GCC countries	6,852,068	6,110,525
Other countries	22,887,181	15,503,599
Total	47,452,447	44,104,921

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

23. RISK MANAGEMENT: (continued...)

d) Liquidity risk:

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group liquidity risk is the availability of funds to cover future commitments. The Group manages liquidity through an ongoing review of future commitments.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables.

The Group non-derivative financial liabilities have contractual maturities as summarized below:

	<u>Less than one</u> <u>year</u> <u>AED</u>	<u>More than</u> <u>one year</u> <u>AED</u>
<u>As at December 31, 2022</u>		
Employees' end of service benefits	-	10,485,524
Trade and other payables	83,282,886	-
<u>As at December 31, 2021</u>		
Bank borrowings	22,500,000	50,511,745
Employees' end of service benefits	-	9,261,158
Trade and other payables	81,126,111	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

24. SEGMENT INFORMATION:

	As at December 31, 2022			As at December 31, 2021		
	Manufacturing	Investments	Total	Manufacturing	Investments	Total
Segment Revenue	247,668,393	-	247,668,393	239,809,046	-	239,809,046
Segment result	10,867,950	10,218,447	21,086,397	21,045,471	11,826,288	32,871,759
Depreciation	33,875,016	-	33,875,016	33,486,259	-	33,486,259
Finance cost	803,117	-	803,117	1,573,576	-	1,573,576
	As at December 31, 2022			As at December 31, 2021		
	Manufacturing	Investments	Total	Manufacturing	Investments	Total
Segment Asset	596,244,912	138,816,861	735,061,773	619,613,981	215,925,520	835,539,501
Unallocated Asset	-	-	147,119,440	-	-	127,510,534
Total Asset	596,244,912	138,816,861	882,181,213	619,613,981	215,925,520	963,050,035
Segment Liabilities	100,025,889	-	100,025,889	169,273,932	-	169,273,932

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

25. FAIR VALUE MEASUREMENTS:

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. As such, differences can arise between book values and the fair value estimates.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

<u>December 31, 2022</u>	<u>Level 1</u> <u>AED</u>	<u>Level 2</u> <u>AED</u>	<u>Level 3</u> <u>AED</u>	<u>Total</u> <u>AED</u>
FVTOCI				
Quoted equities	107,312,273	-	-	107,312,273
FVTPL				
Quoted equities	31,504,588	-	-	31,504,588
	<u>138,816,861</u>	<u>-</u>	<u>-</u>	<u>138,816,861</u>
 <u>December 31, 2021</u>	 <u>Level 1</u> <u>AED</u>	 <u>Level 2</u> <u>AED</u>	 <u>Level 3</u> <u>AED</u>	 <u>Total</u> <u>AED</u>
FVTOCI				
Quoted equities	173,974,245	-	-	173,974,245
FVTPL				
Quoted equities	41,951,275	-	-	41,951,275
	<u>215,925,520</u>	<u>-</u>	<u>-</u>	<u>215,925,520</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

26. GEOGRAPHICAL INFORMATION:

In presenting information on the basis of geographical area, revenue is based on geographical location of customers.

	<u>2022</u>	<u>2021</u>
	<u>AED</u>	<u>AED</u>
United Arab Emirates	95,935,302	102,361,891
Other GCC countries	38,031,522	41,211,224
India	91,527,256	70,069,259
Jordan	1,360,184	1,669,349
Yemen	1,761,090	2,534,198
Other countries	19,053,039	21,963,125
Total – Exhibit B – 1	247,668,393	239,809,046

27. SOCIAL CONTRIBUTION:

The social contribution (including donation and charity) made during the year amounted to AED 240,000 (2021: 245,000).

28. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2022, the Management decided to rectify misstatements and the following restatements were made for prior year consolidated financial statements. There was no effect on the performance of the Group as a result of below restatements.

<u>Account description</u>	<u>As previously reported</u>	<u>Restatements</u>	<u>As restated</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>
Property, plant and equipment (cost)	830,594,293	3,914,370	834,508,663
Property, plant and equipment (Accumulated depreciation)	(316,682,285)	(3,914,370)	(320,596,655)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (continued...)

29. CORPORATE TAX:

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MOF") issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after June 1, 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

30. COMPARATIVE FIGURES:

Comparative figures have been reclassified in accordance with IAS 1 'Presentation of financial statements' in order to conform to the presentation for the current year.

Consolidated statement of financial position

- Certain provisions for inventories of AED 13,456,365 had been presented in other provisions under Trade and other payables. As at December 31, 2022, these provisions were classified along with Allowances for slow-moving inventories resulting in increase of Allowances for slow-moving inventories from AED 17,886,397 to AED 31,342,762.
- Certain advances of AED 688,586 were previously classified as a reduction from trade receivables. These advances were reclassified to advances from customer under trade and other payables.

The above changes had an effect only on the total assets and total liabilities reported previously and had no effect on previously reported total equity, net profit for the year or net changes in cash and cash equivalents.

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CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED
DECEMBER 31, 2023

**RAS AL KHAIMAH CO. FOR WHITE CEMENT &
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

BOARD OF DIRECTORS' REPORT

The Board of Directors submit their report together with the audited consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended December 31, 2023.

Principal activities

The principal activities of the Group are manufacturing and supply of white cement, lime products, cement products, concrete blocks, interlock tiles and investing, establishing and managing relevant activities.

Results for the year

The operating results and the consolidated financial position of the Group are fully set out in the attached consolidated financial statements. The Group reported a net profit of AED 20.54 million for the year ended December 31, 2023 (2022: net profit of AED 21.08 million).

Dividends

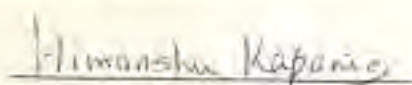
At the annual general meeting held on April 11, 2023, the Shareholders approved no dividend distribution to the shareholders in respect for the year ended December 31, 2022. They have approved the Board of Directors' remuneration for an amount of AED 360,000.

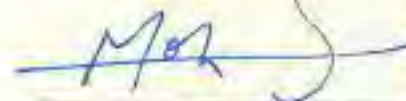
At the Annual general meeting held on March 31, 2022, the shareholders approved a cash dividend of 10% (10 fils per share) amounting to AED 50,015,700 in respect of the year ended December 31, 2021. They have approved the board of Directors' remuneration for an amount of AED 2,850,000.

Auditors

Talal Abu Ghazaleh & Co. International – RAK were appointed as auditors for the year ended December 31, 2023 and being eligible, they have expressed their willingness to continue in office once elected at the forthcoming Annual General Meeting.

These consolidated financial statements for the year ended December 31, 2023 (including comparatives) were approved by the Board of Directors on February 3, 2024 and were signed on their behalf by:


Chairman


Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

The Shareholders,
M/s. Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C
Ras Al Khaimah
United Arab Emirates.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other 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, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, 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 Opinion

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 the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (the "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 opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

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

Key audit matters (continued...)

Impairment losses on trade receivables

As at December 31, 2023, trade receivables were AED 45,267,014 against which impairment loss allowance of AED 3,616,295 was recorded (Note 7 to the consolidated financial statements).

Management exercises significant judgement when determining both when and how much to record as trade receivable impairment allowance as per requirements of IFRS 9 "Financial instruments". Because of the significance of these judgements and the materiality of trade receivables, the audit of trade receivables impairment loss allowance is a key area of focus.

The work that we performed to address this key audit matter included the following procedures:

- We obtained an understanding of the Group's process for estimating impairment loss allowance.
- Tested the reasonableness of management's key assumptions and judgments used in the determination of impairment loss allowance and its consistency with IFRS 9.
- Tested the accuracy and completeness of data used in the determination of impairment loss allowance.
- Tested the adequacy of the disclosures pertaining to impairment loss allowances included in these consolidated financial statements.

Allowance for slow moving inventories

As at December 31, 2023, Gross value of Inventories amounted to AED 98,073,017, against which provision for slow moving inventories amounted to AED 18,209,011 (Note 6 to the consolidated financial statements). Inventories include various types of inventories that are reported at the lower of cost of net realizable value. Assessing net realizable value of inventories is an area of significant judgement, in particular with regard to the estimation of allowance for slow-moving inventories.

The management has relied upon their experience, physical verification, operational condition and understanding of the nature and use of spare parts, and has accordingly made estimations for allowance for slow moving inventories. Since significant judgement is involved in assessing the required allowance, we have identified this as a key area of focus.

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

Key audit matters (continued...)

The work that we performed to address this key audit matter included the following procedures:

- We inquired of the management to understand the procedures undertaken by them as part of the inventory review and assessment of allowance for slow moving items.
- Verified the physical existence and good condition of randomly selected samples of the inventory.
- Tested the valuation of year-end inventory including challenging judgements taken regarding obsolescence, net realizable value provisions, historical usage and future usage expectation.

Other Information

The Board of directors are responsible for the other information. Other information consists of information included in the Director's report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of consolidated financial statement, 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 on the other information that we obtained prior to the auditor's report, 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.

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 IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and 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 consolidated financial reporting process.

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

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 auditor's 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditor's 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 or 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued...)

We also provide the board of directors 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, actions taken to eliminate threats or safeguards applied.

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 year 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.

Report on other legal and regulatory requirements

As required by UAE Federal Law No. (32) of 2021, we report that for the year ended December 31, 2023:

1. We have obtained all the information we considered necessary for purposes of our audit.
2. The consolidated financial statements have been prepared and comply, in all material respect with the applicable provisions of UAE Federal Law No. (32) of 2021 and the Articles of Association of the Company.
3. The Group has maintained proper books of accounts.
4. The consolidated financial information included in the Directors' report is consistent with the books of accounts of the Group.
5. Investments in shares and stocks are included in note 5 to the consolidated financial statements.
6. Transactions and term with related parties disclosed in Note 20.
7. The Group made social contributions as disclosed in Note 26 to the consolidated financial statements.
8. Based on the information that has been made available to us, nothing came to our attention which causes us to believe that the Group has contravened during the financial year ended December 31, 2023, any of the applicable provisions of UAE Federal Law No. (32) Of 2021 or the Articles of Association of the Company which would have a material effect on its activities or on its consolidated financial position as at December 31, 2023.

For TALAL ABU-GHAZALEH & CO. INTERNATIONAL

TALAT ZABEN
LICENSED AUDITOR NO. 68

Ras Al Khaimah
February 3, 2024



RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
UNITED ARAB EMIRATES


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023


EXHIBIT A

<u>ASSETS</u>	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>Non-current assets</u>		<u>AED</u>	<u>AED</u>
Property, plant and equipment	4	440,226,087	466,096,947
Investments at fair value through other comprehensive income (FVTOCI)	5 (a)	59,687,909	107,312,273
Total non-current assets		499,913,996	573,409,220
<u>Current assets</u>			
Inventories	6	79,864,006	78,466,474
Trade and other receivables	7	51,762,528	51,681,491
Investments at fair value through profit or loss (FVTPL)	5 (b)	-	31,504,588
Cash and bank balances	8	251,309,052	147,119,440
Total current assets		382,935,586	308,771,993
TOTAL ASSETS		882,849,582	882,181,213
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	9	500,157,000	500,157,000
Statutory reserve	10	120,156,867	118,102,515
Cumulative changes in fair value (FVTOCI)		(40,320,801)	(38,916,271)
Retained earnings		216,242,607	202,812,080
Net equity - Exhibit C		796,235,673	782,155,324
<u>Non-current liabilities</u>			
Employees' end of service benefits	11	10,171,837	10,485,524
Total non-current liabilities		10,171,837	10,485,524
<u>Current liabilities</u>			
Trade and other payables	12	76,442,072	89,540,365
Total current liabilities		76,442,072	89,540,365
Total liabilities		86,613,909	100,025,889
TOTAL EQUITY AND LIABILITIES		882,849,582	882,181,213

To the best of our knowledge, the consolidated financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, consolidated result of operation and consolidated cash flows of the Group as of, and for, the periods presented therein.

These consolidated financial statements were approved for issue by the Board of Directors on February 3, 2024.


Chairman


Chief Executive Officer

The accompanying notes from 1 to 28 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT B - 1

	<u>Note</u>	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Sales	13	255,898,035	247,668,393
Cost of sales	14	<u>(224,488,207)</u>	<u>(213,523,864)</u>
Gross profit		31,409,828	34,144,529
General and administrative expenses	15	(21,468,083)	(21,999,250)
Other income	16	<u>264,124</u>	<u>884,415</u>
Operating Profit		10,205,869	13,029,694
Investment income	17	10,674,737	10,218,447
Impairment allowance for expected credit losses	7 (b)	-	(667,861)
Foreign exchange loss		(337,086)	(690,766)
Finance cost		-	(803,117)
Profit for the year – Exhibits B – 2 & C		<u>20,543,520</u>	<u>21,086,397</u>
Basic earnings per share	18	<u>0.04</u>	<u>0.04</u>

The accompanying notes from 1 to 28 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT B – 2

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Profit for the year – Exhibit B – 1	20,543,520	21,086,397
<u>Other comprehensive income/(loss)</u>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of investments at FVTOCI	(1,404,530)	11,830,453
Realized (loss)/gain on disposal of investments at FVTOCI	(5,058,641)	8,328,071
Total other comprehensive (loss)/income for the year – Exhibit C	<u>(6,463,171)</u>	<u>20,158,524</u>
 Total comprehensive income for the year - Exhibit C	 <u>14,080,349</u>	 <u>41,244,921</u>

The accompanying notes from 1 to 28 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT C

	<u>Share Capital</u>	<u>Statutory</u>	<u>Cumulative</u>	<u>Retained</u>	<u>Net</u>
	<u>AED</u>	<u>reserve</u>	<u>changes in</u>	<u>earnings</u>	<u>AED</u>
	<u>AED</u>	<u>AED</u>	<u>fair value</u>	<u>AED</u>	<u>AED</u>
	<u>AED</u>	<u>AED</u>	<u>(FVTOCI)</u>	<u>AED</u>	<u>AED</u>
As at December 31, 2021	500,157,000	115,993,875	(50,746,724)	228,371,952	793,776,103
Profit for the year – Exhibit B – 1	-	-	-	21,086,397	21,086,397
Other comprehensive income for the year – Exhibit B – 2	-	-	20,158,524	-	20,158,524
Total comprehensive income for the year	-	-	20,158,524	21,086,397	41,244,921
Transfer to retained earnings upon disposal of investment at FVTOCI	-	-	(8,328,071)	8,328,071	-
Dividend declared during the year	-	-	-	(50,015,700)	(50,015,700)
Transfer to statutory reserve	-	2,108,640	-	(2,108,640)	-
Board of directors remuneration	-	-	-	(2,850,000)	(2,850,000)
As at December 31, 2022 – Exhibit A	500,157,000	118,102,515	(38,916,271)	202,812,080	782,155,324
Profit for the year – Exhibit B – 1	-	-	-	20,543,520	20,543,520
Other comprehensive loss for the year – Exhibit B – 2	-	-	(6,463,171)	-	(6,463,171)
Total comprehensive income for the year	-	-	(6,463,171)	20,543,520	14,080,349
Transfer to retained earnings upon disposal of investment at FVTOCI	-	-	5,058,641	(5,058,641)	-
Transfer to statutory reserve	-	2,054,352	-	(2,054,352)	-
As at December 31, 2023 – Exhibit A	500,157,000	120,156,867	(40,320,801)	216,242,607	796,235,673

The accompanying notes from 1 to 28 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.

RAS AL KHAIMAH
UNITED ARAB EMIRATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
<u>Cash Flows from Operating Activities</u>		
Profit for the year – Exhibit B – I	20,543,520	21,086,397
<u>Adjustments:</u>		
Depreciation of property, plant and equipment	33,155,196	33,875,016
Provision for employees' end of service benefits	658,079	1,435,168
Dividend income	(3,175,983)	(6,147,012)
Interest income	(9,171,266)	(1,349,832)
Investment management fees	525	601,745
Loss/(Profit) on sale of investment at FVTPL	6,585,228	(9,312,016)
Profit on sale of property, plant & equipment	(6,762)	-
Impairment allowance for expected credit losses	-	667,861
Finance cost	-	803,117
Unrealized loss/(gain) on investments at FVTPL	(4,913,239)	5,988,670
Operating profit before working capital changes	43,675,298	47,649,114
Inventories	(1,397,532)	2,782,235
Trade and other receivables	2,115,223	(5,131,886)
Trade and other payables	(5,388,018)	(1,758,975)
Employees' end of service benefits paid	(971,766)	(210,802)
Board of Directors Remuneration paid	(360,000)	(2,850,000)
Net cash provided by operating activities	37,673,205	40,479,686
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(7,284,337)	(7,559,247)
Proceeds from disposal of property, plant and equipment	6,763	-
Dividend received	3,175,983	6,147,012
Purchase of investments at FVTOCI	-	(31,591,723)
Purchase of investments at FVTPL	-	(39,874,675)
Proceeds from disposal of investments at FVTOCI	41,161,193	118,412,219
Proceeds from disposal of investments at FVTPL	29,832,599	53,644,708
Interest received	6,975,006	84,922
Management fees paid	(525)	(601,745)
Movement in term deposits with maturity more than 3 months	(113,376,884)	(124,865,000)
Net cash used in investing activities	(39,510,202)	(26,203,529)
<u>Cash Flows from Financing Activities</u>		
Repayment of term loans	-	(73,011,745)
Finance cost paid	-	(1,046,084)
Dividend paid	(7,350,275)	(45,474,422)
Net cash used in financing activities	(7,350,275)	(119,532,251)
Net decrease in cash and cash equivalents	(9,187,272)	(105,256,094)
Cash and cash equivalents at the beginning of the year	22,254,440	127,510,534
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR – NOTE 8	13,067,168	22,254,440

The accompanying notes from 1 to 28 are an integral part of this consolidated financial statements.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION:

Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. (the "Company") is incorporated as a public shareholding company by Emiri decree number 13/81 dated 3 October 1981 issued by His Highness, The Ruler of Ras Al Khaimah. The address of the Company's registered office is P.O. Box 1492, Ras Al Khaimah, and United Arab Emirates.

The principal activities of the Company and its subsidiaries (the "Group") are manufacturing and supply of white cement, lime products, cement products, concrete blocks, interlock tiles and investing, establishing and managing relevant activities. The "Group" comprises of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C. and its Subsidiaries.

At the Annual General Assembly Meeting held on March 31, 2022, the shareholders approved to amend Company's article of association with respect to Article 5 (2) – Purposes of the Company and Article (7) – Percentage of Ownership and on April 13, 2022 the changes were applied.

At the Annual General Assembly Meeting held on April 11, 2023, the shareholders approved to amend Company's article of association with respect to Article 19 (Para "a" and "b") company management – shall be managed by a Board of directors consisting of 7 members and it is not required the majority of the members including chairman, be citizen of the United Arab Emirates.

Details of Company's subsidiaries at December 31, 2023 are mentioned in Note 3: Basis of consolidation.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current year but may affect the accounting for future transactions or arrangements:

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023)
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) (effective from 1 January 2023)

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued...)

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective: The following new and revised IFRSs, that have been issued but are not yet effective:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective from 1 January 2024)
- Lack of exchangeability (Amendments to IAS 21) (effective from 1 January 2025)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance:

The Group prepared its consolidated financial statements in accordance, and comply with, International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) applicable to the group companies reporting under IFRS and applicable requirements of the UAE Federal Law No. (32) Of 2021.

Basis of preparation:

These consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial instrument. Historical cost is generally based on fair value of the consideration given in the exchange for the asset.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purpose in these consolidated financial statement is determined on such basis, and measurement that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Basis of preparation:

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

The Group presents its consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

Basis of consolidation:

The consolidated financial statements of Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C and its subsidiaries (the "Group") incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...):

Basis of consolidation (Continued...):

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statement of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

The Company has the following subsidiaries over which it exercises effective control:

<u>Name of subsidiaries</u>	<u>Proportion of Ownership interest</u>	<u>Country of incorporation</u>	<u>Principal activities</u>
Ras Al Khaimah Lime Co. Noora LLC	100%	Ras Al Khaimah U.A.E.	Manufacturing of lime products.
Modern Block Factory Establishment	100%	Ras Al Khaimah U.A.E.	Manufacturing of concrete blocks, interlock tiles and cement products.

Foreign currencies

Functional and presentation currency

Items included in the consolidated financial statements are measured and presented in United Arab Emirates Dirhams (AED), being the currency of the primary economic environment in which the Group operates (the functional currency'). The consolidated financial statements are presented in AED, which is the Group's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS P.S.C.
RAS AL KHAIMAH
UNITED ARAB EMIRATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...):

Foreign currencies

Foreign currency transactions and balances (continued...)

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged.

Property and equipment:

Property and equipment held for use in production or supply of goods or services or for administrative purposes are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by the Management.

After initial recognition, the property and equipment are carried, in the consolidated statement of financial position, at their cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group over the estimated useful lives of the assets and accordingly annual depreciation rates are decided for each class of assets.

The annual rate of depreciation used are as follows:

<u>Asset category</u>	<u>Life (Years)</u>
Buildings and building improvements	5-20
Plant and machinery	3-30
Tools, equipment, furniture and fixture	2-20
Vehicles	5-10

The depreciation charge for each year is recognized in the consolidated statement of profit or loss and other comprehensive income. The estimated useful lives, residual values and depreciation method are reviewed at each Year-end, with the effect of any changes in estimate accounted for on a prospective basis.

On the subsequent derecognition (sale or retirement) of the property and equipment, the resultant gain or loss, being the difference between the net disposal proceeds, if any, and the carrying amount, is included in the consolidated statement of profit or loss and other comprehensive income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Property and equipment: (continued...)

Capital work-in-progress

Capital work-in-progress Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant Year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter Year, to the net carrying amount on initial recognition.

Financial assets

Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

a) Initial measurement:

Financial assets are recognized when the Group becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

a) Initial measurement: (continued...)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

b) Subsequent measurement:

- Debt Instruments

Subsequent measurement of debt instruments depends on an entity's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group's financial assets are mainly debt instruments that are subsequently measured at amortized cost. The Group's financial assets are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through amortization process.

c) Impairment:

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVTOCI. For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses.

d) Derecognition:

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

e) Financial assets designated at fair value through Other Comprehensive Income – equity instruments ("FVTOCI")

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

c) Financial assets designated at fair value through OCI (equity instruments) (continued...)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as gain on investments in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Investments carried at fair value through other comprehensive income (FVTOCI) represent investments that the Group intends to hold for the long term for strategic purposes. The Group elected to classify irrevocably its listed equity investments under available for sale category as financial assets designated at fair value through OCI.

f) Financial assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Financial instruments (continued...)

f) Financial assets at Fair Value Through Profit or Loss ("FVTPL")

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash comprises cash on hand and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

b) Subsequent measurement:

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

c) Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued,...)

Financial instruments (continued,...)

Financial liabilities

d) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the impairment loss allowance and the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts and other inventories cost comprises of their purchase price.

Raw materials cost comprises of purchase cost and other costs incurred in bringing the raw material to their present location and condition. Products in process cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into products in process. Finished goods cost comprises raw materials, wages and industrial costs that contribute in transforming raw materials into finished products. Cost is calculated using the weighted average method.

When inventories are sold, the carrying amounts of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of any write down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, are recognized as reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Impairment of non-financial assets

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount.

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FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Impairment of non-financial assets (continued...)

The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior Years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Related party transactions

Related parties includes persons (or a close member of that person's family) that are related to the Group, has control or joint control over the Group, has significant influence over the Group, and/or member of the key management personnel of the reporting entity, or of a parent of the reporting entity. The Group is related to another entity if they are members of the same Group (that is all entities within a Group are related to each other).

Transactions with related parties, normally, comprise of transfer of resources, services, or obligations between the parties. At the consolidated statement of financial position date, the related parties' receivables are stated at the net realizable value.

Employees' end-of-service benefits

Provision for employees' end-of-service benefits is calculated in accordance with the Federal Labour Laws of United Arab Emirates.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

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FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the consolidated statement of financial position date or to transfer it to a third party.

Provisions are reviewed and adjusted at each consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed.

Current versus non – current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current Classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Value added tax ("VAT")

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and current accounts with bank and short-term deposits with original maturities of three months or less.

Share capital and reserves

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Statutory reserve is required to be created by UAE Federal Law No. (32) Of 2021 as described in note 10.

Retained earnings include all current and prior period retained profits.

Revenue recognition

Revenue is measured at an amount that reflects the consideration, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Revenue recognition (continued...)

- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognize revenue: When (or as) the Group satisfies a performance obligation.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Dividend and interest income

Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset net carrying amount.

Earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

Segment reporting

For management purposes, the Group is organized into business units based on their products and service and has reportable segments as follows;

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Segment reporting (continued...)

- a) Manufacturing of White cement, lime products, cement products, concrete blocks and interlock tiles.
- b) Investment in marketable equity securities.

There are no transactions between segments during the year.

Management monitors the operating results of its business units for the purpose of making decisions about resources allocations and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Management is required to make judgments, estimates and assumptions about the reporting amounts of assets, liabilities, income and expenses 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 recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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

Impairment of financial assets

Measurement of Expected Credit Loss ("ECL") is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued...)

Critical accounting judgments and key sources of estimation uncertainty:
(continued...)

Impairment of financial assets (continued...)

The expected loss rates are based on aging of receivables. The historical loss rates are adjusted for to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Allowance for slow moving inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its net realizable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Useful lives of property, plant and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

4. PROPERTY, PLANT AND EQUIPMENT:

a) Property, plant and equipment are stated at cost less accumulated depreciation as follows:

	<u>Lands</u>	<u>Buildings and</u>	<u>Plant and</u>		<u>Tools,</u>	<u>Capital</u>	
	<u>AED</u>	<u>improvements</u>	<u>machinery</u>	<u>Vehicles</u>	<u>equipments,</u>	<u>work-in-</u>	<u>Total</u>
<u>Cost:</u>		<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>furniture and</u>	<u>progress</u>	<u>AED</u>
					<u>fixtures</u>		
					<u>AED</u>	<u>AED</u>	
At December 31, 2021	21,157,893	33,722,899	746,657,978	22,649,938	22,306,922	-	846,495,630
Additions during the year	-	241,808	2,317,910	576,334	333,787	4,089,408	7,559,247
At December 31, 2022	21,157,893	33,964,707	748,975,888	23,226,272	22,640,709	4,089,408	854,054,877
Additions during the year	-	153,872	1,521,169	477,048	991,468	4,140,780	7,284,337
Capitalized during the year	-	-	6,067,849	-	-	(6,067,849)	-
Disposal during the year	-	-	-	(87,000)	-	-	(87,000)
At December 31, 2023	<u>21,157,893</u>	<u>34,118,579</u>	<u>756,564,906</u>	<u>23,616,320</u>	<u>23,632,177</u>	<u>2,162,339</u>	<u>861,252,214</u>
<u>Accumulated Depreciation:</u>							
At December 31, 2021	-	19,250,013	297,098,214	20,866,723	16,867,944	-	354,082,914
Charged for the year	-	1,278,052	30,673,529	799,710	1,123,725	-	33,875,016
At December 31, 2022	-	20,528,065	327,771,763	21,666,433	17,991,669	-	387,957,930
Charged for the year	-	1,295,340	30,386,999	447,389	1,025,468	-	33,155,196
Disposal during the year	-	-	-	(86,999)	-	-	(86,999)
At December 31, 2023	-	<u>21,823,405</u>	<u>358,158,762</u>	<u>22,026,823</u>	<u>19,017,137</u>	-	<u>421,026,127</u>
<u>Net Carrying Amount:</u>							
At December 31, 2022 – Exhibit A	<u>21,157,893</u>	<u>13,436,642</u>	<u>421,204,125</u>	<u>1,559,839</u>	<u>4,649,040</u>	<u>4,089,408</u>	<u>466,096,947</u>
At December 31, 2023 – Exhibit A	<u>21,157,893</u>	<u>12,295,174</u>	<u>398,406,144</u>	<u>1,589,497</u>	<u>4,615,040</u>	<u>2,162,339</u>	<u>440,226,087</u>

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FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

4. PROPERTY, PLANT AND EQUIPMENT: (continued...)

- b) Plant and machinery having a carrying amount of AED NIL (2022: AED 44 million) is pledged to bank against facilities obtained by the Group.
- c) Clinker and lime production facilities, administrative office buildings are constructed on lands shown in Note 4 (a). These lands are situated in Ras Al Khaimah and owned by the Group.
- d) Capital work-in-progress amounting to AED 2,162,339 (2022: AED 4,089,408) as shown in Note 4 (a) represents expenditures incurred on installation of New Silo machine and other installations which is under progress.
- e) No borrowing costs have been capitalized during the current year (2022: AED Nil).
- f) Depreciation expense classified as follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Cost of sales	32,715,512	33,403,169
General and administrative expenses	439,684	471,847

5. INVESTMENT IN SECURITIES:

a) Investments at fair value through other comprehensive income (FVTOCI)

Equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognize in this category. These are strategic investment and the group considers this classification to be more relevant.

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Equity shares, Quoted - Local - UAE	56,864,595	100,166,391
Equity shares, Quoted - GCC countries	2,823,314	7,145,882
Total – Exhibit A	<u>59,687,909</u>	<u>107,312,273</u>

Movement details are as follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Balance at beginning of the year	107,312,273	173,974,245
Purchase during the year	-	31,591,723
Disposal during the year	(46,219,834)	(110,084,148)
Change in fair value	(1,404,530)	11,830,453
Balance at end the year	<u>59,687,909</u>	<u>107,312,273</u>

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5. INVESTMENT IN SECURITIES: (continued...)

b) Investments at fair value through profit and loss (FVTPL):

This item comprise of equity investments that are held for trading and equity investments for which the entity has not elected to recognize fair value gains and losses through OCI.

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Equity shares, Quoted - Local - UAE	-	20,715,802
Equity shares, Quoted - GCC countries	-	10,788,786
Total – Exhibit A	-	31,504,588
Movement details are as follows:		
	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Balance at beginning of the year	31,504,588	41,951,275
Purchase during the year	-	39,874,675
Disposal during the year	(36,417,827)	(44,332,692)
Change in fair value	4,913,239	(5,988,670)
Balance at end the year	-	31,504,588

6. INVENTORIES:

This item comprises of the following:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Finished goods	4,359,424	14,293,885
Raw materials	7,673,854	7,615,827
Work in progress	32,743,611	47,946,314
Bags, fuel and lubricants	16,206,351	7,244,347
Spare parts	37,089,777	32,694,581
Total	98,073,017	109,794,954
Allowance for slow-moving inventories	(18,209,011)	(31,342,762)
Goods in transit	-	14,282
Net - Exhibit A	79,864,006	78,466,474

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7. TRADE AND OTHER RECEIVABLES:

a) This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Trade accounts receivable - Note 7 (c)	45,267,014	47,452,447
Impairment allowances for expected credit losses - Note 7 (b)	(3,616,295)	(3,616,295)
Net	41,650,719	43,836,152
Prepaid expenses	1,297,179	1,547,690
Advance to suppliers	3,049,645	1,665,038
Refundable deposits & other receivables	5,764,985	4,632,611
Total - Exhibit A	51,762,528	51,681,491

Before accepting new customers, the Group generally obtains bank guarantee or letter of credit from the potential customers. Trade receivables at the end of year amounting to AED 25.38 million representing 56.07% of the total trade receivables (2022: 22.56 million representing 47.54% of trade receivables) are due from the Group's seven customers (2022: six customers).

The average credit period on sales of goods is 78 days (2022: 73 days). No interest is charged on outstanding receivables. The Group measures the impairment allowance for expected credit losses at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for the factors that are specific to the customers bank guarantees, and letters of credit provided, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

All the Group trade receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business to business market that are experiencing financial difficulties.

The Group write off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings etc.

b) Movement details of impairment allowances for expected credit losses are as follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Balance at the beginning of the year	3,616,295	2,948,434
Net increase/(decrease) during the year - Exhibit B	-	667,861
Balance at the end of the year	3,616,295	3,616,295

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

7. TRADE AND OTHER RECEIVABLES: (continued...)

c) Analysis of trade receivables are set out below:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Secured against unconditional bank guarantees	7,041,336	12,589,162
Secured against letter of credit	1,542,798	10,376,911
Open credit	36,682,880	24,486,374
Total	<u>45,267,014</u>	<u>47,452,447</u>

8. CASH AND BANK BALANCES:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Cash in hand	157,036	190,095
Checking accounts with bank	3,602,738	7,181,166
Portfolio accounts	71	3,377,357
Call deposits	2,805,340	3,695,322
Term deposits with maturity less than three months	6,501,983	7,810,500
Cash and cash equivalents - Exhibit D	<u>13,067,168</u>	<u>22,254,440</u>
Term deposits with maturity more than three months	238,241,884	124,865,000
Total -Exhibit A	<u>251,309,052</u>	<u>147,119,440</u>
<i>By Geographical area:</i>		
In the U.A.E	248,590,463	138,368,315
In other GCC countries	2,718,589	8,751,125

Bank balances are held with local and international branch of reputable banks. Management views these banks as having a sound performance history and satisfactory credit ratings.

The average interest rates for the bank deposits during the year were 5.7% (2022: 4.5% per annum).

9. SHARE CAPITAL:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Issued and fully paid 500,157,000 shares of AED 1 each - Exhibits A & C	<u>500,157,000</u>	<u>500,157,000</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

10. STATUTORY RESERVE:

In accordance with the U.A.E Federal Commercial Companies Law Number (33) of 2021 and the Company's Articles of Association, 10% of the profit for each year is transferred to the Legal reserve. The transfer to legal reserve may be suspended when it reaches 50% of paid-up share capital. During the year ended December 31, 2023, the Group has transferred AED 2,054,352 (2022: AED 2,108,640) to legal reserve.

This reserve is not available for distribution except in circumstances stipulated by the law.

11. EMPLOYEES' END OF SERVICE BENEFITS:

Movement details are as follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
At January 1	10,485,524	9,261,158
Charge for the year	658,079	1,435,168
Payments during the year	(971,766)	(210,802)
At December 31 - Exhibit A	<u>10,171,837</u>	<u>10,485,524</u>

12. TRADE AND OTHER PAYABLES:

This item comprises of the following:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Trade accounts payable	24,102,270	29,529,137
Dividend payable (*)	32,549,766	39,900,041
Accrued expenses and other provisions	15,656,441	13,853,708
Advance from customers/contract liabilities	4,133,595	6,257,479
Total - Exhibit A	<u>76,442,072</u>	<u>89,540,365</u>

* - Based on the Cabinet Resolution No. 1/21 of 2023, the Securities and Commodities Authority (SCA) has been appointed to manage the uncollected dividends of locally listed public joint stock companies prior to March 2015 and to transfer the value of uncollected dividends to the SCA no later than May 21, 2023. Accordingly, during the year, the Group has transferred the undistributed dividends prior to March 2015 of AED 5,419,621 to the SCA's account.

13. SALES:

This item comprises of the following:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Local sales	88,154,388	95,937,381
Export sales	167,743,647	151,730,812
Total - Exhibit B - 1	<u>255,898,035</u>	<u>247,668,393</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

14. COST OF SALES:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Material and spare parts consumption cost	87,693,438	78,278,768
Natural gas, electricity and water	79,911,165	80,324,260
Salaries, wages and related benefits	22,866,883	21,079,068
Depreciation of property, plant and equipment	32,715,512	33,403,169
Other expense	1,301,209	438,599
Total – Exhibit B – 1	<u>224,488,207</u>	<u>213,523,864</u>

15. GENERAL AND ADMINISTRATIVE EXPENSE:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Salaries and related benefits	13,081,962	13,167,024
Legal and professional fee	1,387,146	1,775,925
Marketing expense	1,798,107	2,273,420
Office expense	1,529,641	1,286,508
Depreciation of property, plant and equipment	439,684	471,847
Bank charges	544,971	873,702
Other expense	2,686,572	2,150,824
Total – Exhibit B – 1	<u>21,468,083</u>	<u>21,999,250</u>

16. OTHER INCOME

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Reversal of liability	1,266	382,841
Others	262,858	501,574
Total – Exhibit B – 1	<u>264,124</u>	<u>884,415</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

17. INVESTMENT INCOME:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Dividend income	3,175,983	6,147,012
Change in fair value of investments at FVTPL	(1,671,987)	3,323,348
Interest income	9,171,266	1,349,832
Investment management fee	(525)	(601,745)
Net – Exhibit B – 1	<u>10,674,737</u>	<u>10,218,447</u>

18. BASIC EARNINGS PER SHARE:

The calculation of basic earnings per share is based on the profit attributable to owners of the Group and the weighted average number of ordinary shares outstanding as at 31 December 2023, calculated as follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Net profit for the year	20,543,520	21,086,397
Weighted average number of shares outstanding	500,157,000	500,157,000
Basic earnings per share (AED)	<u>0.04</u>	<u>0.04</u>

Diluted earnings per share as of December 31, 2023 and December 31, 2022 are equivalent to basic earnings per share.

19. DIVIDENDS DISTRIBUTION AND BOARD OF DIRECTORS' REMUNERATION:

At the Annual General Meeting held on April 11, 2023, the Shareholders approved no dividend distribution to the shareholders in respect for the year ended December 31, 2022. They have approved the Board of Directors' remuneration for an amount of AED 360,000.

At the Annual General Meeting held on March 31, 2022, the shareholders approved a cash dividend of 10% (10 fils per share) amounting to AED 50,015,700 in respect of the year ended December 31, 2021. They have also approved the board of Directors' remuneration for an amount of AED 2,850,000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

20. RELATED PARTY TRANSACTIONS:

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significant influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and mutually agreed with the related parties.

<u>Balances with related parties as follows:</u>	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
<i>Trade accounts receivable:</i>		
Ultratech Cement Limited - India	12,109,340	4,086,620
(Parent of significant shareholder w.e.f. date of change in control i.e. June 23, 2022)		

<u>Transactions with related party as follows:</u>	<u>From</u>	<u>From</u>
	<u>January 1 to</u>	<u>June 23 to</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
<i>Sales (Including freight):</i>		
Ultratech Cement Limited - India	55,221,555	5,822,608
(Parent of significant shareholder w.e.f. date of change in control i.e. June 23, 2022)		

<i>Key Management Personnel Compensation:</i>	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Short-term benefits	314,566	515,996
Board remuneration*	780,000	2,850,000
*Include an amount of AED 420,000 - accrued based on proposed board remuneration for the year 2023 subject to Annual General Meeting approval.		

21. COMMITMENTS AND CONTINGENT LIABILITIES:

This item comprises of the following:	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Letter of guarantees	2,754,995	2,755,024

22. RISK MANAGEMENT:

a) Capital risk management:

The Group manages its capital to ensure that Group entities will be able to continue as a going concern while maximizing the return to shareholders and benefit to other stakeholders through the optimization of the debt and equity balance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

22. RISK MANAGEMENT (continued...):

a) Capital risk management (continued...):

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with capital. The Group does not have a formalized optimal target capital structure or target ratios in connection with its capital risk management objective.

The Group changed its strategy during the year by settling all its term loan and currently its capital structure consist of equity, comprising issued capital, reserves and retained earnings.

b) Market risk:

The Group activities expose it primarily to the financial risks of changes in foreign currency exchange rates, cash flow and fair value interest rates and equity price risk. Market risk exposures are measured using sensitivity analysis.

• **Foreign currency risk management:**

Majority of the Group transactions are denominated in AED or in currencies AED is pegged to. However, the Group undertakes certain transactions denominated in other foreign currencies. Hence exposure to exchange rate fluctuations arise.

	<u>Liabilities</u>		<u>Assets</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Kuwaiti dinar	-	-	4,285,189	23,582,993
Euro	466,686	371,645	167,385	397,476
GBP	-	-	24,531	7,068
JPY	32,213	35,887	6,678	32,213

The Group is mainly exposed to Kuwaiti Dinar in 2023 (2022: Kuwaiti Dinar). Based on the sensitivity analysis to a 10% increase or decrease in the AED against Kuwait Dinar the Group's profit for the year ended December 31, 2023 and equity as of and December 31, 2023 would have increased or decreased by approximately AED 0.42 million (2022: AED 1.79 million). The Group has no material exposure against Euro, Qatar Riyals, British Pound Sterling and Japanese Yen. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

22. RISK MANAGEMENT (continued...):

b) Market risk (continued...):

• **Cash flow and fair value interest rate risk management**

The Group's exposure to interest rate risk is limited to fixed deposits and call deposits with banks at floating interest rates and borrowings from banks at floating rates of interest linked to EIBOR. At December 31, 2023, bank fixed and call deposits carried an interest rate in the avg. of 5.7% p.a. (2022: 4.5% p.a.) and bank loans carried an interest rate in the avg. of NIL (2022: 2.2% p.a.).

If interest rates had been 50 basis points higher/lower throughout the year and all other variables were held constant, the Group's profit for the year ended December 31, 2023 and equity as at December 31, 2023 would have decreased /increased by approximately AED 0.95 million (2022: decrease/ increase by AED 0.71 million).

• **Equity price risk:**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as at fair value through other comprehensive income (FVTOCI) (note 5) or at fair value through profit or loss (FVTPL) (note 5). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the group. The majority of the group's equity investments are publicly traded.

Sensitivity analysis

At the reporting date if the equity prices are 20% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Group's consolidated statements of income and comprehensive income would have increased/decreased by AED NIL and by AED 11.93 million, respectively (2022: AED 6.3 million and by AED 21.46 million, respectively).

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- As at the reporting date if equity prices are 20% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and other comprehensive income has been shown above.
- A 20% change in equity prices has been used to give a realistic assessment as a plausible event.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

22. RISK MANAGEMENT: (continued...)

c) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade receivables consist of a number of customers. On-going credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables and short-term deposits are disclosed in Notes 7 and 8 respectively.

The credit risk associated with the Group's trade receivables (note 7) is considered limited as the Group holds receivables amounting to AED 8.5 million (2022: AED 22.96 million) fully covered by unconditional bank guarantees and letters of credit to secure the collectability of these trade receivables.

Other financial assets represent investments carried at fair value through other comprehensive income (FVOCI) and investments carried at fair value through profit and loss (FVTPL), where all their investments are listed equity securities as at December 31, 2023 (Note 24).

Credit risk with respect to concentration of trade receivables by geographical area is follows:

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
United Arab Emirates	17,573,672	17,713,198
Other GCC countries	5,089,394	6,852,068
Other countries	22,603,948	22,887,181
Total	45,267,014	47,452,447

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FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

22. RISK MANAGEMENT: (continued...)

d) Liquidity risk:

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group liquidity risk is the availability of funds to cover future commitments. The Group manages liquidity through an ongoing review of future commitments.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables.

The Group non-derivative financial liabilities have contractual maturities as summarized below:

	<u>Less than</u> <u>one year</u> <u>AED</u>	<u>More than</u> <u>one year</u> <u>AED</u>
<u>As at December 31, 2023</u>		
Employees' end of service benefits	-	10,171,837
Trade and other payables	72,308,477	-
<u>As at December 31, 2022</u>		
Employees' end of service benefits	-	10,485,524
Trade and other payables	83,282,886	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

23. SEGMENT INFORMATION:

The Group has broadly two major reportable segments as described below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

Manufacturing segment includes White cement, lime products, cement products, concrete blocks and interlock tiles.

Investment segment includes investment in marketable equity securities, deposit with bank.

The above segments are the basis on which the management monitors the operating results of these segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	As at December 31, 2023			As at December 31, 2022		
	Manufacturing	Investments	Total	Manufacturing	Investments	Total
Segment Revenue	255,898,035	-	255,898,035	247,668,393	-	247,668,393
Segment result	9,868,783	10,674,737	20,543,520	10,867,950	10,218,447	21,086,397
Depreciation	33,155,196	-	33,155,196	33,875,016	-	33,875,016
Finance cost	-	-	-	803,117	-	803,117

	As at December 31, 2023			As at December 31, 2022		
	Manufacturing	Investments	Total	Manufacturing	Investments	Total
Segment Asset	571,852,621	304,431,776	876,284,397	596,244,912	271,492,361	867,737,273
Unallocated Asset	-	-	6,565,185	-	-	14,443,940
Total Asset	571,852,621	304,431,776	882,849,582	596,244,912	271,492,361	882,181,213
Segment Liabilities	86,613,909	-	86,613,909	100,025,889	-	100,025,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

24. FAIR VALUE MEASUREMENTS:

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirements to materiality curtail the scale of its operations or to undertake a transaction on adverse terms.

a) Fair value of financial instruments at amortized cost.

The management considers that the carrying amount of financial asset and financial liabilities recognized at amortized cost in the condensed interim consolidated financial information approximate their fair values.

b) Valuation techniques and assumptions applied for the purpose of measuring fair value.

The fair values of financial assets and financial liabilities are determined using similar valuations techniques and assumptions as used in the audited annual consolidated financial statement for the year ended December 31, 2022.

c) Fair value of the Group's financial asset that are measured at fair value on recurring basis.

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on degree to which the fair value is observable.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities -Level 1
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is derived from prices) – Level 2.
- Inputs for the assets or liability that are not based on observable market data (that is unobservable inputs) – Level 3.

<u>December 31, 2023</u>	<u>Level 1</u> <u>AED</u>	<u>Level 2</u> <u>AED</u>	<u>Level 3</u> <u>AED</u>	<u>Total</u> <u>AED</u>
FVTOCI				
Quoted equities	59,687,909	-	-	59,687,909
FVTPL				
Quoted equities	-	-	-	-
	<u>59,687,909</u>	<u>-</u>	<u>-</u>	<u>59,687,909</u>
 <u>December 31, 2022</u>	 <u>Level 1</u> <u>AED</u>	 <u>Level 2</u> <u>AED</u>	 <u>Level 3</u> <u>AED</u>	 <u>Total</u> <u>AED</u>
FVTOCI				
Quoted equities	107,312,273	-	-	107,312,273
FVTPL				
Quoted equities	31,504,588	-	-	31,504,588
	<u>138,816,861</u>	<u>-</u>	<u>-</u>	<u>138,816,861</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023 (continued...)

25. GEOGRAPHICAL INFORMATION:

In presenting information on the basis of geographical area, revenue is based on geographical location of customers.

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
United Arab Emirates	88,497,669	95,935,302
Other GCC countries	45,951,026	38,031,522
India	105,723,854	91,527,256
Jordan	-	1,360,184
Yemen	3,243,923	1,761,090
Other countries	12,481,563	19,053,039
Total – Exhibit B – 1	255,898,035	247,668,393

26. SOCIAL CONTRIBUTION:

The social contribution (including donation and charity) made during the year amounted to AED 245,500 (2022: 240,000).

27. CORPORATE TAX:

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MOF") issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after June 1, 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Group has conducted an assessment of the potential impact of these laws and regulations. Based on this assessment, the Group has determined that no deferred tax implications are to be considered in the preparation of these financial statements.

28. COMPARATIVE FIGURES:

Comparative figures have been reclassified in accordance with IAS 1 'Presentation of financial statements' in order to conform to the presentation for the current year.

RAKWCT

Ras Al Khaimah
United Arab Emirates

شركة رأس الخيمة لصناعة الاسمنت الأبيض
والمواد الإنشائية ش.م.ع

رأس الخيمة-الإمارات العربية المتحدة

LEGAL ADVISER TO RAKWCT
IN'P IBRAHIM .N. PARTNERS

24th Floor, Al Sila Tower
ADGM
Abu Dhabi
United Arab Emirates

المستشار القانوني للشركة

إبراهيم ومشاركوه

الطابق 24، برج السلع، مربعة سوق أبوظبي العالمي
أبوظبي، الإمارات العربية المتحدة

FINANCIAL ADVISER TO RAKWCT

KPMG Lower Gulf Limited
Dubai
United Arab Emirates

المستشار المالي للشركة
مكتب كي بي ام جي لوار جلف ليمتد
دبي
الإمارات العربية المتحدة





(Announcement of intent to make an acquisition offer)

UltraTech Cement Middle East Investments Limited

(a company incorporated in the Jebel Ali Free Zone (JAFZA), United Arab Emirates)

Commercial Registration Number 132239

ANNOUNCES ITS INTENTION TO MAKE A PARTIAL OFFER TO ACQUIRE 31.6% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF RAS AL KHAIMAH CO. FOR WHITE CEMENT & CONSTRUCTION MATERIALS

27 May, 2024

DISCLAIMER STATEMENT

THE SECURITIES AND COMMODITIES AUTHORITY (THE "SCA") AND THE ABU DHABI SECURITIES EXCHANGE (THE "ADX") SHALL NOT BEAR ANY LIABILITY FOR THE CONTENT OF THIS ANNOUNCEMENT AND SHALL NOT SUBMIT ANY CONFIRMATION IN RELATION TO THE ACCURACY OR COMPLETENESS THEREOF, AND HEREBY EXPRESSLY DISCLAIM THEMSELVES OF ANY RESPONSIBILITY FOR ANY LOSS ARISING FROM THE CONTENT OF THIS DOCUMENT OR FROM RELYING ON ANY PART THEREOF.

STATEMENT FROM THE ACQUIRING PARTY "ULTRATECH CEMENT MIDDLE EAST INVESTMENTS LIMITED"

ULTRATECH ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT. THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT FOR WHICH IT IS RESPONSIBLE IS IN ACCORDANCE WITH THE FACTS.

Unless otherwise stated, terms defined in the SCA Rules shall have the same meaning in this Announcement.

The Offer

UltraTech Cement Middle East Investments Limited ("**UltraTech**" or "**Acquiring Party**") notified the Board of Directors of Ras Al Khaimah Co. for White Cement & Construction Materials PSC ("**RAKWCT**") on 27 May, 2024, that it intends to make a partial conditional cash offer to acquire 158,049,610 shares listed on the ADX, representing 31.6% of the ordinary shares of the issued and paid up share capital of RAKWCT in accordance with Article 10 of Decision of the Chairman of SCA Board of Directors No. (18 / RM) of 2017 concerning the rules of acquisition and merger of public shareholding companies ("**Takeover Code**") (the "**Offer**"), subject to the fulfilment of the terms referred to



UltraTech Cement Middle East Investments Limited

(A Company incorporated under JAFZA Offshore Companies Regulations, 2003)
(Registration No. 132239)

Registered office: P.O. Box 4421, Dubai, UAE, Tel: +971 4 2227580 Fax No. +971 4 2233715



in the *Terms of the Offer and the Conditions* section below.

If the number of RAKWCT Shares offered at the end of the Offer Period is more than the specific number of shares set out in the Offer, UltraTech will acquire from all the RAKWCT Shareholders who have accepted the Offer a number of RAKWCT Shares pro rata to the total number of shares set out in the Offer. Fraction shares will be adjusted to the benefit of minority RAKWCT Shareholders.

Offer Price

Under the terms of Article 6 of the Takeover Code and the Offer, holders of shares in RAKWCT (excluding UltraTech and its affiliates) that decide to accept the Offer will be entitled to receive AED 1.15 in cash for each of their shares in RAKWCT (the "**Offer Price**").

The Offer Price may not be lower than the highest price of the following:

- a) The market price on the first day of the Offer.
- b) The closing price prior to the first day of the Offer commencement.
- c) The average price during the 3 months preceding the start of the Offer.
- d) The highest price paid by the Acquiring Party to buy the shares during the 12 months preceding the submission of the Offer.

Terms of the Offer and its Conditions

The implementation of the Offer will be subject to conditions which will be agreed and set out in an implementation agreement to be entered into between UltraTech and RAKWCT. Details of the Offer terms and



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conditions will be set out in an offer document to be provided to RAKWCT on 27 May 2024.

As per paragraph 1 of Article 19 of the Takeover Code, RAKWCT will appoint a financial adviser to prepare a report and will inform the RAKWCT shareholders of the outcomes and recommendations of the report.

Real identity of UltraTech and its key shareholders UltraTech is a company incorporated and registered in the Jebel Ali Free Zone (JAFZA), United Arab Emirates with commercial registration number 132239 and is a wholly-owned subsidiary of "UltraTech Cement Limited", incorporated in India.

Details of the shares held by UltraTech and its associated group during the term of the acquisition As at the date of this Announcement, UltraTech had an ownership interest representing 29.39% (being 147,000,000 shares) of the shares in RAKWCT.

Details of the shares subject of the offer UltraTech (through an offer made to all shareholders of RAKWCT) wishes to acquire 158,049,610 shares, representing 31.6% of the ordinary shares of the issued and paid up share capital of RAKWCT.

Irrevocable obligations in relation to acceptance of the Offer As at the date of this Announcement, UltraTech has not sought or obtained any irrevocable undertakings pursuant to which any RAKWCT shareholders undertook to irrevocably accept the Offer.

Details of any arrangements with RAKWCT which may have a material impact on the Offer As at the date of this Announcement, there are no agreements entered into between UltraTech and RAKWCT in relation to the implementation of the Offer.



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The arrangements related to the termination fees

As at the date of this Announcement, UltraTech has not entered into any arrangement or agreement with RAKWCT in respect of termination fees in the event this transaction does not complete.

The intentions, plans and purpose of the Transaction

By increasing its ownership percentage in the share capital of RAKWCT, UltraTech wishes to better benefit from its expertise in the field of white cement manufacturing through expanding the business of RAKWCT locally, regionally and globally, including providing modern products such as wall care putty and other new products.

Issued for and on behalf of
UltraTech Cement Middle East Investments Limited

A handwritten signature in blue ink, appearing to read "Garg", positioned above a horizontal line.

Nitesh Garg
Board Member



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek your own independent financial advice immediately from an independent financial adviser who is licensed by the SCA.

If you have sold or otherwise transferred all of your RAKWCT Shares (other than pursuant to the Offer), please send this document at once to the purchaser or transferee or to the bank, broker, or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. **However, the foregoing documents must not be forwarded or transmitted in or into any Restricted Jurisdiction (as defined below) or in or into any jurisdiction where to do so would constitute a violation of the relevant laws in that jurisdiction.** If you have sold or transferred only part of your holding of RAKWCT Shares, you should retain this document and consult your professional adviser.

This Document has been prepared based on the provisions of the Decision of the Chairman of SCA No. (18 / RM) of 2017 regarding the rules for acquisition and merger of public joint-stock companies and the Administrative Decision No. (62 / RT) of 2017 regarding the technical requirements for acquisition and merger rules.

Capitalised terms in this UltraTech Offer Document shall have the meaning given to them in Annex VI (*Definitions*).

Offer Document

UltraTech Cement Middle East Investments Limited's conditional cash offer to acquire 31.6% of the issued and paid-up ordinary share capital of Ras Al Khaimah Co. for White Cement & Construction Materials PSC for

AED 1.15 in cash for each RAKWCT Share

DISCLAIMER STATEMENT:

The SCA and the ADX shall not bear any responsibility for the content of this UltraTech Offer Document and shall not submit any confirmation in relation to the accuracy or completeness thereof, and hereby expressly disclaim any responsibility for any loss arising from the content of this offer document or from relying on any part thereof.

Offeror

UltraTech Cement Middle East Investments Limited

P.O. Box 4421, Dubai, United Arab Emirates



**Legal adviser to
the Offeror**

Baker & McKenzie LLP

**Baker
McKenzie.**

Transaction Manager

ADCB

بنك أبوظبي التجاري
ADCB

RAKWCT Shareholders wishing to accept the Offer must contact their broker where their shares are deposited and instruct them to place their Sell Order as a good till canceled order with a limited price equating the Offer Price no later than 2.00 pm on 24 June 2024 (or such later date as may be notified by UltraTech to RAKWCT).

Submission of the Sell Order shall be construed as acceptance of the Offer. Further guidance on the procedures for acceptance of the Offer and placing the Sell Order are set out in this UltraTech Offer Document.

This UltraTech Offer Document is dated 27 May 2024.

ULTRATECH'S DECLARATION

1 Responsibility

UltraTech and its Board of Directors are fully responsible for the validity and accuracy of the information contained in this document. The information contained in this document for which it is responsible is in accordance with the facts and does not intentionally omit or ignore any material fact likely to affect the importance or completeness of such information within this UltraTech Offer Document and there are no material facts that have been omitted or left out, and the Board of Directors of Ultratech Cement Middle East Investments Limited has acted in good faith in preparing this document.

TO ACCEPT THE OFFER

RAKWCT Shareholders wishing to accept the Offer must contact their broker where their shares are deposited and instruct them to place their Sell Order as a good till cancelled order with a limited price equating the Offer Price no later than 2.00 pm on 24 June 2024 (or such later date as may be notified by UltraTech to RAKWCT).

Submission of the Sell Order shall be construed as acceptance of the Offer. Further guidance on the procedures for acceptance of the Offer and placing the Sell Order are set out in this UltraTech Offer Document. If you have any questions relating to the procedure for acceptance of the Offer, please contact the Transaction Manager on +97128126481 between 8.00 A.M. and 4.00 P.M. from Monday to Friday or at CapitalMarketsTeam@adcb.com, or you may contact your broker. The Transaction Manager cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

You are advised to read the whole of this document carefully.

THE OFFER CLOSING DATE IS 2.00 P.M. ON 24 JUNE 2024

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Date
Announcement to the Offer	Monday, 27 May 2024
Dispatch of the UltraTech Offer Document to RAKWCT	Monday, 27 May 2024
Offer opening date	Tuesday, 28 May 2024
Offer Closing Date	2.00 p.m. on Monday, 24 June 2024
Offer results announcement	Tuesday, 25 June 2024
Settlement of the applications for acceptance	Within a period not exceeding Thursday, July 18, 2024, being: a period of 28 days (the closure of the Offer Period) + 21 days (the period required to fulfill all Offer Conditions, including holding the RAKWCT GM) + 3 days (the period stipulated for settlement of the consideration after all Conditions have been met).

IMPORTANT INFORMATION

IMPORTANT: If you are in any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from an independent financial advisor who is licensed by SCA.

No person should construe the contents of this document as legal, financial or tax advice.

Overseas RAKWCT Shareholders

This document has been prepared in compliance with applicable laws and regulations of the UAE and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and/or regulations of jurisdictions outside the UAE. The Offer is being made in relation to securities of a UAE company and you should be aware that this document and any other documents relating to the Offer have been or will be prepared in accordance with UAE disclosure requirements, format and style, all of which may differ from those applicable in other jurisdictions.

The Offer is not being made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer is not capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this document and any accompanying document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and any accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported Sell Order. The availability of the Offer to RAKWCT Shareholders who are not resident in the United Arab Emirates may be affected by the laws of the relevant jurisdictions in which they are resident. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction.

If you are a resident of the United States, please read the following:

The Offer is being made to acquire the securities of RAKWCT, a company incorporated and registered in Ras Al Khaimah, United Arab Emirates, and is being made in the United States in reliance on, and compliance with, the exemption from the US Securities Exchange Act of 1934, as amended, afforded by Rule 14d-1(c), Section 14(e) and Regulation 14E thereunder. The Offer shall be made in the United States by UltraTech and no one else.

The Offer is subject to the disclosure and procedural requirements of the United Arab Emirates, which differ from those in the United States, including with respect to withdrawal rights and offer timetable that are different from those applicable under US domestic tender offer procedures and law. In addition, the payment and settlement procedure with respect to the Offer shall comply with the relevant United Arab Emirates rules, which differ from United States payment and settlement procedures, particularly with regard to the date of payment of consideration. Neither the SEC, nor any securities commission of any state of the United States, has approved the Offer, passed upon the fairness of the Offer or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Financial information relating to RAKWCT included in this document has been prepared in accordance with IFRS and other mandatory reporting requirements applicable in the UAE and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for investors to enforce their rights and any claim they may have arising under US federal securities laws, since UltraTech and RAKWCT are UAE companies, and some or all of their officers and directors are residents of countries other than the United States. Investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. It may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The receipt of cash pursuant to the Offer by a US holder of securities of RAKWCT may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of securities of RAKWCT is urged to consult his independent professional adviser immediately regarding the tax consequences of a Sell Order.

Any person (including custodians, nominees and trustees) who would, or otherwise intends to, or may have a contractual or legal obligation to forward this document to any jurisdiction outside the United Arab Emirates, should read paragraph 5 of Section II (*Further Terms of the Offer*) to this UltraTech Offer Document before taking any action.

Information provided as at the date of this UltraTech Offer Document

Statements contained in this UltraTech Offer Document are made as at the date of this UltraTech Offer Document, unless some other time is specified in relation to them, and the publication of this document (or any action taken pursuant to it) shall not give rise to any implication that there has been no change in the facts or affairs of RAKWCT as set out in this UltraTech Offer Document since such date. UltraTech expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No representations

No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by UltraTech or any of the other advisers in connection with the Offer.

Publication on website

This document shall be available on RAKWCT's website at [**Investor Relations \(rakcc.ae\)**](http://Investor Relations (rakcc.ae)) by the next Business Day in the UAE following the date of this UltraTech Offer Document.

Rounding

Certain figures included in this UltraTech Offer Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Forward-looking statements

This UltraTech Offer Document (including information incorporated by reference in this document), oral statements made regarding the Offer, and other information published by the Offeror (or any of the Offeror's affiliates) contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which RAKWCT operates in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward-looking

statements contained in this document relate to RAKWCT's future prospects, developments and business strategies, expectations in relation to the timing of the Offer and the outcome of various stages of the Transaction and other statements which are not historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies; (iii) the effects of global economic conditions and governmental regulation on UltraTech's or RAKWCT's business; and (iv) steps in the Transaction process the outcome of which is dependent on third party acts / omission or otherwise beyond UltraTech's control. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and/or regimes and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither UltraTech nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this UltraTech Offer Document shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

Presentation of financial and other information

RAKWCT's audited consolidated financial statements for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023 are prepared in accordance with IFRS. Save where expressly stated otherwise, financial information incorporated by reference into this document as set out in Annex II (RAKWCT's Financial Statements) is based on management estimates and has not been independently verified by auditors or otherwise. Save as disclosed otherwise, all financial information is set out in AED.

No profit (or loss) forecasts or estimates

No statement in this document is intended as a profit (or loss) forecast or profit (or loss) estimate and no statement in this document should be interpreted to mean that earnings or earnings per RAKWCT Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per RAKWCT Share or to mean that RAKWCT's earnings in the first 12 months following the Offer, or in any subsequent period, would necessarily match or be greater than those of RAKWCT for the relevant preceding financial period or any other period.

Language

This UltraTech Offer Document has been prepared in both English and Arabic. The English is an unofficial English translation of the formal UltraTech Offer Document published in the Arabic language.

Definitions

Certain words and terms used in this UltraTech Offer Document are defined in Annex VI (*Definitions*) of this UltraTech Offer Document.

Dates and time

All references to dates and times shown in this UltraTech Offer Document are to the Gregorian calendar and UAE time, respectively, unless otherwise stated.

Date of publication

The date of publication of this UltraTech Offer Document is 27 May 2024.

LETTER FROM ULTRATECH CEMENT MIDDLE EAST INVESTMENTS LIMITED

(Incorporated and registered in JAFZA, UAE with commercial registration number 132239)

Monday, 27 May 2024

OFFER FOR YOUR SHARES IN RAKWCT

Dear RAKWCT Shareholder,

UltraTech is making a partial conditional cash offer to you, as a RAKWCT Shareholder, for the shares you hold in RAKWCT in return for the payment in cash of AED 1.15 per RAKWCT Share you hold in accordance with the process set out in this UltraTech Offer Document.

This UltraTech Offer Document has been prepared in connection with a conditional cash offer (the "**Offer**") and is made by UltraTech (the "**Offeror**" or "**UltraTech**") in order to acquire 31.6% of the issued and paid-up ordinary shares of RAKWCT (the "**Offeree**" or "**RAKWCT**") not already held by UltraTech on the terms and conditions set out in this UltraTech Offer Document.

This Offer becomes unconditional only if the Conditions are fulfilled or waived, as set out in paragraph 5 of Section I (*General Information and Details of the Offer*) of this UltraTech Offer Document and has been constituted in compliance with applicable laws and/or regulations and certain approvals and exemptions granted in respect of this Offer.

The Offer is in accordance with the procedure applied by the ADX and will be executed as follows:

- (a) the Shares of RAKWCT shall be traded in accordance with the trading rules applicable to ADX;
- (b) buy & sell orders will be placed on the "Negotiated Deal" board of ADX; whereby, UltraTech's buy order will be placed daily with ADCB Securities LLC, the brokerage subsidiary of the Transaction Manager ("**ADCBS**");
- (c) Sell Orders will be placed on the "Negotiated Deal" board daily by a licensed broker;
- (d) Sell Orders placed on the "Negotiated Deal" board of ADX are valid for one day only;
- (e) ADX will consider Sell Orders placed on the "Negotiated Deal" board which are consistent with the terms of this Offer; Sales Orders which are placed on the "Negotiated Transactions" board but whose prices differ from the price shown in this Offer Document will be cancelled;
- (f) orders will only be entered during the Offer Period, with no execution until the closing date/time of the Offer Period; and
- (g) Sell Orders on the last day of the Offer Period shall be entered in the electronic trading system starting 10:00 am until 2:00 pm of the same day without executing any such order and the trading system shall proceed to the execution of these orders after trading hours.

Background to and reasons for the Offer

On the same day of the announcement of Ultratech's intention to carry out an acquisition in accordance with Article 22 of the Takeover Code, UltraTech will send to the board of directors of RAKWCT this UltraTech Offer Document. UltraTech and RAKWCT will also enter into an Implementation Agreement.

Within 14 days of receiving this Offer Document, the board of RAKWCT will dispatch to you the RAKWCT Offeree Circular which UltraTech expects will contain the recommendation by the board of RAKWCT to the RAKWCT Shareholders to accept this Offer and vote in favour of the resolutions proposed at the RAKWCT GM in respect of this Offer.

If the number of RAKWCT Shares offered at the end of the Offer Period is more than the specific number of shares set out in the Offer, UltraTech will acquire from all the RAKWCT Shareholders who have accepted the Offer a number of RAKWCT Shares pro rata to the total number of shares set out in the Offer. Fraction shares will be adjusted to the benefit of minority RAKWCT Shareholders.

The intentions, plans and purpose of the Transaction

By increasing its ownership percentage in the share capital of RAKWCT, UltraTech wishes to better benefit from its expertise in the field of white cement manufacturing through expanding the business of RAKWCT locally, regionally and globally, including providing modern products such as wall care putty and other new products.

Key benefits for RAKWCT Shareholders

Under the terms of the Offer, RAKWCT Shareholders will be entitled to receive:

AED 1.15 in cash for each RAKWCT Share (the "Offer Price")

The Offer Price may not be lower than the highest price of the following:

- (a) The market price on the first day of the Offer.
- (b) The closing price prior to the first day of the Offer commencement.
- (c) The average price during the 3 months preceding the start of the Offer.
- (d) The highest price paid by the acquiring party to buy the shares during the 12 months preceding the submission of the Offer.

Offer Conditions

The Offer will be subject to the fulfilment of the Conditions set out in paragraph 5 of Section I (*General Information and Details of the Offer*) of this UltraTech Offer Document. Key Conditions of the Offer include the passing of certain resolutions of the RAKWCT GM by the RAKWCT Shareholders and the receipt of any required regulatory and statutory approvals.

If the RAKWCT GM is not held, none of the RAKWCT Shareholders will be entitled to receive the Offer Price including those RAKWCT Shareholders who may have already submitted a Sell Order to the broker.

Please refer to paragraph 5 of Section I (*General Information and Details of the Offer*) of this UltraTech Offer Document for the complete list of Conditions.

Shareholder actions to be taken

RAKWCT Shareholders wishing to accept the Offer must contact their broker where their shares are deposited and instruct them to place their Sell Order at the Offer Price no later than 2.00 pm on 24 June 2024 (or such later date as may be notified by UltraTech to RAKWCT).

Submission of the Sell Order shall be construed as acceptance of the Offer. Further guidance on the procedures for acceptance of the Offer and placing the Sell Order are set out in this UltraTech Offer Document.

By placing the Sell Order, the RAKWCT Shareholders would agree that they may be blocked from trading by the ADX in respect of those RAKWCT Shares for which they have placed the Sell Order.

As a RAKWCT Shareholder, you are encouraged to read this UltraTech Offer Document in full and to attend the RAKWCT GM and, if you are in agreement with the Offer, vote in favour of the resolutions proposed at the RAKWCT GM to support and accept this Offer, even if you have successfully placed the Sell Order.

Yours faithfully,

UltraTech Cement Middle East Investments Limited

SECTION I: GENERAL INFORMATION AND DETAILS OF THE OFFER

1. Summary of the terms of the Offer

UltraTech offers to acquire (on the terms and subject to the Conditions set out in this UltraTech Offer Document) 31.6% of the issued and paid-up share capital of RAKWCT for cash.

UltraTech and RAKWCT shall enter into an Implementation Agreement setting out the rights and obligations of the parties as they relate to the Offer among other things. In particular, UltraTech shall undertake to pay the Offer Price for the RAKWCT Shares which it acquires pursuant to the Offer, subject to satisfaction of certain Conditions including those in paragraph 5 of this Section I (*General Terms and Details of the Offer*) below.

In consideration of the offer:

Under the terms of the Offer, holders of RAKWCT Shares (excluding UltraTech) shall receive the following Offer Price:

AED 1.15 in cash for each RAKWCT Share

The offer price was determined in accordance with the provisions of Article (6) of the Takeover Code which provides that the Offer Price may not be lower than the highest price of the following:

- (a) The market price on the first day of the Offer.
- (b) The closing price prior to the first day of the Offer commencement.
- (c) The average price during the 3 months preceding the start of the Offer.
- (d) The highest price paid by the acquiring party to buy the shares during the 12 months preceding the submission of the Offer.

The closing price of RAKWCT Shares, for the first day of each of the six months preceding the date of publication of this UltraTech Offer Document is:

Date	Closing Price (AED)
01/05/2024	0.98
01/04/2024	1.06
01/03/2024	1.15
01/02/2024	1.16
01/01/2024	1.14
01/12/2023	1.17
01/11/2023	1.18

The price of RAKWCT Shares on the last day preceding the commencement of the Offer Period is AED 1.09 and on the last day available before the UltraTech Offer Document publishing date is AED 0.97.

The Offer is to acquire RAKWCT Shares (which are not owned by UltraTech) that comprise 31.6% of RAKWCT's issued and paid up share capital as at the date of this UltraTech Offer Document, being 158,049,610 RAKWCT Shares of a nominal value of AED 1.00 per share.

The total amount of the Offer, in respect of the RAKWCT Shares (being 158,049,610 ordinary shares in RAKWCT) subject to this Offer, will be AED 181,757,052.

The RAKWCT Shares shall be acquired by UltraTech under the Offer on the basis that the RAKWCT Shares are paid up and free from all liens, charges, equities, encumbrances, options,

rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now and hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this UltraTech Offer Document.

The Offer shall be subject to the Conditions and further terms set out or referred to in paragraph 5 of this Section I (*General Terms and Details of the Offer*) to this UltraTech Offer Document.

If the number of RAKWCT Shares offered at the end of the Offer Period is more than the specific number of shares set out in the Offer, UltraTech will acquire from all the RAKWCT Shareholders who have accepted the Offer a number of RAKWCT Shares pro rata to the total number of shares set out in the Offer. With rounding of fractions to the benefit of minority RAKWCT Shareholders.

On 25 June 2024 (being the day following the Offer closing date), UltraTech will announce the acceptance results of the Offer provided that all Conditions, requirements and approvals related to the Offer are met, so that the offer becomes unconditional in all respects. UltraTech will, within a period not exceeding Thursday, July 18, 2024 (being: a period of 28 days (the closure of the Offer Period) + 21 days (the period required to fulfill all Offer Conditions, including holding the RAKWCT GM) + 3 days (the period stipulated for settlement of the consideration after all Conditions have been met)), settle the consideration due to the accepting RAKWCT Shareholders through payment by ADX of the cash consideration to the broker who submitted the Sell Order who will in turn make the payment into each accepting RAKWCT Shareholder respective account with them.

2. Information on RAKWCT (the "Target Company")

Detail of RAKWCT key financial information for the last 3 years is outlined below. Please refer to RAKWCT's audited consolidated financial statements for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023 as attached in Annex II for further information.

	(Amount in AED)		
	2021	2022	2023
Sales	239,809,046	247,668,393	255,898,035
Net profit before tax	32,871,759	21,086,397	20,543,520
Tax Paid	Nil	Nil	Nil
Net Profit after tax	32,871,759	21,086,397	20,543,520
Net Profit including comprehensive income	64,145,813	41,244,921	14,080,349
Exceptional Items	Nil	Nil	Nil
Minority Interest	Nil	Nil	Nil
Dividend paid (related to previous year)	25,007,850	50,015,700	Nil
Profit for each share	0.07	0.04	0.04

The list of the assets and liabilities based on the interim condensed consolidated statement of financial position commencing on 31 December 2023 and ended in 31 March 2024, the cash flow statement for the three-month period ended March 2024, and the statement of profit or loss for the three-month period ended March, 2024, are as attached in Annex III.

There have been no material changes to the financial or commercial position of the RAKWCT Shares after the latest audited financial statements published.

The sales, net profits or losses, and any exceptional items, minority interests, and the total amount of dividends, proceeds, and profits for each share announced in the initial announcement or initial financial statements issued since the publishing of the latest audited financial statements are detailed below:

(Amount in AED)	
	3 months ended March 2024
Sales	63,039,599
Net profit before tax	14,318,196
Tax Paid	1,193,634
Net Profit after tax	13,124,562
Net Profit including comprehensive income	9,632,211
Exceptional Items	Nil
Minority Interest	Nil
Dividend paid (related to previous year)	Nil
Profit for each share (annualized)	0.10

There have also been no amendments to the accounting policy of list of RAKWCT since the publishing of the latest audited financial statements.

3. Information on UltraTech (the "Offeror")

UltraTech is a company incorporated and registered in the Jebel Ali Free Zone (JAFZA), Jebel Ali, United Arab Emirates with commercial registration number 132239 and is a wholly-owned subsidiary of UltraTech Cement Limited, incorporated in India. The ownership structure of UltraTech and its associated group is attached in Annex IV.

There have been no dealings of RAKWCT shares by UltraTech or its associated group during the six months preceding the date of this UltraTech Offer Document.

Given the Offer is an offer of cash consideration, RAKWCT Shareholders will not be issued shares in UltraTech and therefore any accepting RAKWCT Shareholder will not be affected by future profits or losses or changes to the assets or business of UltraTech.

4. Financing of the Offer and cash confirmation

The source of financing for the cash consideration payable in full under the Offer is credit/financing from Abu Dhabi Commercial Bank in the United Arab Emirates which is licensed by the Central Bank of the United Arab Emirates.

A copy of the certificate confirming the availability of the cash consideration with UltraTech to implement the Offer and fulfill the full cash consideration for the Offer is attached in Appendix V.

5. Conditions to the Offer

The Offer is subject to the Conditions and further terms set out below and in Section II (*Further Terms of the Offer*) to this UltraTech Offer Document, which include:

- (a) receipt of all required governmental, corporate, regulatory and statutory approvals, exemptions and/or waivers in connection with the Transaction, including receipt of the final written approval(s) of the SCA in relation to the Offer;
- (b) provision by RAKWCT of all of the information required or requested by the SCA in relation to the Transaction;
- (c) dispatch of the RAKWCT Offeree Circular by RAKWCT to the RAKWCT Shareholders (and no subsequent revocation of or change to the recommendation by the board of directors of RAKWCT to the RAKWCT Shareholders to accept the Offer and vote in favour of the relevant resolutions at the RAKWCT GM);
- (d) the RAKWCT Shareholders passing the requisite resolutions in relation to the Offer at the RAKWCT GM;
- (e) no Material Adverse Effect having occurred prior to the satisfaction of all the Conditions, requirements and approvals related to the Offer;
- (f) obtaining the approval of the Ministry of Economy with regards to the Offer; and
- (g) obtaining any necessary approvals required from any third parties pursuant to any commercial contracts of RAKWCT.

6. Tax

The tax consequences for RAKWCT Shareholders pursuant to the transaction contemplated by the Offer depend upon the shareholders' individual circumstances. RAKWCT Shareholders should therefore consult their own tax advisers as to the particular tax consequences on them of accepting the Offer.

7. Rights of the RAKWCT Shareholders

All RAKWCT Shareholders will have equal rights and liabilities arising from, or in relation to, the Offer.

8. Accuracy and fairness standards

The highest accuracy and fairness standards were observed in the content of this UltraTech Offer Document.

9. Recommendation or Opinion of a Financial Advisor

In accordance with Article 19(1) of the Takeover Code, RAKWCT will appoint an independent financial advisor to prepare a financial study with regards to the Offer to be presented to the shareholders of RAKWCT.

SECTION II: FURTHER TERMS OF THE OFFER

The following further terms apply, unless the context otherwise requires, to the Offer. Except where the context requires otherwise, any reference in this Section II (*Further Terms of the Offer*):

- (a) to the "**Offer**" shall mean the Offer and any revision, variation or renewal thereof or extension thereto and shall include any election available in connection with it;
- (b) to "**acceptances of the Offer**" shall include deemed acceptances of the Offer and placement of Sell Orders; and
- (c) to the "**UltraTech Offer Document**" shall mean this document and any other document published by UltraTech and stated to constitute a UltraTech Offer Document containing details of, the Offer.

1. ACCEPTANCE PERIOD

- (a) The Offer will initially be open for acceptance until 2.00 p.m. on the Offer Closing Date. UltraTech reserves the right (but shall not be obliged, other than as may be required by the SCA) at any time or from time to time to extend the Offer Period beyond that time and to make consequential changes to other dates referred to in this UltraTech Offer Document, subject to the approval of the SCA. If UltraTech exercises such right, it shall make an announcement stating the revised Offer Period.
- (b) Following the Offer Closing Date, UltraTech will not receive any sell orders from RAKWCT Shareholders who have not accepted the Offer by the Offer Closing Date.
- (c) A Sell Order may be withdrawn by a RAKWCT Shareholder once submitted to the broker.
- (d) RAKWCT Shareholders who have accepted the Offer may withdraw their acceptance of the Offer after a period of 14 days from the Offer Closing Date in the event that the Offer does not achieve its minimum number of acceptance applications during the Offer Period or the period specified by SCA.
- (e) Although no revision is contemplated, if the Offer is revised (in its original or previously revised form(s) and either in its terms or conditions or in the value or form of the consideration offered or otherwise), the benefit of the revised offer shall be made available to a RAKWCT Shareholder who has accepted the Offer. UltraTech reserves the right to treat a Sell Order relating to the Offer (in its original or any previously revised form(s)) which is received by the broker after the announcement or issue of any revised offer as a valid acceptance of the revised offer.

2. ANNOUNCEMENTS

Following the Offer Closing Date, UltraTech shall make an announcement in the UAE stating the number of RAKWCT Shares, respectively, and specifying the total number of shares for which the Offer has been accepted.

3. GENERAL

- (a) The Offer will lapse unless all the conditions set out in paragraph 5 of Section I (*General Information and Details of the Offer*) have been fulfilled by midnight on 19 July 2024 or such later date as UltraTech may decide (subject to the approval of the SCA) and if UltraTech exercises such right it shall make an announcement stating such date.

- (b) Settlement of the consideration to which any RAKWCT Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which UltraTech may otherwise be, or claim to be, entitled as against such RAKWCT Shareholder.
- (c) The Offer Price shall be the only amount payable by UltraTech in connection with the acceptance of this Offer and the placement of the Sell Order. For the avoidance of doubt, neither UltraTech nor any member of the UltraTech Group will be responsible for any taxes, costs or expenses that a RAKWCT Shareholder may incur in connection therewith, including, but not limited to, any costs of any advisers and/or brokers, any banks charges or any costs / losses / taxes incurred in relation to the conversion of the Offer Price into a foreign currency or otherwise.
- (d) The Offer, this document, and all elections thereunder or pursuant thereto and all contracts or Sell Orders made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with UAE Federal Law. The making of an Sell Order by a RAKWCT Shareholder will constitute the making by such shareholder of the representations, warranties and agreements in relation to all matters arising out of or in connection with the Offer and the acceptance, to the jurisdiction of the Courts of Abu Dhabi and his agreement that nothing shall limit the rights of UltraTech to bring any action, suit or proceeding arising out of or in connection with the Offer and acceptance in any other manner permitted by law or in any court of competent jurisdiction.
- (e) Any accidental omission to dispatch this document or any notice required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- (f) UltraTech reserves the right to treat acceptances of the Offer and/or elections pursuant thereto as valid if received by or on behalf of either of them at any place or places or in any manner determined by them otherwise than as stated herein.
- (g) The Offer extends to any RAKWCT Shareholders other than overseas shareholders to whom this document, and any related documents, may not have been dispatched or by whom such documents may not be received and such shareholders may obtain copies of those documents at RAKWCT's website at [Investor Relations \(www.rakcc.ae\)](http://www.rakcc.ae). UltraTech reserves the right to notify any matter in relation to this Offer, including the making of the Offer, to all or any RAKWCT Shareholders with a registered address outside the UAE (or whom UltraTech knows to be nominees, trustees or custodians for such persons) by announcement in the UAE or paid advertisement in a daily newspaper published and circulated in the UAE, in which event such notice shall be deemed to have been sufficiently given notwithstanding any failure by a RAKWCT Shareholder to receive such notice and all references in this document to notice, or the provision of information in writing, by UltraTech, and/or its respective agent and/or public relations consultants shall be construed accordingly.
- (h) The Offer is made on 27 May 2024 and is capable of acceptance from and after 28 May 2024. The Offer is being made by means of this document, after the SCA's approval.
- (i) UltraTech reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer.

- (j) All references in this document to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (k) Any RAKWCT Shareholder who has pledged or otherwise subjected his RAKWCT Shares to any form of security or attachment (such as a court order) must contact the bank or entity in whose favour the RAKWCT Shares have been pledged or any other security over the shares has been granted or attached and obtain written clearance from that bank or entity to transfer those RAKWCT Shares to UltraTech. The written clearance (or a certified copy thereof) must be lodged with the Sell Order, otherwise, those RAKWCT Shares may not be transferred to UltraTech and the Offer may not have been accepted in respect of such RAKWCT Shares.
- (l) If a RAKWCT Shareholder lodges a Sell Order with a broker in respect of RAKWCT Shares, it may not subsequently transfer any or all of its RAKWCT Shares to a third party prior to the Offer Closing Date.

4. If you have accepted the Offer and placed a Sell Order in accordance with the terms of the UltraTech Offer Document, UltraTech will, within a period not exceeding Thursday, July 18, 2024 (being: a period of 28 days (the closure of the Offer Period) + 21 days (the period required to fulfill all Offer Conditions, including holding the RAKWCT GM) + 3 days (the period stipulated for settlement of the consideration after all Conditions have been met)), settle the cash consideration due to you pursuant to this Offer through payment by ADX of the cash consideration to the broker who submitted the Sell Order who will in turn make the payment into your respective account with them.

5. OVERSEAS RAKWCT SHAREHOLDERS

- (a) RAKWCT Shareholders in Restricted Jurisdictions should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such shareholder will be responsible for any issue, transfer or other taxes or other requisite payments by whomsoever payable and UltraTech, and any person acting on its behalf, shall be fully indemnified and held harmless by such shareholder for any such issue, transfer or other taxes or other requisite payments as UltraTech, and any person acting on its behalf may be required to pay. If you are a RAKWCT Shareholder resident in a Restricted Jurisdiction and you are in any doubt about your position, you should consult your professional adviser in your relevant jurisdiction.

In particular, unless otherwise determined by UltraTech and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into or by the use of the mail, or by any means or instrumentality (including, without limitation, telex, facsimile transmission, telephone, internet or other forms of electronic communication) of interstate or foreign commerce, or by any facilities of a national securities exchange of, a Restricted Jurisdiction and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from or within a Restricted Jurisdiction. Accordingly, this document, and any accompanying document are not being, and must not be mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction to any resident or national of a Restricted Jurisdiction, including (without limitation) to RAKWCT Shareholders with registered addresses in a Restricted Jurisdiction or to persons whom UltraTech knows to be trustees, nominees or custodians holding

RAKWCT Shares for such persons. Persons receiving such documents (including, without limitation, trustees, nominees or custodians) must not distribute, send or mail them in, into or from a Restricted Jurisdiction or to any resident or national of a Restricted Jurisdiction, or use any such instrument for any purpose directly or indirectly in connection with the Offer and so doing may invalidate any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use mails of a Restricted Jurisdiction or any such means or instrumentality for any purpose directly or indirectly related to acceptance of the Offer or such election.

- (b) Neither UltraTech nor any agent or adviser or general manager of UltraTech or any person acting on its behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer, pursuant to the provisions of this paragraph 5 of this Section II (*Further Terms of the Offer*) or otherwise in connection therewith.
- (c) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document or any related offering documents in, into or from a Restricted Jurisdiction or uses the mail of or any means or instrumentality (including without limitation facsimile transmission, electronic mail or telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 5 of this Section II (*Further Terms of the Offer*).

**ANNEX I:
ADDITIONAL INFORMATION**

1. Interests and Dealings

(a) Interests in RAKWCT Shares

As at the date of this Offer Document:

- (i) UltraTech had an ownership interest representing 29.39% (being 147,000,000 shares) of the shares in RAKWCT.
- (ii) The directors of the board of directors of UltraTech do not have an ownership interest of 5% or more in RAKWCT Shares.
- (iii) No persons acting in agreement with UltraTech owns or controls an ownership interest of 5% or more in RAKWCT Shares.

2. Arrangements

Save as disclosed in this document, there are no agreements entered into between UltraTech (or any person acting in agreement with UltraTech) and RAKWCT in relation to the implementation of this Offer.

UltraTech and RAKWCT shall enter into an Implementation Agreement setting out the rights and obligations of the parties as they relate to the Offer (among other things).

3. Documents available on website

Copies of the following documents shall be made available on RAKWCT's website at [Investor Relations \(www.rakcc.ae\)](http://www.rakcc.ae) until the end of the Offer:

- 3.1** the Announcement;
- 3.2** this UltraTech Offer Document;
- 3.3** annual reports of RAKWCT for the years ending 31 December 2021, 31 December 2022 and 31 December 2023 (see Annex II for relevant web addresses); and
- 3.4** the RAKWCT Offeree Circular and the notice of the RAKWCT GM.

The content of the website referred to in this document is not incorporated into and does not form part of this document.

ANNEX II: RAKWCT'S FINANCIAL STATEMENTS

The following table sets out financial information in respect of RAKWCT. The documents referred to in the table are incorporated into this document by reference. If you are reading this document in hard copy, please enter the web addresses below in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web addresses below to be brought to the relevant document.

<u>Information incorporated by reference into this UltraTech Offer Document</u>	<u>Source of Information</u>	<u>Web Address</u>
Financial statements for the year ending 31 December 2021	RAKWCT	https://adxservices.adx.ae/cdn/contentdownload.aspx?doc=2488506
Financial statements for the year ending 31 December 2022	RAKWCT	https://adxservices.adx.ae/cdn/contentdownload.aspx?doc=2821825
Financial statements for the year ending 31 December 2023	RAKWCT	https://adxservices.adx.ae/cdn/contentdownload.aspx?doc=3042647

Annex III

List of the Assets and Liabilities & Cash Flow Statement

1. Assets and Liabilities

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024 (unaudited)

	Notes	31 March 2024 AED (unaudited)	31 December 2023 AED (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	435,242,763	440,526,815
Investments at fair value through other comprehensive income (FVTOCI)	3	36,259,761	35,407,984
Total non-current assets		471,502,524	475,934,800
Current assets			
Receivables	6	76,040,061	70,864,000
Trades and other receivables	7	87,882,281	51,762,994
Cash and bank balances	8	209,726,147	231,208,951
Total current assets		473,798,454	453,835,945
TOTAL ASSETS		945,300,978	929,770,745
EQUITY AND LIABILITIES			
Equity			
Share capital	9	800,187,000	500,187,000
Statutory reserve	10	120,156,867	120,179,367
Accumulated changes in fair value (FVTOCI)		(43,821,152)	(40,320,001)
Retained earnings		229,367,169	219,243,605
Total equity		905,889,884	799,289,972
Non-current liabilities			
Employees' end of service benefits		88,266,577	88,171,437
Deferred tax liabilities		64,203	-
Total non-current liabilities		88,330,780	88,171,437
Current liabilities			
Trades and other payables	11	76,088,688	76,442,072
Income tax liabilities		1,043,634	-
Total current liabilities		77,132,322	76,442,072
Total liabilities		86,465,102	86,613,509
TOTAL EQUITY AND LIABILITIES		992,344,986	885,893,251

The interim condensed consolidated financial information was approved by the Board of Directors on 9 May 2024 and signed on its behalf by:


Vice Chairman


Chief Executive Officer

The accompanying notes from 1 to 20 are an integral part of this interim condensed consolidated financial statements.

2. Cash Flow Statement

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2024 (unaudited)

		31 March 2024 AED (unaudited)	31 March 2023 AED (unaudited)
	<i>Notes</i>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		14,318,196	620,089
Adjustments to reconcile profit to cash flows:			
Depreciation of property, plant and equipment	4	8,619,580	8,151,875
Provision for employees' end of service benefits		228,286	(275,212)
Dividend income		-	(354,282)
Interest income	13	(3,645,733)	(1,511,787)
Reversal of provision for inventories	6	(4,877,462)	-
Unrealised loss on investments at FVTPL		-	1,732,523
		14,642,787	8,363,216
Working capital adjustments:			
Inventories		8,698,487	(7,677,540)
Trade and other receivables		(1,942,981)	(17,375,871)
Trade and other payables		946,875	17,299,573
Cash from operations		21,337,088	609,378
Employees' end of service benefits paid		(133,466)	(258,725)
Board of Director's remuneration paid		(420,000)	-
Net cash flows from operating activities		21,783,622	350,653
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,636,256)	(2,808,522)
Dividend received		-	354,282
Interest received		349,062	10,537
Movement in term deposits maturity more than 3 months		(7,532,298)	(5,208,750)
Net cash flows used in investment activities		(10,819,492)	(7,952,133)
FINANCING ACTIVITY			
Dividend paid		(80,267)	(355,458)
Cash flows used in financing activity		(80,267)	(355,458)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		10,883,863	(7,956,938)
Bank balances and cash at the beginning of the period		11,067,097	22,254,440
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		21,950,960	14,317,502

The accompanying notes from 1 to 10 are an integral part of this interim condensed consolidated financial statements.

3. Profit and Loss Statement

Ras Al Khaimah Co. For White Cement & Construction Materials P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month period ended 31 March 2024 (unaudited)

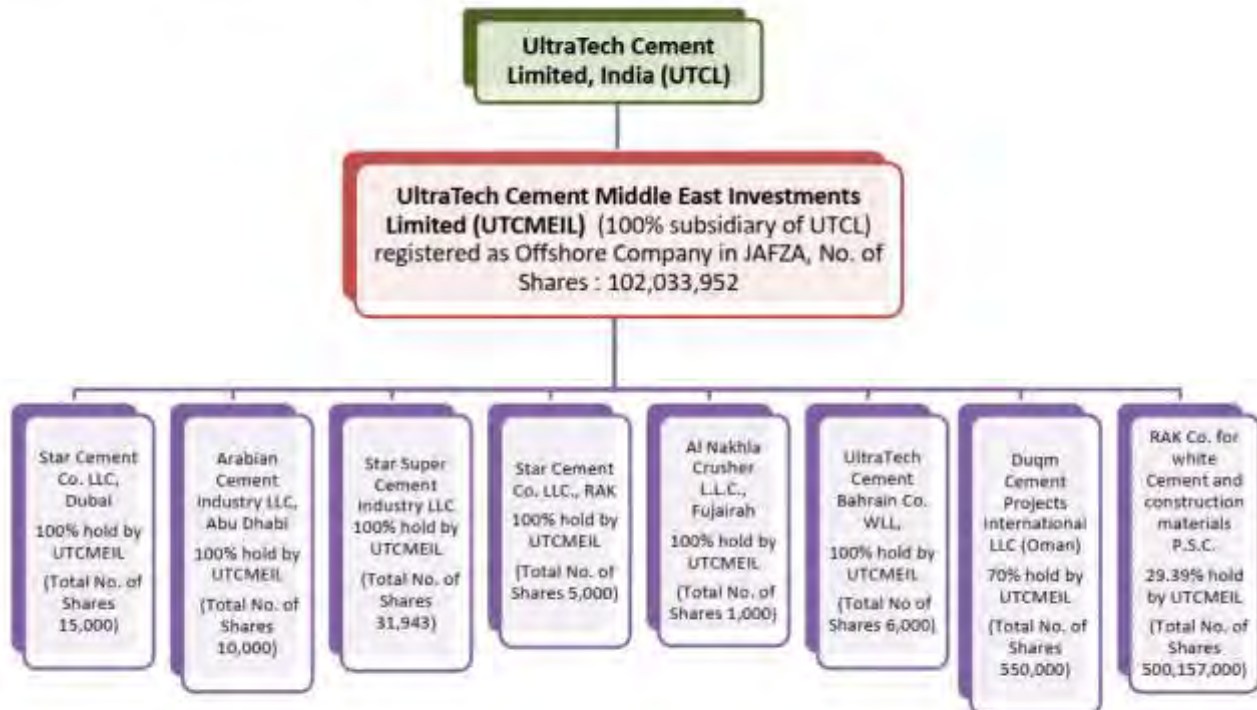
	Notes	31 March 2024 AED (unaudited)	31 March 2023 AED (unaudited)
Revenue from contract with customers	12	63,039,599	66,660,293
Cost of sales		(46,029,533)	(60,820,560)
GROSS PROFIT		17,010,066	5,839,733
Other income		9,311	111,697
Selling, general and administrative expenses		(6,334,834)	(5,449,376)
Investment income - net	13	3,645,733	133,548
Foreign exchange loss		(12,000)	(15,508)
PROFIT BEFORE TAX		14,318,196	620,099
Income tax expense	20	(1,193,634)	-
PROFIT FOR THE PERIOD		13,124,562	620,099
Earnings per share (EPS):			
Basic and diluted earnings per share	14	0.026	0.001

The accompanying notes from 1 to 20 are an integral part of this interim condensed consolidated financial statements.

Annex IV

UltraTech Ownership Structure

STRUCTURE OF UTCMEIL :



Annex V

Cash Confirmation from Abu Dhabi Commercial Bank



Date: 15-Nov-2023

التاريخ: 15 نوفمبر 2023

To:
Securities & Commodities Authority
P.O. Box 33733
Abu Dhabi
United Arab Emirates

إلى:
هيئة الأوراق المالية والسلع
ص.ب. 33733
أبوظبي، الإمارات العربية المتحدة

Dear Sir/Madam,

Subject: Guarantee/confirmation of the ability of
Ultratech Cement Middle East Investments Limited
to implement a takeover offer for Ras Al Khaimah
Co. for White Cement & Construction Materials
PSC.

تحية طيبة وبعد،

الموضوع: ضمان/إقرار بقدرة شركة كثراتيك سيمنت ميديا إيست
للمستثمرين المحددة على تنفيذ عرض الترخيص على شركة رأس الخيمة
للمصنعة الإسمنت الأبيض والمواد الإنشائية.

At the request of UltraTech Cement Middle East
Investments Limited, a company incorporated in
the Jebel Ali Free Zone (JAFZA), United Arab
Emirates, with commercial registration number
132238 ("Company"), we, Abu Dhabi Commercial
Bank PJSC, located at Abu Dhabi Commercial
Bank Building, Sheikh Zayed Street, P.O. Box 939,
Abu Dhabi, UAE ("Bank"), hereby confirm that as
at the date of this letter the Company has been a
customer of the Bank since [28-Sep-2023] and has
maintained a bank account with us in a satisfactory
manner.

يرجى العلم انه بناء على طلب شركة كثراتيك سيمنت ميديا إيست
المستثمري المحددة، شركة قائمة وموسسة في المنطقة الحرة لجبل علي
الإمارات العربية المتحدة وتعمل رقم تسجيل تجاري 132238
("الشركة")، نؤكد بموجب هذه الوثيقة التجارية أن-م-ج-ه وعطرد
في بداية بنك أبوظبي التجاري شارع الشيخ زايد، ص.ب. 939-
أبوظبي، الإمارات العربية المتحدة ("البنك")، إن الشركة عملت لدى البنك
منذ [28-Sep-2023] وأنها تحتل حساب مصرفي لديها حتى تاريخ إصدار
هذا الكتاب.

The Bank understands the Company is currently
contemplating a conditional cash offer to acquire
158,049,610 ordinary shares of Ras Al Khaimah
Co. for White Cement & Construction Materials
PSC (the "Company"), listed on the ADX,
representing 31.6% of the ordinary shares of the
issued and paid up share capital of the Company
(the "Transaction"). The Bank has obtained
requisite credit approval to provide the
contemplated loan facilities to the Company in
connection with funding of the Transaction. Under
the aforementioned financing granted by the Bank,
which is now valid and available to the Company
without any restrictions, Ultratech Cement Middle
East Investments Limited will have the ability to
fulfill the full value of the offer, which amounts to
[205,688,000] UAE dirhams.

في هذا الإطار، يدرك البنك أن الشركة تسعى في الوقت الحالي لتقديم
عرض مالي مشروط للتخويل على 158,049,610 سهم عادي من
أشهم شركة رأس الخيمة للمصنعة الإسمنت الأبيض والمواد الإنشائية
ش.م.ج. ("الشركة") المدرجة في سوق أبوظبي للأوراق المالية. وهذه
الأشهم تمثل نسبة 31.6% من الأسهم العادية في رأس المال المعتمد
والمنفرد للشركة ("المعاملة"). وقد حصل البنك على الموافقات الائتمانية
المطلوبة لتقديم التسهيلات المقررة إلى الشركة لتتولى هذه المعاملة.
وبموجب التمويل المذكور والمنفرد من بنك أبوظبي التجاري والذي
أصبح سارياً وملزماً للشركة حالياً دون أي قيود، سيكون للشركة القدرة
مهيئتة على تنفيذ الترخيص المحدد القيمة على تولد بقيمة
العرض والتي يبلغ قيمته (205,688,000) درهم إماراتي.

Abu Dhabi Commercial Bank PJSC,
Head Office: P.O. Box 939, Abu Dhabi,
United Arab Emirates

+971 002 686 2222
www.adcb.com

بنك أبوظبي التجاري (م.ج.ه)
المقر الرئيسي: ص.ب. 939،
الإمارات العربية المتحدة

Abu Dhabi Commercial Bank PJSC is licensed and regulated by the Central Bank of the United Arab Emirates.
بنك أبوظبي التجاري (م.ج.ه) مرخص ومنظم من قبل مصرف الإمارات العربية المتحدة المركزي.

This letter is for information purposes only. The Bank and its officers, employees, agents and associates shall not be liable for any damage, cost or loss directly or indirectly caused or suffered in connection with this letter. The contents of this letter is confidential and shall not be disclosed to any person other than the addressee without the prior written consent of the Bank. For avoidance of any doubt, this letter is not an offer or solicitation to procure the Bank's products or services. The Bank does not accept any obligations for updating the information contained in this letter at any time.

If you require any further information or any questions, please do not hesitate to contact us directly at [971509011674] Alan.Twinn@adcb.com.

هذا الخطاب للمعلومة فقط، ولا يتحمل البنك وموظفوه والجهات التابعة له أي مسؤولية عن أي أضرار أو تكاليف أو خسائر ناتجة بصورة مباشرة أو غير مباشرة عن هذا الخطاب كما أن معلومات هذا الخطاب سرية ولا يجوز الإفصاح عنها لأي شخص بخلاف المرسل إليه بدون الحصول على الموافقة الكتابية المسبقة من البنك. ولتجنب الشك، لا يتضمن هذا الخطاب أي عرض لشراء منتجات أو خدمات البنك. ولا يتحمل البنك أي مسؤولية بشأن توقيت المعلومات الواردة في هذا الخطاب في أي وقت.

إذا كنتم لذيكم أي استفسارات أو أسئلة يرجى التواصل معنا مباشرة على +971509011674 و Alan.Twinn@adcb.com.

Sincerely,



Alejandro Martin
Senior Head – Multinational
International Banking
Abu Dhabi Commercial Bank PJSC

ALEJANDRO MARTIN
10586



وتفضلوا بقبول فائق الاحترام والتقدير،

أليخاندرو مارتن
رئيس أول – إدارة الخدمات المصرفية العالمية
بنك أبوظبي التجاري

ANNEX VI DEFINITIONS

AED	the UAE dirham, being the lawful currency of the UAE
ADCBS	means ADCB Securities LLC
Announcement	the announcement dated 27 May 2024 of UltraTech's intention to make an offer for RAKWCT pursuant to Article 24 of the Takeover Code
Business Day	any day, other than Saturdays, Sundays or public holidays in the UAE, on which banks are normally open for business in Dubai
Companies Law	UAE Federal Decree-Law No. 32 of 2021 concerning commercial companies of the UAE (as amended)
Conditions	the conditions of the Offer set out in paragraph 5 of Section I (<i>General Information and Details of the Offer</i>) to this document, and Condition means any one of them
ADX	The Abu Dhabi Securities Exchange
ADX CSD	means the Abu Dhabi Securities Exchange Clearing, Settlement and Depository
GM	a general meeting of RAKWCT Shareholders
Governmental Body	any government, government department, or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, institution or authority (including any competition or merger control body)
Group	in relation to a party, its holding companies (excluding, in the case of RAKWCT, UltraTech) and subsidiaries (excluding, in the case of UltraTech, RAKWCT) and any subsidiary of any such holding company from time to time
IFRS	International Financial Reporting Standards
Implementation Agreement	the implementation agreement to be entered into between UltraTech and RAKWCT setting out the rights and obligations of the parties in connection with the Transaction
Legal Adviser	Baker & McKenzie LLP, being UltraTech's legal adviser to the UAE, English and US law in respect of the Offer
Material Adverse Effect	means any event, occurrence or change in circumstances occurring after this UltraTech Offer Document which individually, or when aggregated with all such other events, occurrences or changes, has or could reasonably be expected to: (i) have a material adverse effect on the business, assets, liabilities, financial position, profitability or prospects of (as applicable) RAKWCT Group (taken as a whole); or (ii) directly prevent or materially impede or delay (where such delay would

reasonably be expected to result in the Completion Date not taking place on or prior to an agreed long-stop date) the consummation of the Transaction (including any court or regulatory authority order or direction, or other form of valid objection to the Transaction or completion of any of the Conditions, preventing or impacting the Transaction, its implementation or any of the steps (as set out in this Agreement) required to effect completion of the Transaction

UltraTech	UltraTech Cement Middle East Investments Limited
UltraTech Group	UltraTech and its holding companies and subsidiaries (excluding RAKWCT) and any subsidiary of any such holding company from time to time
UltraTech Offer Document	this offer document (and any subsequent offer document) issued by UltraTech containing or amending the terms and conditions of the Offer
Offer	the offer, made by UltraTech, to acquire 158,049,610 shares, representing 31.6% of the issued and paid up ordinary shares of RAKWCT (not already owned by UltraTech) to be settled in cash at the Offer Price and on the terms and subject to the Conditions set out in this document and including, where the context permits, any subsequent revision, variation, extension or renewal of such offer
Offer Closing Date	24 June 2024 (or as otherwise notified by UltraTech to RAKWCT)
Offer Completion	completion of this Offer being the transfer and re-registration of the relevant RAKWCT Shares (subject to a valid acceptance and Sell Order in accordance with the terms and conditions of this UltraTech Offer Document) to UltraTech
Offeror	UltraTech Cement Middle East Investments Limited
Offer Period	the period beginning on and including 28 May 2024 and ending on the earlier of: (a) 24 June 2024; (b) the date on which the Offer lapses or is withdrawn; and (c) such other date as the SCA may decide
Offer Price	AED 1.15 per RAKWCT Share
Overseas RAKWCT Shareholders	RAKWCT Shareholders (or nominees of, or custodians or trustees for RAKWCT Shareholders) not resident in, or nationals or citizens of the United Arab Emirates
RAKWCT	Ras Al Khaimah Co. for White Cement & Construction Materials PSC, a public joint stock company incorporated in the Emirate of Ras Al Khaimah in the United Arab Emirates, having its registered office address at PO Box 1492, Ras Al Khaimah, United Arab Emirates
RAKWCT GM	the general assembly meeting of RAKWCT to be convened in connection with the Offer

RAKWCT Offeree Circular	the offeree circular prepared by RAKWCT in accordance with applicable law, including the recommendation of the board of directors of RAKWCT to the RAKWCT Shareholders in connection with the Offer
RAKWCT Shareholders	holders of RAKWCT Shares that appear on RAKWCT's share register from time to time
RAKWCT Shares	the unconditionally issued and paid-up ordinary shares of a nominal value of AED 1.00 each in the capital of RAKWCT
Restricted Jurisdiction	any jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction
SCA	the Securities and Commodities Authority of the UAE
SEC	the US Securities and Exchange Commission
Sell Order	means the deposit of the sell order at the Offer Price by a RAKWCT Shareholder wishing to accept the Offer with the broker where their shares are deposited which shall be deemed an acceptance of the Offer
Takeover Code	the Decision of the Chairman of SCA Board of Directors No. (18 / R.M.) of 2017 concerning the rules of acquisition and merger of public shareholding companies
Transaction	the completion of the Offer
Transaction Manager	the Abu Dhabi Commercial Bank PJSC
United Arab Emirates or UAE	the United Arab Emirates
United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US Securities Exchange Act of 1934	the United States Securities Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder.