

ESHRAQ INVESTMENTS PJSC

**Review report and condensed
consolidated financial information
for the nine-month period ended
30 September 2022**

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Review report and condensed consolidated financial information for the nine-month period ended 30 September 2022

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ESHRAQ INVESTMENTS PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Eshraq Investments PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34 *Interim Financial Reporting*.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
10 November 2022
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
at 30 September 2022**

		30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
	Notes		
ASSETS			
Non-current assets			
Property and equipment	5	7,936	97,253
Investment properties	6	1,006,352	1,006,352
Financial assets at fair value through other comprehensive income	8	42,840	73,469
Investment in an associate	14	-	8,285
Debt investment at amortised cost	9	-	18,274
Wakala investment	13	-	85,000
Other receivables		544	544
Total non-current assets		1,057,672	1,289,177
Current assets			
Inventories		101	75
Trade and other receivables	11	8,311	18,700
Financial assets at fair value through profit or loss	10	1,692,350	268,472
Financial assets at fair value through other comprehensive income	8	-	20,542
Debt investment at amortised cost	9	-	-
Due from a related party	23	450	19,816
Cash and bank balances	12	35,210	72,037
Total current assets		1,736,422	399,642
Assets held for sale	20	90,059	-
Total assets		2,884,153	1,688,819
EQUITY AND LIABILITIES			
Equity			
Share capital	15	2,820,433	2,325,000
Share discount	1, 15	(623,283)	-
Treasury shares	15	(20,373)	(15,609)
Statutory reserve	16	-	141,125
Retained earnings/(accumulated losses)		476,543	(1,039,304)
Investment revaluation reserve	17	(47,830)	(47,957)
Total equity		2,605,490	1,363,255

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of financial position
at 30 September 2022 (continued)**

		30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
	Notes		
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	18	1,404	1,151
Bank borrowings	21	228,052	250,079
Total non-current liabilities		229,456	251,230
Current liabilities			
Trade and other payables	22	25,962	30,818
Bank borrowings	21	23,245	43,516
Total current liabilities		49,207	74,334
Total liabilities		278,663	325,564
Total equity and liabilities		2,884,153	1,688,819

To the best of our knowledge, the condensed consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.



Chairman



Director

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of profit or loss
for the nine-month period ended 30 September 2022**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2022 AED '000 (unaudited)	2021 AED '000 (unaudited)	2022 AED '000 (unaudited)	2021 AED '000 (unaudited)
Revenue from commercial operations		8,723	5,080	29,528	15,276
Direct operating expenses		(4,099)	(3,223)	(11,984)	(8,286)
Gross profit from commercial operations		4,624	1,857	17,544	6,990
Finance income		1,748	3,251	9,781	10,868
Finance costs		(3,045)	(1,462)	(7,795)	(4,023)
Net finance (loss)/income		(1,297)	1,789	1,986	6,845
Dividend income		-	1,881	4,294	8,733
Changes in fair value of financial assets at fair value through profit or loss	10	473,574	16,236	468,299	24,310
Share of profits from an associate	14	-	221	382	661
Net gain from investments		473,574	18,338	472,975	33,704
Total operating income		476,901	21,984	492,505	47,539
General and administrative expenses		(2,594)	(4,395)	(10,544)	(11,965)
Selling and marketing expenses		(211)	(225)	(589)	(544)
Reversal of allowance for impairment on debt investments		89	-	89	-
Other income/(expenses)		2	(186)	13	101
Profit for the period		474,187	17,178	481,474	35,131
Basic and diluted earnings per share (AED)	24	0.2820	0.0122	0.2864	0.0249

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income
for the nine-month period ended 30 September 2022**

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 AED '000 (unaudited)	2021 AED '000 (unaudited)	2022 AED '000 (unaudited)	2021 AED '000 (unaudited)
Profit for the period	474,187	17,178	481,474	35,131
Other comprehensive income:				
<i>Item that will not be reclassified to profit or loss</i>				
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	(6)	1,771	(4,723)	8,970
Total other comprehensive income/(loss)	(6)	1,771	(4,723)	8,970
Total comprehensive income for the period	474,181	18,949	476,751	44,101

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2022**

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings/ (Accumulated losses) AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2021 (audited)	2,325,000	-	(15,609)	137,283	(1,074,128)	(67,074)	1,305,472
Profit for the period	-	-	-	-	35,131	-	35,131
Other comprehensive income for the period	-	-	-	-	-	8,970	8,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	-	35,131	8,970	44,101
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	-	(95)	95	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021 (unaudited)	<u>2,325,000</u>	<u>-</u>	<u>(15,609)</u>	<u>137,283</u>	<u>(1,039,092)</u>	<u>(58,009)</u>	<u>1,349,573</u>

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2022 (continued)**

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings/ Accumulated losses AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2022 (audited)	2,325,000	-	(15,609)	141,125	(1,039,304)	(47,957)	1,363,255
Profit for the six-months period 30 June 2022	-	-	-	-	7,287	-	7,287
Other comprehensive loss for the six-months period 30 June 2022	-	-	-	-	-	(4,717)	(4,717)
Total comprehensive income for the six-months period 30 June 2022	-	-	-	-	7,278	(4,717)	2,570
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	-	1,252	-	1,252
Balance at 30 June 2022 (unaudited)	2,325,000	-	(15,609)	141,125	(1,030,765)	(52,674)	1,367,077
Decrease in share capital (Note 1)	(889,640)	-	-	(141,125)	1,030,765	-	-
Revised share capital post-reduction	1,435,360	-	(15,609)	-	-	(52,674)	1,367,077
Profit for the three-months period 30 September 2022	-	-	-	-	474,187	-	474,187
Other comprehensive loss for the three-months period 30 September 2022	-	-	-	-	-	(6)	(6)
Total comprehensive income for the period	-	-	-	-	474,187	(6)	474,181
Transfer to retained earnings from financial assets at FVTOCI	-	-	-	-	2,356	4,850	7,206
Treasury shares purchased (Note 15)	-	-	(4,764)	-	-	-	(4,764)
Increase in share capital (Note 1)	1,385,073	(623,283)	-	-	-	-	761,790
Balance at 30 September 2022 (unaudited)	2,820,433	(623,283)	(20,373)	-	476,543	(47,830)	2,605,490

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows
for the nine-month period ended 30 September 2022**

	Notes	Nine-month ended 30 September	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Cash flows from operating activities			
Profit for the period		481,474	35,131
<i>Adjustments for:</i>			
Change in fair value of financial assets at FVTPL	10	(468,299)	(24,310)
Depreciation of property and equipment	5	2,877	3,836
Share of profits from an associate	14	(382)	(661)
Amortisation of borrowing cost	21	161	143
Loss on disposal of property and equipment	5	-	850
Gain on modification of lease liabilities	19	-	(466)
Reversal of impairment on debt investments at amortised cost	9	(89)	-
Finance income		(9,781)	(10,868)
Finance costs		7,634	3,880
Dividend income		(4,294)	(8,733)
Provision for employees' end of service benefits	18	276	205
Operating cash flows before changes in working capital		9,577	(993)
Decrease/(increase) in trade and other receivables		576	(3,580)
Increase in inventories		(26)	-
Decrease/(increase) in due from a related party		9,366	(19,436)
(Decrease)/increase in trade and other payables		(5,617)	651
Cash generated from/(used in) operating activities		13,876	(23,358)
Employees' end of service benefits paid	18	(23)	(5)
Net cash generated from/(used in) operating activities		13,853	(23,363)
Cash flows from investing activities			
Proceeds from sales of financial assets at FVTPL	10	580	38,362
Purchase of financial assets at FVTPL		(814)	-
Payments for investment properties under development	7	-	(11,517)
Dividends received		7,274	7,195
Interest received		9,679	2,521
Proceeds from disposal of financial assets at FVOCI	8	6,385	1,818
Proceeds from sale of property and equipment	5	-	500
Payments for purchase of property and equipment	5	(3,619)	(279)
Purchase of debt investments at amortised cost		(36,724)	-
Net cash (used in)/generated from investing activities		(17,239)	38,600
Cash flows from financing activities			
Repayment of bank borrowings	21	(21,977)	(15,333)
Proceeds from bank borrowings	21	-	9,108
Finance costs paid		(6,700)	(2,896)
Principal payments of lease liability	19	-	(684)
Interest payments of lease liability	19	-	(188)
Treasury shares purchased	15	(4,764)	-
Net cash used in financing activities		(33,441)	(9,993)
Net (decrease)/increase in cash and cash equivalents		(36,827)	5,244
Cash and cash equivalents at 1 January		61,733	5,819
Cash and cash equivalents at 30 September		24,906	11,063

The accompanying notes form an integral part of these condensed consolidated financial information.

**Condensed consolidated statement of cash flows (continued)
for the nine-month period ended 30 September 2022**

	Notes	Nine-month ended 30 September	
		2021 AED'000 (unaudited)	2021 AED'000 (unaudited)
<u>Non-cash transactions</u>			
Investments at FVTPL and accrued interest acquired on settlement of previously held investment	8, 10	6,650	6,282
Debt investment at amortised cost acquired on settlement of previously held investment	8,9	917	-
Share dividends received from financial assets at FVTPL	10	-	125
Purchase of financial assets at FVTOCI through a related party	8	-	11,164
Non-cash additions for investment properties under development		-	3,380
Acquisition of financial assets at FVTOCI against related party receivables	8	10,000	-
Wakala investments and accrued interest acquired on settlement of previously held investment	8,13	4,046	-
Subscription in kind	10	384,759	-
Issuance of share capital for acquisition of financial assets at FVTPL	1,10	1,385,073	-

The accompanying notes form an integral part of these condensed consolidated financial information.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2022

1 General information

Eshraq Investments PJSC (the “Company”) was initially registered as a private joint stock company in the Emirate of Abu Dhabi on 24 December 2006. On 7 July 2011, the Company converted to a public joint stock company. The Company is listed on the Abu Dhabi Securities Exchange.

The Company is registered under commercial license No. 1005631 and Abu Dhabi Chamber of Commerce and Industry membership No. 223393. The registered head office of the Company is at P.O. Box 108737, Abu Dhabi, United Arab Emirates (“UAE”).

The Company, its subsidiaries and an associate (together referred to as the “Group”) are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services. The Company also owns a hotel apartment building.

The details of principal activities, country of incorporation, and ownership interest of the Company in its subsidiaries and associate are set out below:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	<u>Principal activities</u>	<u>Classification</u>
Nuran Marina Serviced Residence LLC*	UAE	100%	Hotel apartments	Subsidiary
Eshraq International Company LLC	Cayman Islands	100%	Real estate	Subsidiary
Eshraq Management Ltd**	UAE	100%	Asset management	Subsidiary
Alkonost Investment Ltd***	Cayman Islands	40%	Asset management	Associate
Beans and Pages Café	UAE	100%	Library and cafe	Subsidiary
Goldilocks Investment Holding-Sole Proprietorship L.L.C****	UAE	100%	Investment, institution and management	Subsidiary

* Eshraq International Company LLC has a 49% ownership in Nuran Marina Serviced Residence LLC and the remaining 51% is held by the heirs of a former board member on behalf of the Company who had irrecoverably assigned the beneficial ownership to Eshraq International Company LLC.

** Eshraq Management Ltd was an entity registered at Abu Dhabi Global Market (ADGM). The entity was dormant and during 2022, the Company de-registered its ADGM registration and was dissolved.

*** Eshraq International Company LLC owns 40% ownership in Alkonost Investment Ltd. During 2022, the ownership in Alkonost Investments Ltd was disposed.

****On 26 July 2022, the Company obtained 100% ownership in Goldilocks Investment Holding-Sole Proprietorship L.L.C through a sale of shares agreement.

Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 and effective on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the “2015 Law”). The Company has reviewed the new provisions and applied the requirements thereof from the date on which the amendments came into effect.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****1 General information (continued)***Acquisition of Goldilocks Investment Company Limited (“Goldilocks”, or the “Fund”)*

On 2 August 2022, the Company obtained the following approval from Securities and Commodities Authority (SCA):

1. Approval from SCA to proceed with the reduction of its share capital from AED 2,325,000 thousand to AED 1,435,360 thousand to offset the accumulated losses amounting to AED 1,030,765 thousand as at 30 June 2022. Accordingly, the issued shares was reduced by AED 889,640 thousand and the statutory reserve of the Company as at 30 June 2022 of AED 141,125 thousand is also utilised.
2. Approval from SCA to proceed with the proposed acquisition of majority of class A shares (99.2%) of Goldilocks, an open-ended investment fund incorporated in the Abu Dhabi Global Market.

On 4 August 2022, the Company submitted to the Abu Dhabi Securities Exchange the request for the issuance of the new shares along with the list of new shareholders and the number of shares allocated to each one of them in the process to the complete the share swap transaction to acquire Goldilocks.

On 9 August 2022, the Company completed the acquisition of the Fund. The acquisition has been completed through a share swap transaction at an agreed swap ratio of 12.61 Eshraq shares to 1 shares of the Fund by issuing 1,385,073 thousand new shares of the Company at par.

The acquisition resulted in a net increase of the capital of the Company in an amount of AED 761,790 thousand against the shares in a Fund by virtue of which the owners of the shares in the Fund received 1,385,073 thousand new shares in the capital of the Company, each proportionally to their ownership in the fund.

Share discount amounting to AED 623,283 thousand is recognised for the difference of the fair value of the shares issued by the Group to the new shareholders and the issued shares at par.

The Group considers factors such as the purpose and design of the entity; its practical ability to direct the relevant activities of the entity; the nature of the relationship with the entity; and the size of its exposure to the variability of returns of the entity. Post-acquisition, the fund will remain separate and independently managed by its fund manager SHUAA GMC Limited, and the Company will remain a Limited Partner in the Fund.

The Investment in fund is designated at financial assets at FVTPL based on the assessment performed by management (and the valuation carried out by the valuation expert) amounting to AED 1,680,949 thousand at 30 September 2022. The Group classified the fair value of these investments as Level 3.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****2 Application of new and revised International Financial Reporting Standards (“IFRSs”)****2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

2.2 New and revised IFRSs 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:

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- 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).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (effective from 1 April 2022)
- 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).
- Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of Accounting Policies (effective from 1 January 2023).

The above stated new standards and amendments are not expected to have any significant impact on these condensed consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on these condensed consolidated financial statements of the Group.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****3 Summary of significant accounting policies****Statement of compliance**

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. In addition, results for nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value and investment properties which are carried at fair value.

4 Accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2021, except for the below and the adoption of new standards and interpretations effective 1 January 2022 as stated in Note 2 above.

*Accounting policy***Classification to asset held for sale**

The Group classified assets as held for sale as their carrying amount will be recovered principally through a sale transaction rather than continuing use. The condition to qualify as asset held for sale is met as the assets are available for immediate sale on present condition subject only to terms that are usual and customary for sale of such assets and sale is highly probable. Management is also committed to the sale which is expected to complete within one year from the date of classification. The assets are measured at the lower of previous carrying amount and fair value less cost to sell

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****4 Accounting policies, estimates and judgements (continued)***Accounting estimates and judgments***Determination of the trade date**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace subject to the Sharia guidance provided in this regard. The trade date is the date of the commitment to buy or sell the financial asset. The settlement date is the date of the delivery of the asset. The management determined that in relation to acquisition of the Fund, the trade date is on 4 August 2022 wherein the transactions become binding for the Company and the Fund.

Unconsolidated investment vehicles

The Group's direct interests in unconsolidated structured entities comprise investments in open-ended Investment Fund a total carrying value of AED 1,680,949 thousand at 30 September 2022 (2021:AED 31,403 thousand), included within financial assets designated at fair value through profit and loss. This investment is being managed by a related party, SHUAA GMC Limited.

Structured entities are entities that are designed so that their activities are not governed by way of voting rights. In assessing whether the Group has power over such entities in which it has an interest, the Group considers factors such as the purpose and design of the entity; its practical ability to direct the relevant activities of the entity; the nature of the relationship with the entity; and the size of its exposure to the variability of returns of the entity.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

5 Property and equipment

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Carrying amount at the beginning of the period/year	97,253	101,479
Additions during the period/year	3,619	2,759
Depreciation charge for the period/year	(2,877)	(4,676)
Transfer from investment properties under development (Note 7)	-	3,000
Derecognition of right-of-use assets upon termination of lease contract (Note 19)	-	(3,958)
Disposals during the period/year	-	(1,351)
Transfer to asset held for sale (Note 20)	(90,059)	-
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Carrying amount at the end of the period/year	7,936	97,253
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All of the Group's property and equipment are located in the UAE.

The depreciation charge has been allocated in the condensed consolidated statement of profit or loss as follows:

	Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Direct operating expenses	2,859	2,391
General and administrative expenses	18	1,445
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	2,877	3,836
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

6 Investment properties

Investment properties represent certain plots of land located in the UAE, rented out properties in the United Arab Emirates and a building in the United States of America (“USA”).

Movement in investment properties is as follows:

	30 September 2022 AED’000 (unaudited)	31 December 2021 AED’000 (audited)
Balance at the beginning of the period/year	1,006,352	826,681
Additions	-	2,440
Transfer from investment properties under development (Note 7)	-	186,341
Decrease in fair value	-	(9,110)
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Balance at the end of the period/year	1,006,352	1,006,352
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Investment properties are carried at fair value. As of 31 December 2021, the fair value of the investment properties has arrived at on the basis of valuations carried out by accredited independent valuers not related to the Group. The valuers are members of professional valuers’ associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the revalued amounts of the investment properties, the highest and best use of the properties were considered, and comparable and income capitalisation valuation approaches were used. Based on the internal assessment performed, management believes that there is no significant change in the fair value of investment properties during the nine-month period ended 30 September 2022.

The inputs used in the valuation are not based on observable market data, and thus, the valuation techniques were considered to be Level 3 fair value measurement.

The Group also conducted a sensitivity analysis for their investment properties on the average sales price, capitalisation rates and rental rates. Based on this sensitivity analysis:

- an increase in average sales price per square meter by 10% would result in AED 81,305 thousand increase in the valuation, whilst a decrease of 10% would result in AED 81,305 thousand decrease in properties valued using comparable method.
- a decrease of capitalisation rates by 50 bps would result in AED 13,500 thousand increase in the valuation, whilst an increase of 50 bps would result in AED 11,900 thousand decrease in valuation of those properties valued using income capitalisation method; and
- an increase in expected rental rates by 10% would result in AED 18,700 thousand increase in the valuation, whilst a decrease of 10% would result in AED 18,800 thousand decrease in valuation of those properties valued using income capitalisation method.

In 2021, the Group completed the development of one of its property located in Abu Dhabi. As a result, the Group transferred an amount of AED 186,341 thousand from investment properties under development (Note 7) to investment properties.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

6 Investment properties (continued)

During the nine-month period ended 30 September 2022, the Group recognised rental income from letting investment properties of AED 16,229 thousand (30 September 2021: AED 5,993 thousand).

Included in investment properties, 1) apartment units with a fair value of AED 146,574 thousand (31 December 2021: AED 146,574 thousand); and 2) a building and a land with a fair value of AED 193,300 thousand (31 December 2021: AED 193,300 thousand) are mortgaged as a security for a loan obtained by the Group from a local bank (Note 21).

In September 2022, the Group entered into a sale and purchase agreement with a third party in the United Arab Emirates whereby the Group desires to sell two plots of land located in Dubai, United Arab Emirates. As of 30 September 2022, the sales transaction is not completed and the parties are still finalizing the performance of the terms and conditions, and legal procedures as stated in the sale and purchase agreement.

7 Investment properties under development

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	-	178,780
Additions	-	10,561
Transfer to investment properties (Note 6)	-	(186,341)
Transfer to property and equipment (Note 5)	-	(3,000)
	<hr/>	<hr/>
Balance at the end of the period/year	-	-
	<hr/> <hr/>	<hr/> <hr/>

In 2021, the Group completed the development of one of its property located in Abu Dhabi. As a result, the Group transferred an amount of AED 186,341 thousand to investment properties (Note 6) and AED 3,000 thousand to property and equipment (Note 5).

Investment properties under development were carried at fair value.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

8 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI.

Financial assets at FVOCI breakdown as at the end of the reporting period comprises the following:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Unquoted equity securities (i)	42,531	53,115
Unquoted funds (ii)	-	40,542
Quoted equity securities	309	354
	<hr/> 42,840 <hr/>	<hr/> 94,011 <hr/>

- (i) Comprised of 1) an investment in an equity stake of an unlisted entity established in Cayman Islands with the objective to acquire, develop, hold, market, lease, operate, dispose of, sub-divide and otherwise deal with a property situated in the UAE; 2) an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services and 3) an investment in an equity stake on a special-purpose vehicle established to develop a plot of land as a hospitality asset or a luxury branded residence in the UAE. The secondly explained entity is currently under the liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee. Accordingly, the remaining balance of this investment has been classified as a current asset in the consolidated statement of financial position;
- (ii) Comprised of an investment in an open-ended fund incorporated in UAE with the objective to generate return from Middle East region based instruments.

Movement in the balance of financial assets at FVOCI is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	94,011	88,422
Additions	19,986	-
Disposals (Note 10)	(19,698)	(13,765)
Reclass to financial assets at fair value through profit or loss (Note 10)	(46,736)	-
Net change in fair value recognised in other comprehensive income	(4,723)	19,354
	<hr/> 42,840 <hr/>	<hr/> 94,011 <hr/>
Less: non-current portion	(42,840)	(73,469)
	<hr/> -	<hr/> 20,542 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

9 Debt investment at amortised cost

Movement in the debt investment at amortised cost is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	18,363	18,363
Additions	36,724	-
Settlement of financial assets at FVTOCI	917	-
Disposals (Note 10)	(56,004)	-
	<hr/>	<hr/>
Allowance for impairment loss	-	18,363 (89)
	<hr/>	<hr/>
Balance at the end of the period/year	-	18,274
Less: non-current portion	-	(18,274)
	<hr/>	<hr/>
Current portion	-	-
	<hr/> <hr/>	<hr/> <hr/>

In 2021, debt investment at amortised cost comprised of two term investment certificates issued by an UAE based holding company with investment maturity on 31 December 2024 and 31 January 2023. These are denominated in USD and carried an anticipated interest rate of 10% per annum.

In 2022, the Group received a debt investment at amortised cost in the form of Murabaha Contract amounting to AED 971 thousand as a settlement from its investee. This is denominated in AED and carries an anticipated profit of a minimum of 5% per annum or 3-month EIBOR and the profit rate.

Finance income on debt investment at amortised cost for the period ended 30 September 2022 amounted to AED 2,867 thousand (30 September 2021: AED 1,377 thousand). Accrued interest on debt investment at amortised cost amounted to nil as at 30 September 2022 (31 December 2021: AED 6 thousand).

The following table shows the movement in expected credit loss that has been recognised for debt investment at amortised cost in accordance with IFRS 9.

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	(89)	-
Net measurement of loss allowance	89	89
	<hr/>	<hr/>
Balance at the end of the period/year	-	89
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

10 Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss ("FVTPL") comprise financial assets that are held for trading. The financial assets at FVTPL breakdown at the end of the reporting period comprises the following:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Fixed income securities (i)	-	36,520
Quoted equity securities (ii)	11,401	107,815
Unquoted funds (iii)	1,680,949	124,137
	<hr/> 1,692,350 <hr/>	<hr/> 268,472 <hr/>

- (i) Comprised of a listed bond and a listed sukuk denominated in US Dollar (USD) and issued by UAE-based issuers. The debt securities carry a coupon rate of 7.50% - 12%.
- (ii) Comprised of sharia compliant equity shares quoted in UAE and denominated in UAE Dirhams (AED). Part of these securities is held as a collateral for a loan obtained from a local bank (Note 21, 29).
- (iii) Comprised of 1) an investment in a closed-ended fund established in the Cayman Islands to generate returns from credit exposures into different commercial sectors; 2) an investment in an equity stake of an unlisted educational tech entity established in India, and 3) an investment in an open-ended fund incorporated in UAE with the objective to generate return from Middle East region based instruments.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace subject to the Sharia guidance provided in this regard.

Movement in the balance of financial assets at FVTPL is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	268,472	248,135
Additions (i) (Note 1)	1,143,078	28,756
Disposals	(234,235)	(41,915)
Reclass from financial assets at fair value through other comprehensive income (ii) (Note 8)	46,736	-
Net change in fair value recognised in profit or loss	468,299	33,496
	<hr/> 1,692,350 <hr/>	<hr/> 268,472 <hr/>
Balance at the end of the period/year	1,692,350	268,472

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

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

The Group has entered into a repurchase agreement with a related party for 23,135 thousand quoted equity shares for a period of one year. In this agreement, the Group deposited its shares to a related party and agreed to reclaim it only on the termination date in exchange for a repurchase yield of 4% on the agreed market value of the shares amounting to AED 16,357 thousand. All the risk and reward of the deposited quoted equity shares are still held by the Group as of the reporting date and it can be withdrawn at any period of time subject to early termination fees. In 2021, the Group renewed its repurchase agreement for 23,135 thousand of quoted equity shares at the same repurchase yield on the agreed market value of the shares amounting to AED 25,449 thousand for a period of one year. This has been transferred to a related part as discussed below.

The following significant transactions occurred during the period:

- i. On 4 August 2022, the Group has entered into a subscription in kind agreement with Goldilocks whereby the Group transferred its investments and financial assets including the related accrued interest, other adjustments and liabilities below in exchange for the Class A shares of Goldilocks.

	Fair value of the interest transferred AED'000 (unaudited)	Accrued interest and other adjustments AED'000 (unaudited)
Investment in associate	8,668	-
Debt investment at amortised cost	56,184	2,872
Wakala investments	89,000	2,728
Financial assets at fair value through other comprehensive income	6,651	-
Financial assets at fair value through profit or loss	237,899	1,637
Liabilities assumed	(20,870)	(10)
	<hr/>	<hr/>
Total	377,532	7,227
	<hr/> <hr/>	<hr/> <hr/>

- ii. In line with the acquisition of the Fund (Note 1), the management reclassified Goldilocks Class A shares previously recognised under financial assets at fair value through other comprehensive income due to the change in business model.

Finance income on the repurchase agreement for the nine-month period ended 30 September 2022 amounted to AED 601 thousand (30 September 2021: AED 489 thousand). Accrued interest on fixed income on the repurchase agreement amounted to AED 0 thousand as at 30 September 2022 (31 December 2021: AED 178 thousand).

Finance income on fixed income securities for the nine-month period ended 30 September 2022 amounted to AED 1,969 thousand (30 September 2021: AED 3,452 thousand). Accrued interest on fixed income securities amounted to AED 0 thousand as at 30 September 2022 (31 December 2021: AED 986 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

11 Trade and other receivables

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Trade receivables	547	853
Accrued interest	16	6,850
Prepayments	971	381
Dividend receivable	-	2,980
Other receivables	6,777	7,636
	<hr/>	<hr/>
	8,311	18,700
	<hr/> <hr/>	<hr/> <hr/>

No interest is charged on trade and other receivables. Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management experience and past default history. In determining the recoverability of a receivable balance, the entities consider any change in the credit quality of the receivable balance from the date credit was initially granted up to the end of the reporting period.

12 Cash and bank balances

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash on hand	30	23
Cash at bank	28,539	65,373
Term deposits	6,641	6,641
	<hr/>	<hr/>
	35,210	72,037
Less: short-term deposits with original maturity of more than six months	(6,641)	(6,641)
Less: restricted cash	(3,663)	(3,663)
	<hr/>	<hr/>
Cash and cash equivalents	24,906	61,733
	<hr/> <hr/>	<hr/> <hr/>

Term deposits represents deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate 0.20% - 0.35% per annum (31 December 2021: 0.20% - 0.45% per annum).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

12 Cash and bank balances (continued)

Finance income on term deposits for the nine-month ended 30 September 2022 amounted to AED 14 thousand (30 September 2021: AED 17 thousand). Accrued interest on term deposits amounted to AED 16 thousand as at 30 September 2022 (31 December 2021: AED 2 thousand).

Restricted cash includes unclaimed dividends which were declared in 2012 and 2013 collectively amounting to AED 3,635 thousand (31 December 2021: AED 3,635 thousand) and a restricted cash placed in a local bank amounting to AED 28 thousand (31 December 2021: AED 28 thousand).

13 Wakala investment

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Wakala investment	-	85,000
	=====	=====

The Group invested AED 85 million in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. These investments carry interest rates ranging from 8%-9.5% per annum and maturity date of 28 March 2024. During the period, this was transferred to as an in kind subscription in Goldilocks (Note 10).

On April 2022, the Group received Wakala investment amounting to AED 4 million as a settlement from its investee. This is denominated in USD and carry interest rate of 8.5% per annum and maturity date of 10 February 2024. During the period, this was transferred to as an in kind subscription in Goldilocks (Note 10).

Finance income on Wakala investment for the nine-month ended 30 September 2022 amounted to AED 4,330 thousand (30 September 2021: AED 5,533 thousand). Accrued interest on term deposits amounted to AED 0 thousand as at 30 September 2022 (31 December 2021: AED 5,677 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

14 Investment in an associate

The Group made an investment in a Company established in Cayman Island called Alkonost Investment Ltd (hereafter referred to as “the associate”). The Group holds 40% of the voting rights of the associate and has a significant influence over the associate. The associate engaged in the business of asset management.

Movement in the balance of investment in an associate is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	8,285	7,404
Share in profit during the period/year	382	881
Disposed during the period/year (Note 10)	(8,667)	-
	<hr/>	<hr/>
Balance at the end of the period/year	-	8,285
	<hr/> <hr/>	<hr/> <hr/>

Summarised financial information below represents amounts shown in the associate’s financial statements prepared in accordance with IFRSs:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Total assets	-	20,713
Total liabilities	-	-
	<hr/>	<hr/>
Net assets	-	20,713
	<hr/> <hr/>	<hr/> <hr/>
Group’s share in the net assets	-	8,285
	<hr/> <hr/>	<hr/> <hr/>
Profit for the period/year	955	2,203
	<hr/> <hr/>	<hr/> <hr/>
Group’s share in the profit during the period/year	382	881
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

15 Share capital

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
<i>Authorised, issued and paid up capital</i>		
2,820,433,097 (2021: 2,325,000,000) ordinary shares of AED 1 each	2,820,433	2,325,000

Treasury shares

On 14 October 2018, the Group obtained an approval from SCA to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and SCA regulations. As at 31 December 2020, the Company purchased an additional 17,586 thousand ordinary shares with an aggregate value of AED 6,420 thousand and are held in treasury. Accordingly, total equity was reduced by AED 15,609 thousand being the consideration paid for these treasury shares as of 31 December 2020. There is no such share purchase during the year ended 31 December 2021.

On 18 August 2022, the Group obtained an approval from SCA to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and SCA regulations. During the period, the Company purchased an additional 8,354 thousand ordinary shares with an aggregate value of AED 4,764 thousand and are held in treasury.

Shares discount

The acquisition of Goldilocks Class A shares resulted in a net increase of the capital of the Company in an amount of AED 761,790 thousand against the shares in Goldilocks by virtue of which the owners of the shares in Goldilocks received 1,385,073 thousand new shares in the capital of the Company, each proportionally to their ownership in the fund.

Share discount amounting to AED 623,283 thousand is recognised for the difference of the fair value of the shares issued by the Group to the new shareholders and fair value of the 99.2% total shares of the Fund.

16 Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Law No. 32 of 2021, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution.

No allocation to the statutory reserve has been made for the nine month period ended 30 September 2022, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2022.

17 Investments revaluation reserve

Investments revaluation reserve represents the net unreleased gains or losses that are recognised on the financial assets at fair value through other comprehensive income.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

18 Provision for employees' end of service benefits

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	1,151	888
Charge for the period/year	276	268
Paid during the period/year	(23)	(5)
	<hr/>	<hr/>
Balance at the end of the period/year	1,404	1,151
	<hr/> <hr/>	<hr/> <hr/>

19 Lease liability and right-of-use assets

The Group had leased an asset as their office premise. The lease term was 5 years. During 2021, the Group terminated the lease contract and derecognised the lease liability and right-of-use assets.

The movement in lease liability is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	-	5,109
Interest expense	-	188
Payments	-	(872)
Modification adjustment	-	(4,425)
	<hr/>	<hr/>
Balance at the end of the period/year	-	-
	<hr/> <hr/>	<hr/> <hr/>

The movement in right-of-use assets is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	-	5,024
Depreciation expense during the period/year	-	(1,065)
Derecognition upon termination of lease contract (Note 5)	-	(3,959)
	<hr/>	<hr/>
Balance at the end of the period/year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

20 Asset held for sale

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Transfer from property and equipment (Note 5)	90,059	-
Balance at the end of the period/year	90,059	-

During the period, the Board of Directors has approved the plan to sell a building previously recorded under Property and equipment and entered into an exclusive agent agreement to find a buyer and accordingly classified as held for sale. The assets held for sale are measured at the lower of fair value of their previous carrying amount and fair value less costs to sell. As of period end, no sale and purchase agreement has yet been signed. This is mortgaged as a security for a loan obtained by the Group from a local bank (Note 21).

21 Bank borrowings

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Term loan 1	112,233	129,282
Term loan 2	4,514	25,119
Term loan 3	134,550	139,194
	251,297	293,595
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	(228,052)	(250,079)
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	23,245	43,516

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****21 Bank borrowings (continued)**

The term loans comprise of the following:

Term loan 1

A sharia compliant term loan facility from a local bank amounting of AED 145,000 thousand under the terms and conditions defined in the term loan agreement. The loan is repayable in quarterly instalments over a period of 12 years and carries a variable interest rate. The loan is secured by a mortgage over the building used by Nuran Marina Serviced Residences LLC (the “Subsidiary”) (Note 5), 58 apartment units at Burj Daman, Dubai (Note 6), corporate guarantee issued by the Subsidiary in favour of the lender and collections made by the Subsidiary are assigned to the lender to repay the quarterly principal repayment of the loan. The loan was obtained to repay another previous loan from the same local bank and to finance the Group’s general obligations. The loan was fully drawdown as of the last reporting date.

As at 30 September 2022, the Group has an unamortised loan arrangement fee of AED 1,217 thousand (31 December 2021: AED 1,318 thousand) and recognised finance costs of AED 3,392 thousand (30 September 2021: AED 2,846 thousand) in relation to this facility.

Term loan 2

In 2020, the Group availed a margin facility from a local bank amounting to AED 69,000 thousand under the terms and conditions defined in the agreement to finance the working capital requirements of the Group and repay one of an existing loan. In 2022, the margin facility limit was decreased to AED 21,000 thousand. The total drawdown from the facility as at 30 September 2022 is AED 4,514 thousand (31 December 2021: AED 25,119 thousand). The facility is secured by a pledge of quoted shares held in the name of the Group (Note 29). The facility is repayable on demand and carries a variable interest rate. As at 30 September 2022, the Group has an unutilised facility of AED 16,486 thousand (31 December 2021: 43,880 thousand) and recognised finance costs of AED 654 thousand (30 September 2021: AED 648 thousand).

Term loan 3

In 2021, the Group obtained a sharia-compliant term loan facility from a local bank amounting to AED 140,000 thousand under the terms and conditions defined in the agreement to settle the existing debt exposure of its project loan and to finance general corporate purposes. The loan is repayable in quarterly instalments over a period of 10 years and carries a variable interest rate. The loan is secured by a mortgage over the land and building of the Group located in Al Reem Island (Note 6), Abu Dhabi, and a reserved account maintained in the name of the Group with an amount equal to at least one quarterly instalment of the term loan. The loan was fully drawn as of the reporting date.

As at 30 September 2022, the Group has an unamortised loan arrangement fee of AED 746 thousand (31 December 2021: AED 806 thousand) and recognised finance costs of AED 3,567 thousand (30 September 2021: AED 196 thousand) in relation to this facility.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

21 Bank borrowings (continued)

Reconciliation of term loan movement to the cash flows arising from financing activities is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	293,595	241,563
<i>Cash flows</i>		
Loan drawdown	-	149,108
Loan repaid	(21,977)	(97,120)
Loan repaid by a related party, including interest (Note 10)	(20,879)	
Payment of loan issuance cost	-	(807)
Payment of accrued interest	(707)	(3,441)
<i>Other non-cash items</i>		
Amortisation of transaction cost	161	726
Accrual of interest	821	3,566
Additional fee for margin facility	283	-
	<hr/>	<hr/>
Balance at the ending of the period/year	251,297	293,595
	<hr/> <hr/>	<hr/> <hr/>

22 Trade and other payables

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Trade payables	156	129
Advances from customers	9,090	10,431
Retention payables	7,041	7,041
Unclaimed dividends	3,635	3,635
Accruals	2,687	1,473
Other payables	3,353	8,109
	<hr/>	<hr/>
	25,962	30,818
	<hr/> <hr/>	<hr/> <hr/>

Advances from customers include an amount of AED 4,216 thousand (31 December 2021: AED 4,216 thousand) received as advance rentals against land given under operating leases as per Musataha agreements.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

23 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise shareholders, directors, key management staff and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Terms and conditions of transactions with related parties

The services to and from related parties are made at normal market prices.

Balances with these related parties generally arise from commercial transactions in the normal course of business on arm's length basis. Balances with related parties reflected in the condensed consolidated statement of financial position at the reporting date comprised:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash and bank balances:		
Entities under common directorship	17,326	53,257
Shareholder	21	21
	<hr/>	<hr/>
	17,347	53,278
	<hr/> <hr/>	<hr/> <hr/>
Wakala investment:		
Entities under common directorship	-	85,000
	<hr/>	<hr/>
Financial assets at FVOCI:		
Entities under common directorship	42,531	93,656
Shareholder	182	215
	<hr/>	<hr/>
	42,713	93,871
	<hr/> <hr/>	<hr/> <hr/>
Financial assets at FVTPL:		
Entities under common directorship	1,692,350	121,072
	<hr/>	<hr/>
Debt investments at amortised cost:		
Entity under common directorship	-	18,274
	<hr/>	<hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

23 Related party balances and transactions (continued)

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Due from a related party:		
Entity under common control	450	19,816
	=====	=====
Investment in an associate:		
Entity under common directorship	-	8,285
	=====	=====
Loan from a bank:		
Entities under common directorship	139,064	164,313
	=====	=====
Interest receivables:		
Entities under common directorship	5	6,032
	=====	=====
Interest payable:		
Entities under common directorship	64	42
	=====	=====
Other payables:		
Entities under common directorship	166	-
	=====	=====
Other receivables:		
Entities under common directorship	212	3,357
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

23 Related party balances and transactions (continued)

Significant balance sheet transactions with related parties during the period/year were as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Purchase of financial assets at FVTPL:		
Entities under common directorship	1,147,365	125
Disposal of financial assets at FVTPL:		
Entities under common directorship	84,922	41,915
Purchase of financial assets at FVTOCI:		
Entities under common directorship	10,000	-
Disposal of financial assets at FVTOCI:		
Entities under common directorship	-	13,765
Purchase of debt investments at amortised cost:		
Entities under common directorship	36,725	-
Net term deposits placed:		
Entity under common directorship	-	(80,001)
Loan taken from a bank during the year:		
Entity under common directorship	-	149,108
Loan payment during the year:		
Entity under common directorship	26,413	92,501
Borrowing cost during the year:		
Entity under common directorship	3,567	3,061
Loan arrangement fees paid:		
Entity under common directorship	-	807
Net fund transfer made to related parties:		
Entities under common directorship	35,643	335

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

23 Related party balances and transactions (continued)

Significant transactions with related parties during the period were as follows:

	<u>Nine-month ended 30 September</u>	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Interest expense on loan from a bank/related party:		
Entities under common directorship	4,222	836
Dividend income:		
Entities under common directorship	4,294	6,852
Broker fees paid to related parties:		
Shareholder	52	60
Interest income:		
Entities under common directorship	8,282	9,448

Key management compensation

	<u>Nine-month ended 30 September</u>	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Short term benefits	2,299	1,598
Long term end of service benefits	87	71
Board of Directors' remuneration	3,525	-
	5,911	1,669

There were no loans provided to directors as of 30 September 2022 and 31 December 2021.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at 30 September 2022 and 31 December 2021.

24 Basic and diluted earnings per share

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

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period, adjusted for the effects of dilutive instruments.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

24 Basic and diluted earnings per share (continued)

The following reflects the earnings and share data used in the earnings per share calculation:

	<u>Nine-month ended 30 September</u>	
	2022 (unaudited)	2021 (unaudited)
Profit for the period (AED'000)	481,474	35,131
Weighted average number of ordinary shares outstanding (thousands)	1,681,236	1,412,853
Basic and diluted earnings per share (AED)	0.2864	0.0249

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding (Note 15) and decrease in share capital (Note 1).

As at 30 September 2022 and 2021, the Group has not issued any instruments which would have a diluted impact on earnings per share when converted or exercised.

25 Segment reporting

The Group's operating segments are established on the basis of those components that are evaluated regularly by Board of Directors (the chief operating decision-maker or "CODM"). They monitor the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

For management purposes, at 30 September 2022 and 2021, the Group is organised into five major segments, as follows:

- Property development
- Investment properties
- Hospitality and leisure
- Investment and asset management
- Holding

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, directors' salaries, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

Information regarding these segments is presented below.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)

25 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
30 September 2022							
Revenue							
<i>Timing of revenue recognition</i>							
Over time	-	16,229	12,984	-	-	-	29,213
At a point in time	-	-	315	-	-	-	315
	-	16,229	13,299	-	-	-	29,528
Direct operating expenses	-	(4,577)	(4,530)	-	-	-	(9,107)
Depreciation	-	-	(2,877)	-	-	-	(2,877)
Gross profit	-	11,652	5,892	-	-	-	17,544
Net finance income	-	-	-	-	1,986	-	1,986
Changes in fair value of financial assets at FVTPL	-	-	-	468,299	-	-	468,299
Dividend income	-	-	-	4,294	-	-	4,294
Share of profits from associate	-	-	-	382	-	-	382
Total operating income	-	11,652	5,892	472,975	1,986	-	492,505
General and administrative expenses	-	-	(1,463)	-	(9,063)	-	(10,526)
Depreciation	-	-	-	-	(18)	-	(18)
Selling and marketing expense	-	-	(503)	-	(86)	-	(589)
Amortisation on debt investment	-	-	-	89	-	-	89
Other income	-	13	-	-	-	-	13
Profit/(loss) for the period	-	11,665	3,926	473,064	(7,181)	-	481,474
At 30 September 2022							
Total assets	5,679	1,017,788	97,115	1,736,229	27,792	(450)	2,884,153
Total liabilities	7,601	144,167	139,961	44	10,614	(23,724)	278,663

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

26 Seasonality of results

The seasonal nature of the Group's activities only concerns the serviced apartments division, whose revenue has variability during the first and last quarters of the year.

27 Commitments

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Commitments for fixed assets	16,584	14,929
Commitments for investments	27,000	-

28 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – fair value measurements are those derived from 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 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 30 September 2022 (unaudited)					
Financial assets at FVTPL	1,692,350	11,401	-	1,680,949	1,692,350
Financial assets at FVOCI	42,840	309	-	42,531	42,840
	1,735,190	11,710	-	1,723,480	1,735,190
At 31 December 2021 (audited)					
Financial assets at FVTPL	268,472	144,335	-	124,137	268,472
Financial assets at FVOCI	94,011	354	-	93,657	94,011
	362,483	144,689	-	217,794	362,483

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

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

28 Fair value of financial instruments (continued)

Movements in the fair value of investments categorised within Level 3 is as follows:

	30 September 2022 AED'000	31 December 2021 AED'000
Balance at the beginning of the period/year	217,794	184,450
Additions	1,166,537	22,456
Disposals (Note 10)	(145,143)	(13,765)
Change in fair value	484,292	24,653
	<hr/>	<hr/>
Balance at the ending of the period/year	1,723,480	217,794
	<hr/> <hr/>	<hr/> <hr/>

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of those financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

29 Fiduciary activities

The Group acts as a trustee and in other capacities that result in holding of assets listed below in a fiduciary capacity on behalf of other institutions where ownership is yet to be transferred by the Group to the beneficiary. Such assets and income arising thereon are not included in the Group's condensed consolidated financial statements.

	30 September 2022 AED'000	31 December 2021 AED'000
Quoted security (i)	52,489	58,876
Unquoted security (ii)	5,817	-
	<hr/>	<hr/>
	58,306	58,876
	<hr/> <hr/>	<hr/> <hr/>

- i. The quoted securities are mortgaged as a security for a loan obtained by the Group from a local bank. The Group entered into a deferred payment agreement with Goldilocks whereby the Group shall transfer the legal title for the shares upon payment of the obligation to the bank upon receipt of the funds from Goldilocks (Note 10, 21).
- ii. Pertains to an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services. The entity is currently under the liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****30 Events after reporting period***Sale of Investment Properties*

On 6 October 2022, the Group announced that it has entered into a Sale and Purchase Agreement with a third party for the sale of two plots in JVC-Dubai for a total consideration of AED 33,134 thousand. In addition to the consideration, the Group is entitled to a fixed profit rate per annum as a percentage of the sale consideration until the consideration is paid by the third party. The Group is also entitled to a percentage of profit share upon completion of the project by the third party.

On 7 November 2022, the Group announced that it has entered into a Sale and Purchase Agreement with a third party for the sale of one plot in Abu Dhabi for a total consideration of AED 126,620 thousand. The consideration is payable over the next 5 years in periodic cash payments (66% of consideration) and completed units (34% of consideration) by the third party. These sales are in accordance with the business plan approved by the Board of Directors on 2 September 2022 and demonstrated the Group's progress towards monetizing its land bank (Note 6).

31 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 10 November 2022.