

The National Investor Pr. J.S.C.

Condensed consolidated interim financial information
(Unaudited)

For the six months period ended 30 June 2023

Principal business address:

P. O. Box 47435
Abu Dhabi
United Arab Emirates

The National Investor Pr. J.S.C.
Condensed consolidated interim financial information (Unaudited)

For the six months period ended 30 June 2023

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Independent auditor’s report on review of condensed consolidated interim financial information

To the Shareholders of The National Investor Pr. J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **The National Investor Pr. J.S.C.** (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2023 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on the condensed consolidated 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting”.

**GRANT THORNTON****Dr. Osama El-Bakry
Registration No. 935
Abu Dhabi, United Arab Emirates
10 August 2023**

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of profit or loss For the six months period ended 30 June 2023

	Note	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
Fee and service income	5	11,838	11,079
Net income from investments carried at fair value through profit or loss		1,798	898
Dividend income		-	187
Share of (loss) / profit from associates		(48)	78
Interest income		525	351
Other income		1,188	1,040
Total operating income		15,301	13,633
Staff cost	6	(2,528)	(1,752)
Operating expenses		(4,111)	(2,992)
General and administrative expenses		(5,871)	(5,856)
Depreciation		(3,276)	(3,588)
Interest expense		(624)	(450)
Total operating expenses		(16,410)	(14,638)
Loss for the period from continuing operations		(1,109)	(1,005)
Profit/(loss) for the period from discontinued operations	20	157	(28)
Loss for the period		(952)	(1,033)
<i>Attributable to:</i>			
Shareholders of the Company		(681)	(1,345)
Non-controlling interests		(271)	312
		(952)	(1,033)
Basic loss per share (AED)	17	(0.002)	(0.004)

The notes from 1 to 23 form an integral part of these condensed consolidated interim financial information.

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of comprehensive income For the six months period ended 30 June 2023

	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
Loss for the period	(952)	(1,033)
Other comprehensive income/(loss):		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Fair value gain/(loss) on financial assets carried at fair value through other comprehensive income	21	(24)
Revaluation of property transferred to investment property	567	-
Share of OCI movement from associate	307	-
Other comprehensive income/(loss)	<u>895</u>	<u>(24)</u>
Total comprehensive loss for the period	<u>(57)</u>	<u>(1,057)</u>
<i>Attributable to:</i>		
Shareholders of the Company	214	(1,369)
Non-controlling interests	<u>(271)</u>	<u>312</u>
	<u>(57)</u>	<u>(1,057)</u>


The notes from 1 to 23 form an integral part of these condensed consolidated interim financial information.

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of financial position
As at 30 June 2023

	Note	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
ASSETS			
Cash and bank balances	7	20,586	31,790
Investments carried at fair value through profit or loss	8	10,000	10,000
Investments carried at fair value through other comprehensive income	9	497	476
Amounts due from related parties	16	95	139
Investments in associates	10	45,988	45,729
Investment properties	11	117,090	114,041
Property, fixture and equipment		145,742	151,360
Other assets	12	6,337	5,699
Assets related to companies under liquidation		51	14,698
Total assets		346,386	373,932
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	14	17,585	19,625
Other liabilities	13	6,420	6,640
Amounts due to related parties	16	76	100
Liabilities related to companies under liquidation		11	216
Total liabilities		24,092	26,581
EQUITY			
Share capital	15	285,000	310,000
Legal reserve		62,101	62,101
Optional reserve		3,678	3,678
Fair value reserve		(15,280)	(16,175)
Accumulated losses		(55,063)	(54,382)
Equity attributable to the Shareholders of the Parent Company		280,436	305,222
Non-controlling interests		41,858	42,129
Total equity		322,294	347,351
Total liabilities and equity		346,386	373,932

These condensed interim financial statements were approved by the Board of Directors on 10 August 2023 and signed on their behalf by:


Mr. Saeed Mohamed Almasoud
Chairman


Mr. Rami Hurieh
Managing Director

The notes from 1 to 23 form an integral part of these condensed consolidated interim financial information.

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of changes in equity
For the six months period ended 30 June 2023

	Share capital AED'000	Legal reserve AED'000	Optional reserve AED'000	Fair value reserve AED'000	Retained earnings / (Accumulated losses) AED'000	Equity attributable to shareholders of Parent Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2022 <i>(Audited)</i>	377,500	62,101	3,678	(60,784)	18,509	401,004	48,193	449,197
(Loss) / profit for the period	-	-	-	-	(1,345)	(1,345)	312	(1,033)
Other comprehensive loss	-	-	-	(24)	-	(24)	-	(24)
Return of capital to shareholders	(67,500)	-	-	-	-	(67,500)	-	(67,500)
Reclassification of investment reserve related to investment in FVTOCI	-	-	-	44,889	(44,889)	-	-	-
Balance at 30 June 2022 <i>(Unaudited)</i>	310,000	62,101	3,678	(15,919)	(27,725)	332,135	48,505	380,640
Balance at 1 January 2023 <i>(Audited)</i>	310,000	62,101	3,678	(16,175)	(54,382)	305,222	42,129	347,351
Loss for the period	-	-	-	-	(681)	(681)	(271)	(952)
Other comprehensive income	-	-	-	895	-	895	-	895
Return of capital to shareholders (note 15)	(25,000)	-	-	-	-	(25,000)	-	(25,000)
Balance at 30 June 2023 <i>(Unaudited)</i>	285,000	62,101	3,678	(15,280)	(55,063)	280,436	41,858	322,294

The notes from 1 to 23 form an integral part of these condensed consolidated interim financial information.

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of cash flows For the six months period ended 30 June 2023

	Note	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
Cash flows from operating activities			
Loss for the period		(1,109)	(1,005)
<i>Adjustments for:</i>			
Depreciation of property, fixture and equipment		3,276	3,588
Share of loss/(profit) of associates		48	(78)
Net gain from investments carried at fair value through profit or loss	8	(1,798)	(898)
Interest income		(525)	(351)
Interest expense		624	450
Provision for employees' end of service benefits		214	134
Dividend income		-	(187)
Gain on sale of property, fixture and equipment		(23)	(69)
		<u>707</u>	<u>1,584</u>
<i>Changes in:</i>			
Amounts due from related parties		44	109
Other assets		(626)	(1,388)
Other liabilities		110	(5,227)
Amounts due to related parties		(24)	(10)
Employees' end of service benefits paid		(545)	(185)
Net cash used in continuing operations		<u>(334)</u>	<u>(5,117)</u>
Net cash used in discontinued operations		<u>(147)</u>	<u>(8)</u>
Net cash used in operating activities		<u>(481)</u>	<u>(5,125)</u>
Cash flows from investing activities			
Additions to property, fixtures and equipment, net		(138)	(633)
Proceeds from sale of property, fixtures and equipment		23	69
Acquisition of investments carried at FVTPL	8	(5,926)	(2,450)
Proceeds from sale of investments carried at FVTPL		7,408	3,040
Proceeds from profit distribution of investment at FVTOCI		-	245
Proceeds from sale of a subsidiary		-	50,000
Proceeds from sale of investments carried at FVTOCI		-	3,037
Term deposits		10,022	-
Interest income received		828	654
Dividend income received		-	187
Net cash from continuing operations		<u>12,217</u>	<u>54,149</u>
Net cash from discontinued operations		<u>171</u>	<u>-</u>
Net cash from investing activities		<u>12,388</u>	<u>54,149</u>
Cash flows from financing activities			
Repayment of term loans		(2,040)	(2,060)
Return of capital to equity holders of the parent	15	(25,000)	(67,500)
Interest paid		(624)	(450)
Net cash used in continuing operations		<u>(27,664)</u>	<u>(70,010)</u>
Net cash used in discontinued operations		<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>(27,664)</u>	<u>(70,010)</u>
Net decrease in cash and cash equivalents		<u>(15,757)</u>	<u>(20,986)</u>
Cash and cash equivalents at the beginning of the period		35,305	44,761
Cash and cash equivalents at the end of the period	7	<u>19,548</u>	<u>23,775</u>

The notes from 1 to 23 form an integral part of these condensed consolidated interim financial information.

The National Investor Pr. J.S.C.

Notes to the condensed consolidated interim financial information For the six months period ended 30 June 2023

1 Legal status and principal activities

The National Investor Pr. J.S.C. (the “Company”) is registered in Abu Dhabi, United Arab Emirates (“UAE”) and is listed on the Abu Dhabi Securities Exchange as a Private Joint Stock Company since 2014.

The Company is subject to the Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) which came into legal effect on 2 January 2022 and in replacement of Federal Law No. 2 of 2015 (the “Old Companies Law”) and the executive Ministry of Economy Decision No. 539 of 2017 concerning private joint stock companies. In 2001, the Company received approval from the Central Bank of the UAE to conduct financial investment business as an investment company in accordance with the Central Bank’s Board of Directors’ Resolution No. 164/8/94 dated 18 April 1995 regarding the regulations for investment companies and banking and investment consultation companies. The Company was also licensed and regulated by the UAE Securities and Commodities Authority (SCA) for conducting Financial Advisory activity since 2012, Investment Management activity since 2017 and Management activity since 2018. The Company ceased all financial activities since the end of 2019 and applied for voluntary cancellation of its SCA licenses.

On 6 May 2020, SCA released its Decision 22 RT/2020 concerning the approval on voluntary cancellation of TNI’s Financial Analysis License. On 8 May 2020, the SCA issued approval for the voluntary cancellation of the management license. The Investment Management SCA license is under cancellation.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 with an effective date of 2 January 2022, and will entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies. The Group has reviewed the new provisions and applied the requirements of the New Companies Law.

On 9 December 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 CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The UAE Cabinet of Ministers (“Cabinet”) Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 - Income Taxes. Current taxes will only be payable for financial years beginning on or after 1 June 2023 so the company will be subject to current tax for the first time during the year ending 31 December 2024.

Enactment of the legislation requires the recognition of deferred taxes where relevant, however the Company does not have any deferred tax balances to record for the period. The impact of any future changes in enacted law will be accounted for when such changes are substantively enacted or enacted..

The Company and its subsidiaries (together referred as the “Group”) are managed as an integrated investment company.

The principal activities of the Group are private equity, real estate investment and hospitality.

The registered head office of the Company is at P.O. Box 47435, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial information of the Group were authorized and approved for issue by the Board of Directors on 10 August 2023.

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

2 Basis of accounting

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34. “Interim Financial Reporting” issued by the International Accounting Standards Board and applicable requirements of the laws of the Federal Law Decree No. 32 of 2021.

The condensed consolidated interim financial information do not contain all statements and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the latest annual consolidated financial statements. In addition, results for the six months period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The accounting policies applied by the Group in the presentation of these condensed consolidated interim financial information are consistent with those applied by the Group in its audited consolidated financial statements as at and for the year ended 31 December 2022, except for IFRSs that became effective for accounting periods beginning on or after 1 January 2023.

The condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income have been prepared to disclose the results of Group’s activities from continuing operations and discontinued operations incurred in previous period presented.

The condensed consolidated interim financial information are presented in United Arab Emirates Dirham (AED) which is the functional and the presentation currency of the Group and all values are rounded to the nearest thousand dirham, except when otherwise indicated.

3 Basis of consolidation

The accompanying condensed consolidated interim financial information comprise of condensed interim financial information of the Parent company and its subsidiaries (together referred to as the “Group”). The details of the Parent company’s subsidiaries and their principal activities are as follows:

	Country of incorporation	Ownership interest % 30 June 2023	31 December 2022	Principal activity
<i>Operating entities</i>				
Mainland Management LLC	U.A.E.	67	67	Real estate investments
Mainland Investment LLC	U.A.E.	100	100	Real estate investments
Mafraq Hotel – a subsidiary of Mainland Investment LLC	U.A.E.	100	100	Hospitality services
Uptown Management LLC	U.A.E.	100	100	Real estate investments
Uptown Investment LLC	U.A.E.	100	100	Real estate investments
Al Jeyoun Limited	U.A.E.	100	100	Real estate investments, investments in PJSCs
<i>Special purpose entities</i>				
United Capital LLC	U.A.E.	100	100	Asset Management
Fidelity Invest LLC (owned by The National Investor Pr. J.S.C. One Man Company LLC)	U.A.E.	100	100	Asset Management
Al Dhafra Capital LLC	U.A.E.	100	100	Asset Management
TNI Capital Partners Limited	Cayman Islands	100	100	Private Equity Funds
TNI General Partners Limited	Cayman Islands	100	100	Private Equity Funds

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

4 Significant accounting policies

New standards, interpretations and amendments adopted by the Group

Standards, interpretations and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective on or after 1 January 2023

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been applied in these interim condensed financial statements:

- IFRS 17 Insurance Contracts and Amendments to IFRS 17
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 1 Presentation of Financial Statements
- IAS 12 Income Taxes

These amendments do not have a significant impact on these condensed interim financial statements and therefore the disclosures have not been made.

Standards and interpretations in issue but not yet effective

The new standards and revised IFRSs not yet effective and have not been adopted early by the Company include:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback; and
- Amendments to IAS 1: Non-current Liabilities with Covenants
- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by the management.

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

4 Significant accounting policies (continued)

(a) Significant accounting judgements, estimates and assumptions

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

5 Fee and service income

	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
Revenue from hotel services	11,838	11,079
	<u>11,838</u>	<u>11,079</u>

6 Staff cost

	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
Staff cost – corporate	853	1,139
Staff cost – subsidiaries	1,675	613
	<u>2,528</u>	<u>1,752</u>

7 Cash and bank balances

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Cash in hand	58	58
Call and current accounts with banks	3,992	7,905
Term deposits	16,536	23,827
Cash and bank balances	20,586	31,790
Less: term deposits with maturities over three months	(1,087)	(11,109)
Cash and cash equivalent from continuing operations	19,499	20,681
Cash and cash equivalent from discontinued operations	49	14,624
Cash and cash equivalent	<u>19,548</u>	<u>35,305</u>

Bank deposits carry interest rates ranging from 3% to 5.25% (31 December 2022: 1.25% to 4.30%) per annum.

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

8 Investments carried at fair value through profit or loss

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Investment in Sukuk*	<u>10,000</u>	<u>10,000</u>

Movement in investments carried at fair value through profit or loss:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Balance at the beginning of the period / year	10,000	10,000
Additions during the period / year **	5,926	2,543
Change in fair value during the period / year**	1,495	599
Disposal during the period / year **	<u>(7,421)</u>	<u>(3,142)</u>
Balance at the end of the period / year	<u>10,000</u>	<u>10,000</u>

* During the period, the Group had interest income from its investment in sukuk amounting AED 0.303 million (period ended 30 June 2022: AED 0.303 million).

** During the period, the Group subscribed to several Initial Public Offering (IPO) of listed entities and subsequently sold the shares resulting in gain on sale of AED 1.495 million.

9 Investments carried at fair value through other comprehensive income

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Investment in equity funds*	<u>497</u>	<u>476</u>

Movement in investments carried at fair value through other comprehensive income

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Balance at the beginning of the period / year	476	11,347
Change in fair value during the period / year	21	2
Disposal/distribution during the period / year	<u>-</u>	<u>(10,873)</u>
Balance at end of the period / year	<u>497</u>	<u>476</u>

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

10 Investments in associates

The Group has the following investments in associates which are accounted for using the equity method.

Company Name	Country of incorporation	Ownership interest %		Principal activity
		30 June 2023	31 December 2022	
National Entertainment LLC	U.A.E.	40.00%	40.00 %	Entertainment services
Growth Capital Fund	Cayman Islands	35.71%	35.71 %	Asset management
National Catering Company LLC	U.A.E.	10.00%	10.00 %	Catering services and facility management

Summarised financial information of the associates is set out below.

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
<i>Associates' statement of financial position</i>		
Assets	571,254	547,544
Liabilities	<u>(242,614)</u>	<u>(222,140)</u>
Net assets	<u>328,640</u>	<u>325,404</u>
Group's share of net assets	45,988	54,660
Less: impairment loss (a)	<u>-</u>	<u>(8,931)</u>
Carrying amount of investment in associates	<u>45,988</u>	<u>45,729</u>
	Six months period ended 30 June 2023 AED'000 (Unaudited)	Six months period ended 30 June 2022 AED'000 (Unaudited)
<i>Associates' revenue and profit:</i>		
Revenue	<u>195,289</u>	<u>219,563</u>
Profit for the period	<u>64</u>	<u>1,472</u>
Group's share of (loss)/profit for the period	<u>(48)</u>	<u>78</u>

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

11 Investment properties

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Opening balance	114,041	128,833
Transferred during the period / year*	3,049	1,908
Disposals during the period / year	-	(16,700)
	117,090	114,041

*On 1 February 2023, the Group with carrying amount AED 2.48 million transferred from property, fixtures and equipment to investment properties due to change in the use of the asset from business operations to property leased out to customers and leased started on 1 February 2023. The Group relied on valuation performed on 15 December 2022 by external, independent property valuer, who has appropriate recognized professional qualifications and experience in the location and category of the property being valued. Management believes that there is no material change in fair value between valuation date and transfer date. The fair value was determined by amount of AED 3.05 million and the group recognized a gain of AED 0.57 million in OCI.

12 Other assets

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Trade receivables	10,877	10,436
Prepaid expenses	1,799	952
Accrued income	326	421
Due from employees	71	132
Others	1,067	1,561
	14,140	13,502
<i>Less:</i> allowance for expected credit loss	(7,803)	(7,803)
	6,337	5,699

13 Other liabilities

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Trade payables	2,082	1,827
Deferred income	1,223	544
Staff payables	161	130
End of service benefits	789	1,120
Accrued expenses	2,021	2,293
Other payables	144	726
	6,420	6,640

**Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023**

14 Term loans

	30 June 2023	31 December 2022
	AED'000	AED'000
	(Unaudited)	(Audited)
Term loan 1 (note 16)	4,733	4,733
Term loans 2	12,852	14,892
	17,585	19,625

Term loan 1: Mainland Management entered into a bridge loan agreement with Finance House PJSC, a related party, on 26 March 2007, amounting to AED 17 million. During 2014, the outstanding amount was converted into additional capital contribution to Mainland Management and subsequently an amount of AED 4.7 million was lent to Mainland Management. Interest is charged at 4% per annum (31 December 2022: 4% per annum). The payment term is on demand and not based on fixed installments. No movement incurred on the principal balance of the loan during the current period as well as the previous year and only interest accrued.

Term loans 2: During May 2018, the Group acquired two loans from “Arab Bank for Investment and Foreign Trade” (Al Masraf Bank). The interest rate for both loans is EIBOR + 3% per annum or 5% per annum whichever is higher. These loans are repayable over 32 quarterly instalments starting on 2 August 2018. In May 2020, these loans have been re-scheduled in which there were deferral of two quarterly instalments for both loans and the tenor increased from 8 years to be 8 years and 6 months. The interest continued to accrue during the period of deferral. The facility is secured by demand promissory note and corporate guarantee of the group covering the total outstanding facility amount and first-degree mortgage over the land and building of Mafraq Hotel. Management negotiated the pricing terms of the loan during the third quarter of 2021 and the new revised terms are 3.5% minimum floor p/a (down from 5% p/a). The reduced interest rate was applied from October 2021 and all other terms remained the same.

15 Share capital and optional reserve

	30 June 2023	31 December 2022
	AED'000	AED'000
	(Unaudited)	(Audited)
Authorized, issued and fully paid		
285,000 thousand shares of AED 1 each (31 December 2022: 310,000 thousand shares of AED 1 each)	285,000	310,000

On 28 April 2023, the shareholders approved a special resolution to reduce the Group’s share capital by cancelling 25 million shares at a value of AED 25 million. The reduced balance was refunded to shareholders based on each shareholder’s ownership percentage.

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

16 Related parties

Related parties represent associates, joint ventures, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The period end balances in respect of related parties included in the condensed consolidated interim information of financial position are as follows:

	30 June 2023	31 December 2022
	AED'000	AED'000
	(Unaudited)	(Audited)
<i>Amounts due from related parties:</i>		
Funds under management	<u>95</u>	<u>139</u>
<i>Amounts due to related parties:</i>		
Others	<u>76</u>	<u>100</u>
Loan obtained from Finance House - shareholder	<u>4,733</u>	<u>4,733</u>

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

	Six months period ended 30 June 2023	Six months period ended 30 June 2022
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Guarantees issued on behalf of the Company	<u>19,119</u>	<u>28,554</u>
Short term benefits of key management personnel (salaries, benefits and bonuses) Continuing operations	<u>656</u>	<u>867</u>
Interest expense on loan obtained from Finance House	<u>95</u>	<u>95</u>

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

17 Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of shares outstanding during the period.

	Six months period ended 30 June 2023 (Unaudited)	Six months period ended 30 June 2022 (Unaudited)
Loss for the period (AED'000)	(681)	(1,345)
Total number of ordinary shares	285,000	310,000
Weighted average number of ordinary shares ('000)	305,833	366,250
Loss per share (AED)	(0.002)	(0.004)

There were no potentially dilutive securities as at 30 June 2023 or 30 June 2022, and accordingly, diluted loss per share are the same as basic loss per share.

18 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Group in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers is based on one major segment as follows:

Principal Investments- manages and controls all cash related to the Group, and all proprietary investments of the Group including investments in associates, joint ventures, investments at fair value through profit or loss and other comprehensive income and investment properties.

Management monitors the net operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The business segments information for the period ended 30 June 2023 and the period ended 31 December 2022 are as follows:

Business segments

	Principal Investments AED'000	Total AED'000
30 June 2023		
Operating income	15,301	15,301
Net segment results	(952)	(952)
Segment assets	346,386	346,386
Segment liabilities	24,092	24,092

Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2023

18 Segment information (continued)

Business segments (continued)

	Principal Investments AED'000	Total AED'000
30 June 2022		
Operating income	13,633	13,633
Net segment results	(1,033)	(1,033)
31 December 2022		
Segment assets	373,932	373,932
Segment liabilities	26,581	26,581

19 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of investments at fair value through other comprehensive income, investments at fair value through profit or loss, amounts due from related parties, bank balances and cash and some other assets. Financial liabilities consist of term loans, amounts due to related parties and some other liabilities.

In the opinion of management, the estimated carrying values and fair values of financial assets and liabilities that are not carried at fair value in the consolidated financial statements are not materially different, since assets and liabilities are either short term in nature or are re-priced on a frequent basis.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy for the period ended 30 June 2023:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
At fair value through profit or loss				
Investments in Sukuk	-	-	10,000	10,000
	-	-	10,000	10,000
At fair value through other comprehensive income				
Investment in equity funds	-	497	-	497
	-	497	-	497

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For the six months period ended 30 June 2023

19 Fair value of financial instruments (continued)

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy for the year ended 31 December 2022:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets				
At fair value through profit or loss				
Investments in Sukuk	-	-	10,000	10,000
	-	-	10,000	10,000
At fair value through other comprehensive income				
Investment in equity funds	-	476	-	476
	-	476	-	476

Transfers between categories

During the reporting period/year ended 30 June 2023 and 31 December 2022, 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.

Reconciliation of fair value measurements of Level 3 financial instruments

The Group carries unquoted equity securities as financial assets at fair value through other comprehensive income classified as Level 3 within the fair value hierarchy.

A reconciliation of the beginning and closing balances including movements is summarized below:

	2023 AED'000	2022 AED'000
At the beginning of the year	10,000	17,340
Revaluation reserve during the year	-	-
Reversal upon disposal	-	(7,340)
	10,000	10,000

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables

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For the six months period ended 30 June 2023

20 Discontinued operations

On 22 November 2022, the Group executed an agreement for sale of a plot of land located in Masdar owned by one of the subsidiaries, Fidelity Trust owned by Al Jeyoun Limited – One Man Company Sole Proprietorship LLC. As a result of the sale, the Group management set up a plan to liquidate these entities owning the plot of land sold last year. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group’s continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

The result of operations of Al Jeyoun limited and Fidelity Trust LLC (entities liquidated) are as follows:

	Six months period ended 30 June 2023 AED’000	Six months period ended 30 June 2022 AED’000
Revenue	-	-
Direct costs	-	-
Gross profit	<u>-</u>	<u>-</u>
General and administrative expenses	(14)	(28)
Interest income	171	-
Profit and loss for the year from discontinued operations	<u>157</u>	<u>(28)</u>

The carrying amounts of assets and liabilities of Al Jeyoun limited and Fidelity Trust LLC (entities liquidated) are as follows:

	30 June 2023 AED’000 (Unaudited)	31 December 2022 AED’000 (Audited)
Cash and bank balances	49	14,624
Trade and other receivables	2	74
Total current assets	<u>51</u>	<u>14,698</u>
Current portion of lease liabilities	-	-
Trade and other payables	11	216
Amounts due to related parties	-	-
Total current liabilities	<u>11</u>	<u>216</u>

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For the six months period ended 30 June 2023

20 Discontinued operations (continued)

Cash flows generated by discontinued operations of Al Jeyoun limited and Fidelity Trust LLC (entities under liquidation) for the reporting periods presented are as follows:

	Six months period ended 30 June 2023 AED'000	Six months period ended 30 June 2022 AED'000
Operating activities	(147)	(8)
Investing activities	171	-
Financing activities	-	-
Net cash flows generated from / (used in) discontinued operations	24	(8)

21 Seasonality of results and significant events affecting the operations

The semi-annual financial results were not affected by seasonal or cyclical factors of operations.

22 Comparative information

During the current financial period, certain balances of financial information reported in the previous period have been reclassified to conform to the current period presentations; with the objective of improving the quality of information presented. The re-classifications did not have an impact on the previously reported loss for the period, total assets and total equity.

23 General

These condensed consolidated interim financial information were approved and authorized for issue by the Board of Directors on 10 August 2023.