

**Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Independent auditor's review report and
condensed interim financial statements
For the six months period ended June 30,
2022 (Unaudited)**

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Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
General information

Principal office address : Office 1, Al Khaleej Investment Building,
Al Nakheel Area, Almntaser St.
Ras Al Khaimah - United Arab Emirates
P.O. Box : 5662
T: +971 7 228 0101
F: +971 7 228 8400

Website : www.kico.ae

The Directors	<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
	Mr. Abdulaziz Abdullah Salem Jasem AlZaabi	Chairman	Emirati
	Mr. Abdulrahman Jasem Obaid Salem Alabdouli	Managing Director	Emirati
	Mr. Raman Garg	Member of the Board of Directors	Indian
	Mr. Mohammed Hasan Mohammed Alshamsi Alawadh	Member of the Board of Directors	Emirati
	Mr. Haytham Ahmed Essa Al Naeem	Member of the Board of Directors	Emirati
	Mr. Abdullatif Abudullah Rashid Alzeer	Member of the Board of Directors	Kuwaiti
	Mr. Sultan Ahmed Khalfan Elghaith Elmarri	Member of the Board of Directors	Emirati

The Auditor : Crowe Mak
P.O. Box 6747
Dubai - United Arab Emirates

Main Banks : Abu Dhabi Commercial Bank PJSC
Al Ahli Bank of Kuwait KSCP
Commercial Bank of Dubai
Dubai Islamic Bank
Emirates NBD PJSC
National Bank of Ras Al Khaimah (P.S.C)



الخليج الإستثمارية ش.م.ع.

AL KHALEEJ INVESTMENT P.J.S.C

Al Khaleej Investment Public JSC

Ras Al Khaimah - United Arab Emirates

Directors' report

The Directors have pleasure in presenting their report and the financial statements for the Period of three months ended June 30, 2022.

Principal activities of the Entity.

The principal activities of the Entity include real estate enterprise investment, development, institution and management, detection service for real estate, private fund investment, buildings maintenance, commercial enterprise investment, institution and management.

Financial review

The table below summarizes the results of 2022 and 2021 denoted In Arab Emirates Dirham (AED).

	<u>June,30, 2022</u>	<u>June,30, 2021</u>
Revenue	8,875,560	8,567,555
Gross profit	7,177,665	6,757,141
Net gain / (loss) from investments carried at FVTPL	(8,863,807)	8,118,670
Net profit / (loss)	(5,263,762)	12,027,583
Basic earnings per share for the year	(0.05)	0.11

	<u>2022</u>
Total assets	287,249,858
Total liabilities	23,054,337
Total equity	264,195,521
Net cash from operating activities	6,441,671
Net cash from investing activities	(3,925,899)
Net cash (used in) financing activities	(1,694,214)





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AL KHALEEJ INVESTMENT P.J.S.C

Role of the Directors

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise the management.

Projections:

With the expected recovery of economic activity and the anticipated price improvements, the positive effects of the economic reforms being implemented continue to be expected to recover economic activities and improve sector performance.

As the company seeks to increase public income by raising the value of assets and increasing income streams through diversification of income sources, the balance between portfolio and real estate sector development can be achieved as a result of the policy studied in asset appreciation and income growth.

Implementation of projects and schemes:

Construction of the company's real estate has begun and is expected to enter the current 2022 real estate development phase.

Events after the end of the year:

In the opinion of the Directors, no transactions or events of a material and unusual nature, favorable or unfavorable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, Substantially the results of operations or the financial position of the Entity.





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AL KHALEEJ INVESTMENT P.J.S.C

Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates

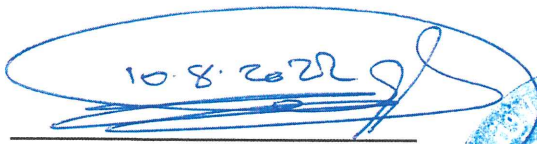
Directors' report (continued)

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the condensed interim financial statements for each financial period which presents fairly in all material respects, the financial position of the Entity and its financial performance for the period then ended.

The condensed interim financial statements for the period under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the condensed interim financial position of the Entity and enables them to ensure that the condensed interim financial statements comply with the requirements of applicable statute. The Directors also confirm that the accounting policies and methods of computation adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2021 which are the latest audited financial statements available reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Entity's financial conditions and results of its operations.

These condensed interim financial statements were approved by the Board and signed on behalf by the authorized representative of the Entity.



Abdulrahman Jasem Obaid Alabdouli
Managing Director



10th August 2022

Ref: BN/A2769/August 2022

Independent auditor's review report on condensed interim financial statements

To,
The Shareholders
Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
P.O. Box : 5662

Introduction

We have reviewed the accompanying condensed interim financial statements of Al Khaleej Investment P.J.S.C (the "Entity") which comprise the condensed interim statement of financial position as at June 30, 2022, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period then ended and the explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with the IAS 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards 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 of 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 cause us to believe that the accompanying condensed interim financial statements for the six months period ended June 30, 2022 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

For, Crowe Mak



Zayd Khalid Maniar
Partner
Registration Number 579
Dubai, U.A.E.
August 10, 2022




Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of financial position as at June 30, 2022 (Unaudited)
In Arab Emirates Dirham

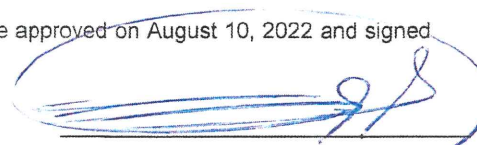
	Notes	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Assets			
<i>Non-current assets</i>			
Property, plant and equipment		436,144	513,949
Intangible assets		6,524	9,115
Investment properties	3	225,329,836	222,650,000
Investments carried at fair value through OCI (FVTOCI)	4	-	3,279,625
Investments carried at amortised cost	5	2,227,050	2,227,050
Total non-current assets		227,999,554	228,679,739
<i>Current assets</i>			
Trade and other receivables	6	5,237,633	8,470,122
Investments carried at fair value through profit or loss (FVTPL)	8	37,980,114	41,845,435
Cash and bank balances	9	16,032,557	15,210,999
Total current assets		59,250,304	65,526,556
Total assets		287,249,858	294,206,295
Equity and liabilities			
<i>Equity</i>			
Share capital	10	105,000,000	105,000,000
Statutory reserve	11	52,500,000	52,500,000
Voluntary reserve	12	50,000,000	50,000,000
Other reserve		344,663	344,663
Fair value reserve		-	2,620,973
Foreign currency translation reserve		-	54,396
Retained earnings		56,350,858	60,080,318
Total equity		264,195,521	270,600,350
<i>Non-current liabilities</i>			
Employees' end of service benefits		870,987	854,535
Total non-current liabilities		870,987	854,535
<i>Current liabilities</i>			
Undistributed dividends	13	17,820,357	18,287,557
Trade and other payables		4,362,993	4,463,853
Total current liabilities		22,183,350	22,751,410
Total liabilities		23,054,337	23,605,945
Total equity and liabilities		287,249,858	294,206,295

The accompanying notes form an integral part of these condensed interim financial statements.

The review report of the auditor is set out on page 5.

The condensed interim financial statements on pages 6 to 20 were approved on August 10, 2022 and signed on behalf of the Entity, by:


 Mr. Sultan Ahmed Alghaith Almarri
 Vice President


 Mr. Abdulrahman Jasem Obaid Salem
 Alabdouli
 Managing Director

Al Khaleej Investment P.J.S.C

Ras Al Khaimah - United Arab Emirates

Condensed interim statement of profit or loss and other comprehensive income for the six months period ended June 30, 2022 (Unaudited)

In Arab Emirates Dirham

	Notes	Six months period ended		Three months period ended	
		June 30,		June 30,	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Revenue - property rentals		8,875,560	8,567,555	4,650,463	4,331,049
Direct expenses		(1,697,895)	(1,810,414)	(866,442)	(954,215)
Gross profit		7,177,665	6,757,141	3,784,021	3,376,834
Net (loss) / gain from investments carried at FVTPL	14	(8,863,807)	8,118,670	(2,473,939)	2,160,966
Dividend income	14	333,846	183,551	291,846	-
Interest on fixed deposit		57,685	48,406	32,429	23,289
Other income		62,959	49,983	29,776	16,438
Administrative expenses		(3,965,226)	(3,107,074)	(1,379,341)	(1,569,786)
Foreign exchange (loss)		(66,884)	(23,094)	(66,587)	5,957
Net (loss) / profit for the period		(5,263,762)	12,027,583	218,205	4,013,698
Other comprehensive (loss) / income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net gain on sale of investments carried at FVTOCI		66,618	236,626	45,217	3,200
Net change in fair value of investments carried at FVTOCI		41,869	(245,933)	(122,120)	(64,981)
		108,487	(9,307)	(76,903)	(61,781)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange difference on translating foreign operation		(22,540)	29,934	(4,954)	13,289
		(22,540)	29,934	(4,954)	13,289
Total comprehensive (loss) / income for the period		(5,177,815)	12,048,210	136,348	3,965,206
Basic earnings per share	16	(0.050)	0.11	0.002	0.038

The accompanying notes form an integral part of these condensed interim financial statements.

The review report of the auditor is set out on page 5.

Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of changes in equity for the six months period ended June 30, 2022 (Unaudited)
In Arab Emirates Dirham

	Share capital	Statutory reserve	Voluntary reserve	Other reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance as at December 31, 2020 (Audited)	105,000,000	52,500,000	50,000,000	344,663	2,892,448	9,024	36,930,289	247,676,424
Profit for the period	-	-	-	-	-	-	12,027,583	12,027,583
Other comprehensive income for the period	-	-	-	-	(245,933)	29,934	236,626	20,627
Total comprehensive income	-	-	-	-	(245,933)	29,934	12,264,209	12,048,210
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	-	-	44,287	-	44,287
Balance as at June 30, 2021 (Unaudited)	105,000,000	52,500,000	50,000,000	344,663	2,646,515	83,245	49,194,498	259,768,921
Balance as at December 31, 2021 (Audited)	105,000,000	52,500,000	50,000,000	344,663	2,620,973	54,396	60,080,318	270,600,350
Loss for the period	-	-	-	-	-	-	(5,263,762)	(5,263,762)
Other comprehensive income for the period	-	-	-	-	41,869	(22,540)	66,618	85,947
Total comprehensive (loss)	-	-	-	-	41,869	(22,540)	(5,197,144)	(5,177,815)
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	-	(2,662,842)	(31,856)	2,694,698	-
Board of Directors' remuneration	-	-	-	-	-	-	(1,227,014)	(1,227,014)
Balance as at June 30, 2022 (Unaudited)	105,000,000	52,500,000	50,000,000	344,663	-	-	56,350,858	264,195,521

The accompanying notes form an integral part of these condensed interim financial statements.
The review report of the auditor is set out on page 5.

Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Condensed Interim statement of cash flows for the six months period ended June 30, 2022
(Unaudited)
In Arab Emirates Dirham

	Six months period ended June 30,	
	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities		
Net (loss) / profit for the period	(5,263,762)	12,027,583
<i>Adjustments for:</i>		
Unrealised loss / (gain) on investments carried at FVTPL	9,434,009	(4,082,127)
Gain on sale of investments carried at FVTPL	(570,202)	(4,036,543)
Depreciation on property, plant and equipment	82,485	119,456
Allowance for expected credit losses	864,879	44,195
Amortization of intangible assets	2,591	7,991
Dividend income	(333,846)	(183,551)
Interest income	(57,685)	(48,406)
Provision for employees' end of service benefits	94,152	80,536
	<u>4,252,621</u>	<u>3,929,134</u>
<i>(Increase) in current assets</i>		
Trade and other receivables	2,367,610	(25,508,944)
<i>Increase in current liabilities</i>		
Trade and other payables	(100,860)	667,460
Cash generated from / (used in) operations	<u>6,519,371</u>	<u>(20,912,350)</u>
Employees' end-of-services benefits paid	(77,700)	(82,827)
Net cash generated from / (used in) operating activities	<u>6,441,671</u>	<u>(20,995,177)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,680)	(13,677)
Purchase of investments carried at FVTPL	(18,330,043)	(46,562,889)
Proceeds from sale of investments carried at FVTPL	13,331,557	70,458,074
Purchase of investments carried at FVTOCI	(384,805)	(5,146,195)
Proceeds from sale of investments carried at FVTOCI	3,750,377	6,289,756
Additions to investment properties	(2,679,836)	(1,258,147)
Dividend income received	333,846	183,551
Interest income received	57,685	48,406
Net cash (used in)/ generated from investing activities	<u>(3,925,899)</u>	<u>23,998,879</u>
Cash flows from financing activities		
Dividends paid	(467,200)	(1,366,581)
Board of Directors' remuneration	(1,227,014)	-
Net cash (used in) financing activities	<u>(1,694,214)</u>	<u>(1,366,581)</u>
Net increase in cash and cash equivalents	<u>821,558</u>	<u>1,637,121</u>
Cash and cash equivalents, beginning of the period	15,210,999	29,366,296
Effect of exchange rate changes on the balances held in foreign currencies	-	21,789
Cash and cash equivalents, end of the period	<u>16,032,557</u>	<u>31,025,206</u>
Cash and cash equivalents		
Cash in hand	21,039	25,271
Cash at banks	7,896,518	30,884,935
Fixed deposits with banks	8,115,000	115,000
	<u>16,032,557</u>	<u>31,025,206</u>

The accompanying notes form an integral part of these condensed interim financial statements.
The review report of the auditor is set out on page 5.

1 Legal status and business activities

- 1.1 Al Khaleej Investment P.J.S.C., Ras Al Khaimah** (the "Entity") is a public joint stock company registered and incorporated under license No. 6061 of the Department of Economic Development in Ras Al Khaimah. The Entity was incorporated on July 2, 1982. The Entity is listed in the Abu Dhabi Securities Market.
- 1.2** The principal activities of the Entity include real estate enterprise investment, development, institution and management, detection service for real estate, private fund investment, buildings maintenance, commercial enterprise investment, institution and management.
- 1.3** The registered office of the Entity is located at Office 1, Al Khaleej Investment Building, Ras Al Khaimah-UAE.
- 1.4** The management and control are vested with Mr. Abdulrahman Jasem Obaid Salem Alabdouli, Director, Emirati National.
- 1.5** These condensed interim financial statements incorporate the operating results of the commercial license no. 6061.
- 1.6** These condensed interim financial statements also incorporate the operating results of the following branch:

Sr. No	Name of the Branch	Emirate	License no.	Type of license	Principal activities
1	Al Khaleej Investment - Shj Br	Sharjah	14391	Trading	Investment activities and real estate projects

- 1.7** These condensed financial statements includes the results of the Entity for the period ended June 30, 2022 and the comparative figures shown includes the results of the subsidiaries which were disposed off during January 01, 2021.

2 Significant accounting policies

2.1 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity.

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended December 31, 2021 which are the latest audited financial statements available.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended December 31, 2021.

These condensed interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2021.

The condensed result for the six months period ended June 30, 2022 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2022.

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

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

In preparing this condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended December 31, 2021.

The accounting policies used in the preparation of condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2021. Certain amendments to accounting standards and annual improvements, as disclosed in the Entity's most recent annual financial statements for the year ended December 31, 2021, are applicable to the Entity but do not have any material impact on these condensed interim financial statements.

2.2 Statement of compliance

On September 20, 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on January 2, 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Entity has twelve months from January 2, 2022 to comply with the provisions of the UAE Federal Decree Law No. 32 of 2021.

3 Investment properties	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
<i>Movements during the period / year are as follows:</i>		
Balance at the beginning of the period/ year	222,420,000	228,308,968
Additions during the period/year	12,262	4,328,532
(Decrease) in fair value during the period/year	-	(10,217,500)
Balance at the end of the period/ year	222,432,262	222,420,000
Capital work in progress	2,897,574	230,000
	225,329,836	222,650,000

The Entity's investment properties consist of lands, commercial and residential properties in Sharjah, Ras Al Khaimah and Ajman, UAE. The Entity has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Construction in progress represents structural renovation work on one of the investment properties.

As at December 31, 2021, the fair values of the properties are based on valuations performed by an independent valuer who is a specialist in valuing these types of investment properties.

Management believes that the fair value did not materially change during the six months period ended June 30, 2022 and therefore no further revaluation exercise is performed.

4 Investments carried at fair value through OCI (FVTOCI)

The movement of investments carried at fair value through OCI are as follow:

Balance at the beginning of the period/ year	3,279,625	3,808,120
Additions during the period / year	384,805	8,244,060
Increase / (decrease) in fair value during the period / year	41,869	(271,475)
Sold during the period / year	(3,683,759)	(8,546,452)
Foreign exchange (loss) / gain (net) during the period / year	(22,540)	45,372
Balance at the end of the period / year	-	3,279,625

The category of investments in financial asset is as follows:

Quoted equity instruments – at fair value	-	3,279,625
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The geographical distribution of financial asset is as follows:

In Kuwait	-	3,279,625
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5 Investments carried at amortised cost

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Sukuk bonds	2,227,050	2,227,050
	2,227,050	2,227,050

Investments carried at amortised cost represents the Entity's investment in Dubai Islamic Bank's TIER 1 SUKUK, with face value of AED 2,205,000 (USD 600,000) which carries interest of 4.625% per annum. The profit is receivable semi-annually and redeemable period is 4.5 years. During the period ended June 30, 2022, the Entity accrued interest amount to AED 57,541 (2021: 25,117) on these Sukuk.

The geographical distribution of financial asset is as follows:

In United Arab Emirates	2,227,050	2,227,050
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6 Trade and other receivables

Trade receivables	8,387,791	8,405,855
Less : Allowance for expected credit losses	<u>(6,382,508)</u>	<u>(5,517,630)</u>
	2,005,283	2,888,225
Advances to brokers	10,625	3,610,396
Advances to suppliers	1,325,683	-
Prepayments	500,384	334,348
Other receivables	<u>1,395,658</u>	<u>1,637,153</u>
	<u><u>5,237,633</u></u>	<u><u>8,470,122</u></u>

7 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	Six months period ended June 30,		Three months period ended June 30,	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Executive committee fees	<u>105,535</u>	145,000	<u>50,000</u>	70,000

b) Key management personnel compensations

The compensation of key management personnel is as follows:

Short term benefits	210,000	210,000	105,000	105,000
Board of Directors' remuneration	<u>1,227,014</u>	-	-	-
	<u><u>1,437,014</u></u>	<u>210,000</u>	<u><u>105,000</u></u>	<u><u>105,000</u></u>

Board of Directors' fees represent fees to the Entity's directors for serving on committees as well as for other services provided to the Entity. In accordance with UAE Federal Law No. 32 of 2021, these fees have been accounted for directly in equity.

8 Investments carried at fair value through profit or loss (FVTPL)	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Equity - quoted	<u>37,980,114</u>	41,845,435
	<u><u>37,980,114</u></u>	<u><u>41,845,435</u></u>

The movement in investments carried at fair value through profit or loss during the year are as follows:

Balance at the beginning of the period/ year	41,845,435	48,596,400
Additions during the period/ year	18,330,043	116,200,557
Disposals during the period/ year	(12,761,355)	(133,510,329)
(Decrease) / increase in fair value during the period / year	(9,434,009)	10,540,216
Foreign exchange gain (net) during the period / year	-	18,591
Balance at the end of the period/ year	<u><u>37,980,114</u></u>	<u><u>41,845,435</u></u>
In United Arab Emirates	<u>37,980,114</u>	41,845,435
	<u><u>37,980,114</u></u>	<u><u>41,845,435</u></u>

Al Khaleej Investment P.J.S.C
Ras Al Khaimah - United Arab Emirates
Notes to the condensed interim financial statements for the six months period ended June 30, 2022
(Unaudited)
In Arab Emirates Dirham

9 Cash and bank balances

Cash in hand	21,039	-
Cash at banks	7,896,518	15,095,999
Fixed deposit having maturity of more than 3 months	8,115,000	115,000
	<u>16,032,557</u>	<u>15,210,999</u>

During the period, the Entity earned finance income of AED 144 (2021: AED 744) from fixed deposits of AED 115,000. Fixed deposit of AED 115,000 as of June 30, 2022 are held under lien for credit card facility granted by bank.

Management has concluded that the expected credit loss for all bank balances is immaterial as these balances are held with banks whose credit risk rating by international rating agencies has been assessed as low.

10 Share capital

Issued and fully paid:		
105 million (2021: 105 million) ordinary shares of AED 1 each	105,000,000	105,000,000
	<u>105,000,000</u>	<u>105,000,000</u>

11 Statutory reserve

Balance at the beginning of the period / year	52,500,000	52,500,000
Balance at the end of the period / year	<u>52,500,000</u>	<u>52,500,000</u>

According to the Articles of Association of the Entity and UAE Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve has been suspended, as the reserve reached 50% of the paid up capital. This reserve is not available for distribution.

12 Voluntary reserve

The Entity in earlier years has transferred up to 10% of the profits to voluntary reserve. There were no transfers to voluntary reserve during the periods 2022 and 2021.

	June 30, 2022	December 31,
	(Unaudited)	2021
		(Audited)
13 Undistributed dividends		
Undistributed dividends	17,820,357	18,287,557
	<u>17,820,357</u>	<u>18,287,557</u>

	Six months period ended		Three months period ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Net (loss) / gain from investments carried at FVTPL

Unrealised (loss) / gain on revaluation of investments	(9,434,009)	4,082,127	(2,544,285)	196,966
Net gain on sale of investments	570,202	4,036,543	70,346	1,964,000
	<u>(8,863,807)</u>	<u>8,118,670</u>	<u>(2,473,939)</u>	<u>2,160,966</u>
Dividend income	333,846	183,551	291,846	-
	<u>333,846</u>	<u>183,551</u>	<u>291,846</u>	<u>-</u>

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15 Disposal of a subsidiary

Effective January 1, 2021, the Entity disposed of its shareholding in its wholly owned subsidiary, Masila Beach General Trading L.L.C.

16 Basic earnings per share

(Loss) / profit for the period (AED)	(5,263,762)	12,027,583	218,205	4,013,698
Number of shares	105,000,000	105,000,000	105,000,000	105,000,000
Basic earnings per share (AED)	(0.050)	0.115	0.002	0.038

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding at the end of the reporting period. The Entity has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

17 Contingencies and commitments

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Capital commitment on investment property	9,402,426	12,300,000

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and commitments on the Entity's condensed interim financial statements as of reporting date.

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18 Segment Reporting

The Entity's activities comprise two main business segments: 1) real estate 2) investments. The details of segment revenue, result, assets and liabilities have been provided below:

	June 30, 2022 (Unaudited)		
	Real estate	Investments	Total
Revenue - property rentals	8,875,560	-	8,875,560
Dividend income	-	333,846	333,846
Net (loss) from investments carried at FVTPL	-	(8,863,807)	(8,863,807)
Interest on fixed deposits	-	57,685	57,685
Other income	62,959	-	62,959
	<u>8,938,519</u>	<u>(8,472,276)</u>	<u>466,243</u>
Direct expenses	(1,697,895)	-	(1,697,895)
General and administrative expenses	(3,883,571)	(81,655)	(3,965,226)
Foreign exchange (loss)	-	(66,884)	(66,884)
Segment profit / (loss)	<u>3,357,053</u>	<u>(8,620,815)</u>	<u>(5,263,762)</u>
Total assets	<u>238,927,694</u>	<u>48,322,164</u>	<u>287,249,858</u>
Total liabilities	<u>23,054,337</u>	<u>-</u>	<u>23,054,337</u>
	June 30, 2021 (Unaudited)		
	Real estate	Investments	Total
Revenue - property rentals	8,567,555	-	8,567,555
Dividend income	-	183,551	183,551
Net gain from investments carried at FVTPL	-	8,118,670	8,118,670
Interest on fixed deposits	-	48,406	48,406
Other income	49,983	-	49,983
	<u>8,617,538</u>	<u>8,350,627</u>	<u>16,968,165</u>
Direct expenses	(1,810,414)	-	(1,810,414)
General and administrative expenses	(2,877,982)	(229,092)	(3,107,074)
Foreign exchange loss	-	(23,094)	(23,094)
Net gain from discontinued operation	-	-	-
Segment profit	<u>3,929,142</u>	<u>8,098,441</u>	<u>12,027,583</u>
	December 31, 2021 (Audited)		
Total assets	<u>246,739,185</u>	<u>47,467,110</u>	<u>294,206,295</u>
Total liabilities	<u>23,605,945</u>	<u>-</u>	<u>23,605,945</u>

19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Entity is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

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

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2021.

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

- 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- 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).

June 30, 2022 (Unaudited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTPL				
Quoted equities	37,980,114	-	-	37,980,114
Investments carried at FVTOCI				
Quoted equities	-	-	-	-
Non-financial assets:				
Investment properties	-	-	225,329,836	225,329,836
	<u>37,980,114</u>	<u>-</u>	<u>225,329,836</u>	<u>263,309,950</u>

19 Fair value measurement (continued)

December 31, 2021 (Audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTPL				
Quoted equities	41,845,435	-	-	41,845,435
Investments carried at FVTOCI				
Quoted equities	3,279,625	-	-	3,279,625
Non-financial assets:				
Investment properties	-	-	222,650,000	222,650,000
	<u>45,125,060</u>	<u>-</u>	<u>222,650,000</u>	<u>267,775,060</u>

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

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20 Uncertainty related to key estimates

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Entity's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVOCI at June 30, 2022, due to reasonably possible changes in the prices of these quoted shares held by the Entity, with all other variables held constant, is as follows:

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Change in market prices %	Effect on equity (fair value reserve)	Change in market prices %	Effect on equity (fair value reserve)
Market Index				
Boursa Kuwait	+5%	-	+5%	163,981
	-5%	-	-5%	(163,981)

The effect on condensed interim statement of profit or loss and other comprehensive income as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTPL at June 30, 2022, due to reasonably possible changes in the prices of these quoted shares held by the Entity, with all other variables held constant, is as follows:

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Change in market prices %	Effect on income statement	Change in market prices %	Effect on income statement
Market Index				
Abu Dhabi Securities Exchange	+5%	1,611,395	+5%	2,092,272
	-5%	(1,611,395)	-5%	(2,092,272)
Dubai Financial Market	+5%	287,611	+5%	-
	-5%	(287,611)	-5%	-

20 Restatement of comparative figures (continued)

The quarterly condensed interim financial statements of the Entity for the periods ended June 30, 2021 onwards reported the non-cash gain amounting to AED 5,099,444 as other income with the corresponding impact of the disposal of the Subsidiary in fair value reserves, foreign currency translation reserves and retained earnings which is omitted to be eliminated. During year end audit, these intercompany balances were eliminated retrospectively and reported accordingly the financial statements as of December 31, 2021.

Details of these restatement are as follows:

Condensed interim statement of profit or loss and other comprehensive income

	<u>Six months period ended June 30,</u>		
	2021		
	Previously reported	Restatement	2021 As restated
Net profit for the period from continued operations	12,027,583	-	12,027,583
Discontinued operation			
Net gain from discontinued operation	5,099,444	(5,099,444)	-
Net profit for the period	17,127,027	(5,099,444)	12,027,583
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net gain on sale of investments carried at FVTOCI	236,626	-	236,626
Net change in fair value of investments carried at FVTOCI	(245,933)	-	(245,933)
	(9,307)	-	(9,307)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translating foreign operation	29,934	-	29,934
	29,934	-	29,934
Total comprehensive income for the period	17,147,654	(5,099,444)	12,048,210

Condensed interim statement of financial position

Fair value reserve	222,252	2,424,263	2,646,515
Foreign currency translation reserve	(4,510,783)	4,594,028	83,245
Retained earnings	56,212,789	(7,018,291)	49,194,498
Total equity	51,924,258	-	51,924,258