National Corporation for Tourism and Hotels

Review report and
condensed consolidated interim financial information
for the three-month period ended 31 March 2024 (Unaudited)

National Corporation for Tourism and Hotels

Review report and condensed consolidated interim financial information for the three-month period ended 31 March 2024 (Unaudited)

	Pages
Review report on condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5 - 6
Notes to the condensed consolidated interim financial information	7 - 25

pwc

Review report on condensed consolidated interim financial information to the Board of Directors of National Corporation for Tourism and Hotels

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Corporation for Tourism and Hotels (NCT&H) and its Hotels (together the "Corporation" or the "Group") as at 31 March 2024 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, *'Interim Financial Reporting'* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim 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 International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers Limited Partnership - Abu Dhabi

.....

Nizar Jichi
Registered Auditor Number 5596
Abu Dhabi, United Arab Emirates

01 MAY 2024

National Corporation for Tourism and Hotels

Condensed consolidated interim statement of financial position

	Notes	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
ASSETS			
Non-current assets			
Property and equipment	5	1,975,311,020	1,981,535,760
Investment in joint ventures	6	291,370,642	288,566,221
		2,266,681,662	2,270,101,981
Current assets			
Financial assets at fair value through profit or loss	7	24,928,288	26,134,090
Inventories		23,575,567	22,749,567
Trade and other receivables	8	187,416,658	170,395,594
Short term deposits	9	267,185,618	239,076,349
Cash and cash equivalents	9	79,587,895	119,416,972
		582,694,026	577,772,572
Total assets		2,849,375,688	2,847,874,553
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	899,026,128	899,026,128
Statutory reserve		204,052,397	204,052,397
General reserve		6,493,970	6,493,970
Properties revaluation reserve		1,162,925,000	1,162,925,000
Accumulated losses		(75,457)	(19,653,182)
Net equity		2,272,422,038	2,252,844,313
LIABILITIES			
Non-current liabilities			
Term loans	11	341,212,003	350,749,437
Provision for employees' end of service benefits		31,653,812	30,720,750
Lease liability		197,096	254,424
		373,062,911	381,724,611
Current liabilities			
Trade and other payables	12	164,344,662	177,564,641
Term loans	11	37,861,120	35,679,120
Income tax payable	22	1,623,089	-
Lease liability		61,868	61,868
		203,890,739	213,305,629
Total liabilities		576,953,650	595,030,240
Net equity and liabilities		2,849,375,688	2,847,874,553

To the best of our knowledge, the condensed consolidated interim financial information is prepared, in all material respects, in accordance with IAS 34.

01 MAY 2024

Chairman **Chief Executive Officer** **Finance Director**

The notes on pages 7 to 25 form an integral part of this condensed consolidated interim financial information.

National Corporation for Tourism and Hotels

Condensed consolidated interim statement of profit or loss and other comprehensive income

	Notes	Three-month period ended 31 March 2024 (unaudited) AED	2023 (unaudited) AED
Revenue	16	171,725,395	170,071,014
Direct operating expenses	16	(144,947,631)	(142,274,194)
Gross profit		26,777,764	27,796,820
General and administrative expenses		(4,872,453)	(6,088,053)
Share of results of joint ventures accounted for using the equity method	6	2,804,421	416,016
Fair value losses on financial assets at fair value through profit or loss		(1,205,802)	(5,062,529)
Other income		1,710,024	1,530,003
Operating profit		25,213,954	18,592,257
Interest income		3,804,141	2,891,148
Finance costs		(7,817,281)	(2,319,116)
Finance (costs)/income - net		(4,013,140)	572,032
Profit before income tax		21,200,814	19,164,289
Income tax expense	22	(1,623,089)	-
Profit for the period		19,577,725	19,164,289
Other comprehensive income for the period		-	-
Total comprehensive income for the period		19,577,725	19,164,289
Basic and diluted earnings per share	15	0.02	0.02

National Corporation for Tourism and Hotels

Condensed consolidated interim statement of changes in equity

	Share capital AED	Statutory reserve AED	General reserve AED	Properties revaluation reserve AED	(Accumulated losses)/ retained earnings AED	Total/net equity AED
Balance at 1 January 2023 (audited)	817,296,480	197,244,239	15,000,000	1,155,310,000	6,560,845	2,191,411,564
Total comprehensive income for the period	-	-	-	-	19,164,289	19,164,289
At 31 March 2023 (unaudited)	817,296,480	197,244,239	15,000,000	1,155,310,000	25,725,134	2,210,575,853
Balance at 1 January 2024 (audited)	899,026,128	204,052,397	6,493,970	1,162,925,000	(19,653,182)	2,252,844,313
Total comprehensive income for the period	-	-	-	-	19,577,725	19,577,725
At 31 March 2024 (unaudited)	899,026,128	204,052,397	6,493,970	1,162,925,000	(75,457)	2,272,422,038

The notes on pages 7 to 25 form an integral part of this condensed consolidated interim financial information.

National Corporation for Tourism and Hotels

Condensed consolidated interim statement of cash flows

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Cash flows from operating activities		
Profit before income tax	21,200,814	19,164,289
Adjustments for:		
Depreciation of property and equipment	9,526,269	4,856,728
Share of results of joint ventures	(2,804,421)	(416,016)
Provision for employees' end of service benefits	1,975,431	2,732,996
Gain on sale of property and equipment	-	(75,901)
Finance costs	7,817,281	2,319,116
Interest income	(3,804,141)	(2,891,148)
Loss on changes in fair value of financial assets at fair value through profit or loss	1,205,802	5,062,529
Dividend income	-	(559,000)
Operating cash flows before employees' end of service benefits payment and changes in working capital	35,117,035	30,193,593
Employees' end of service benefits paid	(1,042,369)	(2,550,999)
Changes in working capital:		
Inventories	(826,000)	(99,397)
Trade and other receivables	(17,475,157)	(28,334,274)
Trade and other payables	(13,176,247)	(15,293,227)
Net cash generated from/(used in) operating activities	2,597,262	(16,084,304)
Cash flows from investing activities		
Net placement of deposits with original maturity of more than three months	(28,109,269)	(68,738,337)
Purchase of property and equipment	(3,301,529)	(15,837,231)
Proceeds from sale of property and equipment	-	143,100
Purchase of financial assets at fair value through profit or loss	-	(2,388,956)
Payments for additional investment in joint venture	-	(6,934,000)
Interest received	4,258,234	987,744
Dividend received	-	559,000
Net cash used in investing activities	(27,152,564)	(92,208,680)

Condensed consolidated interim statement of cash flows (continued)

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Cash flows from financing activities		
Repayment of term loans	(7,578,025)	(7,578,025)
Proceeds from term loans	-	7,235,116
Finance costs paid	(7,633,882)	(2,245,825)
Principal elements of lease payments	(57,328)	(56,717)
Finance cost paid on lease liabilities	(4,540)	(5,151)
Net cash used in financing activities	(15,273,775)	(2,650,602)
Net decrease in cash and cash equivalents	(39,829,077)	(110,943,586)
Cash and cash equivalents at the beginning of the period	119,416,972	187,117,427
Cash and cash equivalents at the end of the period (note 9)	79,587,895	76,173,841
Non-cash transactions		
Accrual for purchase of property and equipment	-	5,836,373

1 General information

National Corporation for Tourism and Hotels (the "Corporation"), a public shareholding company, was incorporated in Abu Dhabi, United Arab Emirates ("UAE") on 11 December 1996 by Law No. (7) of 1996, to own, manage and invest in hotels and leisure complexes and to undertake other related business. The Corporation's shares are listed on Abu Dhabi Securities Exchange. The Corporation's registered address is P.O. Box 6942, Abu Dhabi, UAE.

The condensed consolidated interim financial information includes the results of operations and financial position of the Corporation and its interests in equity accounted investees.

The Corporation owns five hotels within the UAE: (a) Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC ("Abu Dhabi Intercontinental Hotel"), Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC ("Intercontinental Residences Abu Dhabi"), both of which are managed by an international hotel operating company; and (b) Danat Al Ain Resort – Sole Proprietorship LLC ("Danat Al Ain Resort"), Al Dhafra Beach Hotel – Sole Proprietorship LLC ("Al Dhafra Beach Hotel") and Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC ("Danat Resort – Jebel Dhanna") directly operated and managed by the Corporation. In addition, the Corporation provides catering services and retail services and has investments in the following entities:

Name	Nature	Country of operation	Principal activity	Ownership Interest	
				31 March 2024	31 December 2023
Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Danat Al Ain Resort – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Al Dhafra Beach Hotel – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
National Transportation Company LLC ("NTC")	Joint venture	UAE	Transport services	50.00%	50.00%
Velocity Property Development LLC*	Joint venture	UAE	Real Estate	60.12%	60.12%

* As at 31 March 2024, the effective percentage ownership of the Corporation over Velocity Property Development LLC is 63.86% (31 December 2023: 63.86%) (note 6).

As at 31 March 2024, the Corporation operates three hotel properties and rest houses through management agreements (31 December 2023: the Corporation operates four hotel properties and rest houses through management agreements).

2 Application of new and revised IFRS Accounting Standards

2.1 New and revised IFRS accounting standards applied in the preparation of the condensed consolidated interim financial information

The following new and revised IFRS accounting standards that are mandatorily effective for accounting periods that begins on or after 1 January 2024 have been adopted by the Corporation. The application of these revised IFRSs has not had any material impact on the disclosures or on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

(a) Amendment to IFRS 16 – Leases on sale and leaseback

(b) Amendment to IAS 1 – Non-current liabilities with covenants

(c) Amendment to IAS 7 and IFRS 7 - Supplier finance

2.2 Standards and Interpretations in issue but not yet effective

The Corporation has not early adopted the following new and revised IFRS accounting standards that have been issued but are not yet effective:

(a) Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods starting on or after 1 January 2025)

3 Material accounting policies

3.1 Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and also comply with the applicable requirements of the laws in the UAE.

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for the remeasurement of investment securities and the revaluation of land which are at fair value or revalued amounts. This condensed consolidated interim financial information are presented in UAE Dirhams (AED), which is the functional currency of the Corporation.

The condensed consolidated interim financial information does not include all of the information required for full consolidated financial statements and should be read in conjunction with the Corporation's audited financial statements for the year ended 31 December 2023. In addition, results for the three-month ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 Material accounting policies (continued)

3.2 Income Taxes

Income taxes have been provided for in the interim condensed consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of condensed consolidated interim financial information requires management to make judgments, 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.

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Corporation's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

5 Property and equipment

	31 March 2024 AED (unaudited)	31 December 2023 AED (audited)
Net carrying amount of property and equipment	1,975,311,020	1,981,535,760

Property and equipment balance includes the net carrying value of right to use asset on leased land amounting to AED 270,102 (31 December 2023: AED 281,529).

Movement in the property and equipment is as follows:

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	1,981,535,760	1,958,562,966
Additions	3,301,529	43,881,008
Revaluation of land	-	7,615,000
Disposals	-	(346,532)
Depreciation charge for the period/year	(9,526,269)	(28,176,682)
At 31 March / 31 December	1,975,311,020	1,981,535,760

The depreciation and amortisation charges have been allocated in the condensed consolidated interim statement of profit or loss as follows:

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Direct operating expenses	9,323,298	4,656,238
General and administrative expenses	202,971	200,490
	9,526,269	4,856,728

5 Property and equipment (continued)

During July 2023, the new hotel property InterContinental Residences Abu Dhabi, which was previously under construction, was handed over to the Corporation and started its commercial operations.

Revaluation of land

Included in property and equipment is land stated at the revalued amount of AED 1.16 billion as at 31 March 2024 (31 December 2023: AED 1.16 billion) based on the revaluation model.

The valuations were determined by using the market (sales comparison) valuation approach. The approach involves measuring the present value of the business resources based on the flow of prices of these resources on the free market and exchange between willing persons (seller and buyer) on such market. The date of the revaluation was 31 December 2023.

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.

If land was stated on the historical cost basis, the carrying amount of land would be nil as at 31 March 2024 (31 December 2023: nil).

6 Investment in joint ventures

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	288,566,221	264,561,838
Additional investment	-	19,229,470
Share of results for the period/year	2,804,421	4,774,913
At 31 March / 31 December	291,370,642	288,566,221

In addition to the in-kind contribution for the land and works, the Corporation made additional cash contributions to Velocity Property Development LLC ("Velocity"), increasing the effective percentage shareholding of the Corporation. As per the terms of the shareholders' agreement of Velocity, the final percentage ownership of each shareholder is to be recalculated and adjusted upon the occurrence of the Project Completion Date. The Corporation, together with the other shareholder of Velocity, is in discussion to finalise the percentage ownership of each party over Velocity in accordance with the shareholders' agreement. As at 31 March 2024, the effective percentage ownership of the Corporation over Velocity is 63.86% (31 December 2023: 63.86%). As at 31 March 2024, the Corporation has contributed land and existing works with fair value of AED 218.6 million and cash contributions of AED 52.7 million to Velocity.

For the period ended 31 March 2024, the Corporation recorded its share of results in the net profits of NTC and Velocity amounting to AED 1,140,527 and AED 1,663,894, respectively (For the year ended 31 December 2023: share of results in the net profits of NTC and Velocity amounting to AED 4,093,929 and AED 680,984, respectively).

7 Financial assets at fair value through profit or loss

	31 March 2024 AED (unaudited)	31 December 2023 AED (audited)
Investments in quoted shares	24,928,288	26,134,090

Movements in the financial assets at fair value through profit or loss were as follows:

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	26,134,090	30,559,901
Purchase of quoted securities	-	2,388,956
Decrease in fair value	(1,205,802)	(6,814,767)
At 31 March / 31 December	24,928,288	26,134,090

During the period, the Corporation did not purchase any additional quoted shares (2023: the Corporation purchased shares amounting to AED 2.4 million). Based on the business model of the Corporation, the management classified these securities as investments carried at fair value through profit or loss. The inputs used are based on observable market data, and thus, the valuation techniques were considered to be Level 1 fair value measurement.

8 Trade and other receivables

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade receivables	135,213,070	115,601,358
Less: allowance for impairment	(7,185,403)	(7,185,403)
	128,027,667	108,415,955
Prepayments and advances	31,802,387	34,873,997
Interest receivable	5,594,513	6,048,606
Due from related parties (note 13)	9,169,106	9,118,642
Other receivables	12,822,985	11,938,394
	187,416,658	170,395,594

8 Trade and other receivables (continued)

Movement in the allowance for impairment of trade receivables was as follows:

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	7,185,403	7,264,755
Net remeasurement of loss allowance	-	(79,352)
At 31 March / 31 December	7,185,403	7,185,403

9 Cash and bank balances

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Cash at bank and on hand	79,587,895	104,416,972
Short term deposits	267,185,618	254,076,349
	346,773,513	358,493,321
Less: short-term deposits with original maturity over three months	(267,185,618)	(239,076,349)
Cash and cash equivalents	79,587,895	119,416,972

Short-term deposits carry an interest rate of 4.80% - 5.90% (31 December 2023: 5.35% - 5.90%) per annum.

10 Share capital

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Authorised capital		
899,026,128 ordinary shares of AED 1 each (31 December 2023: 899,026,128 ordinary shares of AED 1 each)	899,026,128	899,026,128
Issued, subscribed and paid up capital		
At 1 January	899,026,128	817,296,480
No bonus shares issued (year ended 31 December 2023: 81,729,648 bonus shares issued of AED 1 each)	-	81,729,648
At 31 March / 31 December	899,026,128	899,026,128

11 Term loans

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Term loan 1	294,831,894	294,831,894
Term loan 2	67,241,229	73,596,663
Term loan 3	2,000,000	3,000,000
Term loan 4	9,000,000	9,000,000
Term loan 5	6,000,000	6,000,000
	379,073,123	386,428,557
Less: Amount due for settlement after 12 months from the end of reporting period/year (classified under non-current liabilities)	(341,212,003)	(350,749,437)
Amount due for settlement within 12 months from the end of reporting period/year (classified under current liabilities)	37,861,120	35,679,120

The term loans comprise the following:

Term loan 1

In 2013, the Corporation obtained a loan facility from a local bank amounting to AED 220.0 million. In 2021, the Corporation and the local bank agreed to increase the available facility amount to AED 320.0 million. The loan was utilised for the construction of a new hotel, InterContinental Residences Abu Dhabi. Total drawdown as at 31 March 2024 amounted to AED 294.8 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 9 years by 36 quarterly installments beginning from June 2024. Additional drawdown of AED 25.2 million is available for this loan as at 31 March 2024.

The loan facility is secured by the following:

(i) Mortgage over the land plots and buildings of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(ii) Assignment of revenue of Abu Dhabi Intercontinental Hotel;
(iii) Assignment of revenue up to AED 20 million of Danat Resort – Jebel Dhanna;
(iv) Assignment of entire revenue of the new hotel InterContinental Residences Abu Dhabi; and
(v) Assignment of insurance in relation to the above properties.

11 Term loans (continued)

Term loan 2

During 2015, the Corporation obtained a loan facility from a local bank amounting to AED 600.0 million which are split into two facilities of: (i) Facility A for AED 131.6 million which is utilised to repay two existing loans from the same local bank and (ii) Facility B for AED 468.4 million which will be utilised to repay another existing loan from the same local bank and to meet future investment opportunities. Facility A was fully utilized as at 31 December 2015, while Facility B drawdown amounted to AED 68.4 million. Total drawdown for both facilities as at 31 March 2024 amounted to AED 200.0 million. Total outstanding loan balance for both facilities as at 31 March 2024 amounted to AED 68.8 million (31 December 2023: AED 75.4 million). Facilities A and B carry interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). The Facilities A and B are to be repaid in 10 years from the date of the Loan Facility Agreement through semi-annual installments and one final payment on the final repayment date. Interest is to be paid on quarterly basis.

The loan facility is secured by the following:

(i) Mortgage over the land plots and buildings of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(ii) Assignment of insurances of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(iii) Assignment of receivables from Abu Dhabi Intercontinental Hotel, Danat Al Ain Resort, Danat Resort – Jebel Dhanna, Al Dhafra Beach Hotel and InterContinental Residences Abu Dhabi; and
(iv) Pledge over bank accounts of the Corporation and its divisions, Abu Dhabi Intercontinental Hotel, Danat Al Ain Resort, Danat Resort – Jebel Dhanna, Al Dhafra Beach Hotel and InterContinental Residences Abu Dhabi.

In July 2017, the Corporation voluntarily cancelled part of the available facility amounting to AED 400.0 million of the Facility B.

As at 31 March 2024, the Corporation has an unamortised loan arrangement fee of AED 1.6 million (31 December 2023: AED 1.8 million) related to the loan and is netted off from the loan balance.

In 2020, the Corporation obtained approval to defer the payment of four principal instalments due from May 2020 to January 2021 until for a period from May 2026 to November 2026. The principal instalment payments due after January 2021 remained unchanged.

Term loan 3

During 2019, the Corporation obtained a loan facility from a local bank amounting to AED 10.0 million. The loan was for the general corporate requirements particularly for the renovation of Al Dhafra Beach Hotel. As of 31 March 2024, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 2.0 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual installments from September 2020.

11 Term loans (continued)

Term loan 3 (continued)

The loan facility is secured by the common security as Term loan 1 and all other related assignments.

Term loan 4

During 2020, the Corporation obtained a loan facility from a local bank amounting to AED 15.0 million. The loan will be utilised for the renovation activities of Al Dhafra Beach Hotel. As of 31 March 2024, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 9.0 million. Repayment of the loan is due after 18 months from the date of initial utilisation. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual instalments from April 2022.

The loan facility is secured by the common security as Term loan 1 and all other related assignments.

Term loan 5

During 2022, the Corporation obtained a loan facility from a local bank amounting to AED 6.0 million. The loan will be utilised for the renovation activities of the marina at Abu Dhabi InterContinental Hotel. The total drawdown as of the reporting date amounted to AED 6.0 million. Repayment of the loan is due after 18 months from the date of initial utilisation. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual instalments from April 2024.

The loan facility is secured by the same security as Term loan 1 and all other related assignments.

As at 31 March 2024, there is no noncompliance of financial covenants as the debt covenants compliance is tested by the bank on semi-annual basis (30 June and 31 December). As at 31 December 2023, the Corporation is in compliance with the required financial covenants.

12 Trade and other payables

	31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade payables	86,981,832	100,118,362
Accrued liabilities	22,680,183	25,879,432
Retentions payable	19,163,225	19,074,816
Retail fees payable	8,609,562	8,609,562
Deferred income	8,642,178	6,402,308
Dividend payable	2,827,275	2,827,275
Value added tax payable	1,357,032	411,539
Due to related parties (note 13)	1,563,770	1,977,205
Interest payable	790,370	834,102
Other payables	11,729,235	11,430,040
	164,344,662	177,564,641

In 2023, following a directive from the Securities and Commodities Authority ("SCA"), the Corporation has paid an amount of AED 5.7 million to SCA for the unclaimed dividends of the Corporation's shareholders as of a cutoff date as notified by the SCA. Since the Corporation has reversed all previous year's unclaimed dividends in the books, the Board of Directors of the Corporation have decided to charge the "Accumulated losses" for the amount of AED 5.7 million, which has been paid to SCA, in addition to the remaining unclaimed dividends amounting to AED 2.8 million, hence the total charges made against the accumulated losses amounted to AED 8.5 million. The remaining unclaimed dividends amounting to AED 2.8 million was recorded under "Trade and other payables" in the condensed consolidated interim statement of financial position. In addition, based on the approval of the Board of Directors of the Corporation, the "General Reserve" has been released to Accumulated losses, in 2023, to cover the unclaimed dividends totalling to AED 8.5 million.

13 Related parties balances and transactions

Related parties represent the associated companies, directors and key management personnel of the Corporation, and companies of which they are principal owners and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Corporation's management.

For the period ended 31 March 2024 and the year ended 31 December 2023, the Corporation has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting date through examining the financial position of the related party and the market in which the related party operates.

13 Related parties balances and transactions (continued)

Balances with related parties reflected in the condensed consolidated interim statement of financial position are as follows:

		31 March 2024 (unaudited) AED	31 December 2023 (audited) AED
Due from related parties (note 8)			
Velocity Property Development LLC	Joint Venture	2,793,904	2,319,899
National Transportation Company LLC (NTC)	Joint Venture	15,439	29,394
Others	Managed Hotels	1,359,763	1,769,349
		4,169,106	4,118,642
Loan to related parties*			
National Transport Company LLC ("NTC")	Joint Venture	5,000,000	5,000,000
		9,169,106	9,118,642
Due to related parties (note 12)			
National Transportation Company LLC ("NTC")	Joint Venture	1,410,103	1,825,355
Others	Managed Hotels	153,667	151,850
		1,563,770	1,977,205

* In 2023, the loan to NTC amounting to AED 5.0 million was provided by the Corporation to support the mobilisation of projects of NTC, the loan is short term and interest free. The other shareholder of NTC has also provided NTC with a similar amount.

Significant transactions with related parties are as follows:

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Management fee income from managed hotels	1,079,942	850,488
Other expenses charged by NTC	1,521,587	2,235,637
Rental and other income received from a related party	12,000	26,614
Additional investment in Velocity Property Development LLC	-	6,934,000

13 Related parties balances and transactions (continued)

	Three-month period ended 31 March	
	2024	2023
	AED	AED
Key management personnel compensation		
Short term benefits	1,796,052	1,609,408
Post-employment benefits	130,074	124,653
	1,926,126	1,734,061
Number of key management personnel	6	5

There were no loans provided to directors for the three-month period ended 2024 and 2023.

14 Auditor fees

The amounts charged for the auditor fees in the condensed consolidated interim statement of profit or loss, broken down to audit and non-audit services are as follows:

	Three-month period ended 31 March	
	2024 (unaudited)	2023 (unaudited)
	AED	AED
Audit services	171,750	107,750
Non-audit services*	73,450	40,000
	245,200	147,750

* Non-audit services include tax and other regulatory requirements.

15 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

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

	Three-month period ended 31 March	
	2024 (unaudited)	2023 (unaudited)
Profit for the period (AED)	19,577,725	19,164,289
Weighted average number of shares in issue	899,026,128	899,026,128
Basic and diluted earnings per share (AED)	0.02	0.02

As at 31 March 2024 and 2023, the Corporation has not issued any instruments that have an impact on earnings per share when exercised.

16 Segment information

The primary segment reporting format is determined to be operating segments as the Corporation's risks and rates of return are affected predominantly by differences in the products and services produced. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Corporation is currently organised into four major operating segments. These segments are the basis on which the Corporation reports its primary segmental information. These are:

- Hotels
- Retail services
- Catering services
- Holding Company

Segment performance is measured based on profit or loss.

Information regarding these segments is presented below:

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

16 Segment information (continued)

31 March 2024 (unaudited)	Hotels AED	Retail services AED	Catering services AED	Holding AED	Eliminations AED	Total AED
Revenue						
Timing of revenue recognition						
At a point in time	58,816,954	11,573,540	103,242,769	-	(1,907,868)	171,725,395
Direct operating expenses	(40,159,978)	(9,833,943)	(90,055,196)	-	4,424,784	(135,624,333)
Depreciation	(8,148,544)	(182,156)	(992,598)	-	-	(9,323,298)
	(48,308,522)	(10,016,099)	(91,047,794)	-	4,424,784	(144,947,631)
Gross profit	10,508,432	1,557,441	12,194,975	-	2,516,916	26,777,764
General and administrative expenses	-	-	-	(4,872,453)	-	(4,872,453)
Share of results of joint ventures accounted for using the equity method	-	-	-	2,804,421	-	2,804,421
Fair value losses on financial assets at fair value through profit or loss	-	-	-	(1,205,802)	-	(1,205,802)
Other income	-	-	1,524	4,225,416	(2,516,916)	1,710,024
Interest income	4,911	-	2,071	3,797,159	-	3,804,141
Finance costs	-	-	-	(7,817,281)	-	(7,817,281)
Income tax (expense)/benefit	(1,781,739)	-	-	158,650	-	(1,623,089)
Profit/(loss) for the period	8,731,604	1,557,441	12,198,570	(2,909,890)	-	19,577,725
At 31 March 2024 (unaudited)						
Total assets	1,993,881,794	20,147,842	172,377,439	725,377,333	(62,408,720)	2,849,375,688
Total liabilities	54,768,915	17,225,898	105,176,647	456,871,596	(57,089,406)	576,953,650

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2024 (continued)

16 Segment information (continued)

31 March 2023 (unaudited)	Hotels AED	Retail services AED	Catering services AED	Holding AED	Eliminations AED	Total AED
Revenue						
Timing of revenue recognition						
At a point in time	49,871,742	10,980,900	111,256,900	-	(2,038,528)	170,071,014
Direct operating expenses	(34,511,727)	(9,306,194)	(97,998,057)	-	4,198,022	(137,617,956)
Depreciation	(3,541,876)	(109,044)	(1,005,318)	-	-	(4,656,238)
	(38,053,603)	(9,415,238)	(99,003,375)	-	4,198,022	(142,274,194)
Gross profit	11,818,139	1,565,662	12,253,525	-	2,159,494	27,796,820
General and administrative expenses	-	-	-	(6,088,053)	-	(6,088,053)
Share of results of joint ventures accounted for using the equity method	-	-	-	416,016	-	416,016
Fair value losses on financial assets at fair value through profit or loss	-	-	-	(5,062,529)	-	(5,062,529)
Other income	-	-	-	3,689,497	(2,159,494)	1,530,003
Interest income	-	-	-	2,891,148	-	2,891,148
Finance costs	-	-	-	(2,319,116)	-	(2,319,116)
Profit/(loss) for the period	11,818,139	1,565,662	12,253,525	(6,473,037)	-	19,164,289
At 31 December 2023 (audited)						
Total assets	2,001,291,820	22,171,578	191,438,892	711,189,390	(78,217,127)	2,847,874,553
Total liabilities	53,737,464	20,666,905	115,412,299	467,692,048	(62,478,476)	595,030,240

17 Seasonality of results

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

18 Fair value of financial instruments

The Corporation's management considers that the fair values of financial assets and financial liabilities approximates to their carrying amounts as stated in this condensed consolidated interim financial information.

The following table provides an analysis of assets that are measured subsequent to initial recognition at fair value 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 (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2024 (Unaudited)				
Land	-	-	1,162,925,000	1,162,925,000
Financial assets at fair value through profit or loss	24,928,288	-	-	24,928,288
	24,928,288	**-**	**1,162,925,000**	**1,187,853,288**
31 December 2023 (Audited)				
Land	-	-	1,162,925,000	1,162,925,000
Financial assets at fair value through profit or loss	26,134,090	-	-	26,134,090
	26,134,090	**-**	**1,162,925,000**	**1,189,059,090**

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.

19 Contingencies and commitments

Contingencies

Bank guarantees

At 31 March 2024, the Corporation had outstanding contingent liabilities in respect of letters of guarantee of AED 49.8 million (31 December 2023: AED 51.5 million).

Capital commitments

At 31 March 2024, the Corporation had estimated commitments for other hotel renovation of AED 0.4 million (31 December 2023: AED 1.5 million).

20 Dividends

In 2023, 81.7 million bonus shares were proposed by the Board of Directors and issuance of these shares was approved in the AGM held on 17 April 2023. In 2024, no bonus shares were proposed by the Board of Directors.

21 Board of Directors remuneration

For the year ended 31 December 2023, the remuneration of the Board of Directors amounting to AED 2.5 million was approved in the AGM held on 17 April 2024 (2023: remuneration of the Board of Directors for the year ended 31 December 2022 amounting to AED 5.8 million was approved in the AGM held on 17 April 2023).

22 Taxation

On 9 December 2022 UAE Federal Decree-Law no 47 of 2022 (the "Tax Law") was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 at which the 9% tax will apply was set in place by Cabinet Decision No. 116 of 2022 which was published on 16 January 2023 and at this point the Tax Law was considered enacted and substantively enacted for accounting purposes.

The Group had performed an assessment of the potential impact of the UAE CT Law. Based on this assessment, there were no material temporary differences on which deferred taxes should be accounted for as of 31 March 2024 and accordingly the implementation of the UAE CT Law had no impact on the condensed consolidated interim statement of financial position of the Group as at 31 March 2024 nor on the condensed consolidated interim statement of profit or loss and other comprehensive income of the Group for the period ended 31 March 2024.

Subsequently, the Group has accounted for current and deferred tax in accordance with IAS 12, *'Income Taxes'*.

22 Taxation (continued)

a. Components of income tax expense

Income tax expense recorded in the interim condensed consolidated statement of profit or loss comprises the following:

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Current tax	1,623,089	-
Deferred tax	-	-
	1,623,089	-

b. Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

	Three-month period ended 31 March	
	2024 (unaudited) AED	2023 (unaudited) AED
Profit before income tax	21,200,814	19,164,289
Theoretical tax charge at statutory rate of 9.0%	1,908,073	-
Tax effects of items which are not deductible or assessable for taxation purposes:		
- Income which is exempt from taxation:		
(i) Share of results of joint ventures accounted for using the equity method	(252,398)	-
(ii) Income threshold as per the Tax Law	(33,750)	-
- Non-deductible expenses	1,164	-
Income tax expense for the period	1,623,089	-

23 Approval of condensed consolidated interim financial information

These condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on ..... 01 MAY 2024 .....