ESHRAQ INVESTMENTS PJSC

Review report and condensed consolidated financial information for the six-month period ended 30 June 2024

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Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Eshraq Investments PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No. 5482
13 August 2024
Abu Dhabi
United Arab Emirates

Akbar Ahmad (1141), Cynthia Corby (995), Faeza Sohawon (5508), Firas Anabtawi (5482), Georges Najem (809), Jazala Hamad (1267), Mohammad Jallad (1164), Mohammad Khamees Al Tah (717), Musa Ramahi (872), Mutasem M. Dajani (726), Sundar Nurani (5540), Obada Alkowatly (1056), Rama Padmanabha Acharya (701) and Samir Madbak (386) are registered practicing auditors with the UAE Ministry of Economy.

Condensed consolidated statement of financial position at 30 June 2024

	Notes	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	**5**	**6,474**	6,924
Investment properties	**6**	**687,518**	687,518
Financial assets at fair value through other comprehensive income	**7**	**21,249**	21,450
Debt investment at amortised cost	**8**	**7,859**	7,859
Trade and other receivables – net of current portion	**10**	**99,137**	99,169
Total non-current assets		**822,237**	822,920
Current assets			
Inventories		**60**	50
Wakala investment	**12**	**12,312**	11,400
Trade and other receivables	**10**	**49,278**	32,010
Financial assets at fair value through profit or loss	**9**	**1,049,256**	1,350,889
Due from related parties	**20**	**628**	633
Cash and bank balances	**11**	**27,217**	58,772
Total current assets		**1,138,751**	1,453,754
Total assets		**1,960,988**	2,276,674
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	**2,685,286**	2,820,433
Share discount	**14**	**(623,283)**	(623,283)
Treasury shares	**14**	**-**	(73,000)
Statutory reserve	**15**	**58,979**	58,979
Accumulated losses		**(263,689)**	(23,222)
Investment revaluation reserve	**16**	**(47,095)**	(47,126)
Total equity		**1,810,198**	2,112,781

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

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Condensed consolidated statement of financial position at 30 June 2024 (continued)

	Notes	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	**17**	**1,206**	1,176
Bank borrowings	**18**	**121,278**	121,972
Total non-current liabilities		**122,484**	123,148
Current liabilities			
Trade and other payables	**19**	**23,691**	29,285
Bank borrowings	**18**	**4,615**	11,460
Total current liabilities		**28,306**	40,745
Total liabilities		**150,790**	163,893
Total equity and liabilities		**1,960,988**	2,276,674

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

Signed by: Fahad AlQassim 811AB816E3C5452...
Chairman

Signed by: Mohamed Al Hashmi AB18C7AC969546C...
Chief Executive Officer

Signed by: Kalpesh Mehta 27E989CE67374D9...
Director, Finance

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

Condensed consolidated statement of profit or loss for the six-month period ended 30 June 2024

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2024 AED'000 (unaudited)	2023 AED'000 (unaudited)	**2024 AED'000 (unaudited)**	2023 AED'000 (unaudited)
Revenue from commercial operations		**4,087**	7,973	**8,137**	19,647
Direct operating expenses		**(1,128)**	(2,885)	**(2,260)**	(6,233)
Gross profit from commercial operations		**2,959**	5,088	**5,877**	13,414
Finance income		**2,265**	1,483	**4,061**	2,785
Finance costs		**(2,414)**	(3,674)	**(4,887)**	(7,953)
Net finance loss		**(149)**	(2,191)	**(826)**	(5,168)
Net changes in fair value of financial assets at FVTPL	**9**	**2,120**	40,992	**(303,275)**	32,966
Dividend income		**-**	416	**-**	416
Net (loss)/gain from investments		**2,120**	41,408	**(303,275)**	33,382
Total operating (loss)/income		**4,930**	44,305	**(298,224)**	41,628
General and administrative expenses		**(1,416)**	(7,855)	**(4,325)**	(11,276)
Loss on disposal of assets held for sale	**13**	**-**	(255)	**-**	(28,074)
Selling and marketing expenses		**-**	(213)	**-**	(408)
Other income		**3**	10	**15**	34
(Loss)/profit before tax		**3,517**	35,992	**(302,534)**	1,904
Tax expense		**-**	-	**-**	-
(Loss)/profit after tax		**3,517**	35,992	**(302,534)**	1,904
Basic and diluted (loss)/ earnings per share (AED)	**21**	**0.0013**	0.0131	**(0.1127)**	0.0007

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

Condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2024

	Three-month ended 30 June		Six-month ended 30 June	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)	**2024 AED'000 (unaudited)**	2022 AED'000 (unaudited)
(Loss)/ profit after tax	**3,517**	35,992	**(302,534)**	1,904
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Net changes in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")	**(10)**	572	**31**	1,417
Total other comprehensive income	**(10)**	572	**31**	1,417
Total comprehensive (loss)/income for the period	**3,507**	36,564	**(302,503)**	3,321

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

Condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	(Accumulated losses)/ retained earnings AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2023 (audited)	2,820,433	(623,283)	(26,151)	58,979	525,113	(51,426)	2,703,665
Profit for the period	-	-	-	-	1,904	-	1,904
Other comprehensive loss for the period	-	-	-	-	-	1,417	1,417
Total comprehensive income for the period	-	-	-	-	1,904	1,417	3,321
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	-	(3,234)	3,234	-
Treasury shares purchased (Note 14)	-	-	(45,007)	-	-	-	(45,007)
Balance at 30 June 2023 (unaudited)	2,820,433	(623,283)	(71,158)	58,979	523,783	(46,775)	2,661,979
Balance at 1 January 2024 (audited)	2,820,433	(623,283)	(73,000)	58,979	(23,222)	(47,126)	2,112,781
Loss for the period	-	-	-	-	(302,534)	-	(302,534)
Other comprehensive income for the period	-	-	-	-	-	31	31
Total comprehensive (loss)/income for the period	-	-	-	-	(302,534)	31	(302,503)
Treasury shares purchased (Note 14)	-	-	(80)	-	-	-	(80)
Treasury shares cancelled (Note 14)	(135,147)	-	73,080	-	62,067	-	-
Balance at 30 June 2024 (unaudited)	**2,685,286**	**(623,283)**	**-**	**58,979**	**(263,689)**	**(47,095)**	**1,810,198**

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

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2024

	Notes	Six-month ended 30 June 2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Cash flows from operating activities			
(Loss)/profit for the period		**(302,534)**	1,904
Adjustments for:			
Depreciation of property and equipment	**5**	**453**	445
Net change in fair value of financial assets at FVTPL	**9**	**303,275**	(32,966)
Change in fair value of assets held for sale	**13**	**-**	28,074
Amortisation of borrowing cost	**18**	**41**	108
Provision for employees' end of service benefits	**17**	**181**	149
Dividend income		**-**	(416)
Finance income		**(4,061)**	(2,785)
Finance costs		**4,846**	7,845
Operating cash flows before changes in working capital		**2,201**	2,358
Increase in inventories		**(10)**	(8)
Increase in trade and other receivables		**(15,601)**	(602)
Decrease/(increase) in due from a related party		**5**	(11,428)
Decrease in restricted cash		**-**	3,635
Decrease in trade and other payables		**(5,606)**	(22,034)
Cash used in operations		**(19,011)**	(28,079)
Employees' end of service benefits paid	**17**	**(151)**	(287)
Net cash used in operating activities		**(19,162)**	(28,366)
Cash flows from investing activities			
Acquisition of debt investments at amortised cost	**8**	**-**	(7,859)
Interest received		**1,514**	228
Dividend received		**-**	416
Payments for property and equipment	**5**	**(3)**	(6)
Payments for assets held for sale	**13**	**-**	(213)
Proceeds from sales of assets held for sale	**13**	**-**	160,726
Payments for investment properties	**6**	**-**	(250)
Proceeds from sales of investment properties	**6**	**-**	48,554
Proceeds from disposal of financial assets at fair value through other comprehensive income	**7**	**232**	27,411
Payments for financial assets at fair value through profit or loss	**9**	**(1,642)**	(65,378)
Proceeds from sales of financial assets at fair value through profit or loss	**9**	**-**	5,790
Net cash generated from investing activities		**101**	169,419
Cash flows from financing activities			
Repayment of bank borrowings	**18**	**(7,528)**	(65,085)
Finance costs paid		**(4,886)**	(8,133)
Treasury shares acquired	**14**	**(80)**	(45,007)
Net cash flows used in financing activities		**(12,494)**	(118,225)
Net (decrease)/increase in cash and cash equivalents		**(31,555)**	22,828
Cash and cash equivalents as at 1 January		**55,542**	15,500
Cash and cash equivalents as at 30 June	**11**	**23,987**	38,328
Non-cash transactions			
Acquisition of Wakala investment on settlement of related party receivables	**12**	**12,312**	11,400
Disposal of Wakala investment	**12**	**11,400**	-

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024

1 General information

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

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

The Company and its subsidiaries (together referred to as the "Group") are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services. During the year 2023, the Company sold a hotel apartment building.

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

Name of the subsidiary	Country of incorporation	Legal % of holding		Principal activities	Classification
		2024	2023		
Eshraq International Company LLC	Cayman Islands	100	100	Real estate	Subsidiary
Beans and Pages Café	UAE	100	100	Library and café	Subsidiary
Goldilocks Investment Holding-Sole Proprietorship L.L.C*	UAE	100	100	Investment, institution and management	Subsidiary
Qanat View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary
Bayfront Waves View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary
Garden Meadows View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary
Heights View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary
Paradise Empire View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary
Seascape Oasis View Real Estate Development Construction – Sole Proprietorship L.L.C. **	UAE	100	100	Real estate development construction	Subsidiary

*Dormant entity acquired from a related party.
**Entities incorporated in 2023.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

1 General information (continued)

Subsidiary under Eshraq International Company LLC	Country of incorporation	Legal % of holding	Beneficial % of holding	Principal activities	Classification
Nuran Marina Serviced Residence LLC*	UAE	49%	100	Hotel apartments	Subsidiary

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

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been applied in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- Amendment to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

2. 2 New and revised IFRS in issue but not yet effective

At the date of approval of these condensed consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IAS 27 – Lack of Exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates)

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates)

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

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

3 Summary of significant accounting policies

Statement of compliance

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. In addition, results for six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Basis of preparation

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

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

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

3 Summary of significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss. The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4 Accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2023, except for taxation as stated in Note 3 and the adoption of new standards and interpretations effective 1 January 2024 as stated in Note 2 above.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

5 Property and equipment

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Carrying amount at the beginning of the period/year	**6,924**	6,904
Additions during the period/year	**3**	912
Depreciation charge for the period/year	**(453)**	(892)
Carrying amount at the end of the period/year	**6,474**	6,924

All of the Group's property and equipment are located in the UAE.

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

	Six-month ended 30 June	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Direct operating expenses	**285**	249
General and administrative expenses	**168**	196
	453	445

6 Investment properties

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

Movement in investment properties is as follows:

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**687,518**	834,928
Additions	-	242
Disposals	-	(148,610)
Increase in fair value	-	958
Balance at the end of the period/year	**687,518**	687,518

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

6 Investment properties (continued)

Investment properties are carried at fair value. As of 31 December 2023, the fair value of the investment properties was arrived at on the basis of valuations carried out by accredited independent valuers not related to the Group in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors ("RICS"). The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the revalued amounts of the investment properties, the highest and best use of the properties were considered, and comparable and investment valuation approaches were used. Based on the internal assessment performed, management believes that there is no significant change in the fair value of investment properties during the six-month period ended 30 June 2024.

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.

Included in investment properties, a building and a land with a fair value of AED 195,600 thousand (31 December 2023: AED 195,600 thousand) is mortgaged as a security for a loan obtained by the Group from a local bank (Note 18).

During the six-month period ended 30 June 2024, the Group recognised rental income from letting investment properties of AED 7,562 thousand (30 June 2023: AED 9,411 thousand).

In September 2022, the Board of Directors has approved the monetization of the Group's land bank in accordance with the Group's business plan. The following transactions demonstrate the Group's progress towards monetizing its land bank:

a) The Group and the third party have finalised the performance of the terms and conditions, and legal procedures as stated in the sales and purchase agreement (SPA) dated November 2022, and property development agreement for handing over the plot of land in Abu Dhabi to the third party.
b) The Group has completed the transfer of the title deeds and received the consideration for the sale of four plots of land located in JVC-Dubai, United Arab Emirates.

In November 2022, the Group entered into a SPA with a third party for the sale of one plot in Abu Dhabi for a total consideration of AED 126,620 thousand. The consideration is payable over the next 5 years in periodic cash payments (66% of consideration) and completed units (34% of consideration) by the third party. In 2023, the Group and the third party have finalised the performance of the terms and conditions, and legal procedures as stated in the sales and purchase agreement (SPA) dated November 2022, and property development agreement for handing over the plot of land in Abu Dhabi to a third party. Further, the Group has discounted total consideration using three-month EIBOR+ spread of 2.25% to convert into present value of AED 100,065 thousand. As at 30 June 2024, the net receivable balance amounted to AED 80,668 thousand (31 December 2023: AED 80,701 thousand) (Note 10). Interest income during the period amounting AED 866 thousand (30 June 2023: AED 311 thousand).

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

7 Financial assets at fair value through other comprehensive income

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

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Unquoted funds (i)	**20,802**	20,906
Quoted equity securities	**447**	544
	21,249	21,450

(i) Comprised of an investment in an equity stake in a special-purpose vehicle established to develop a plot of land as a luxury branded residence in the UAE.

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**21,450**	48,204
Disposals	**(232)**	(27,820)
Net change in fair value recognised in other comprehensive income	**31**	1,066
Balance at the end of the period/year	**21,249**	21,450

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

8 Debt investment at amortised cost

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**7,859**	-
Additions	-	7,859
	7,859	7,859
Allowance for expected credit loss	-	-
Balance at the end of the period/year	**7,859**	7,859

Finance income on debt investment at amortised cost for the period ended 30 June 2024 amounted to AED 393 thousand (30 June 2023: AED 323 thousand). Accrued interest on debt investment at amortised cost amounted to AED 982 thousand as at 30 June 2024 (31 December 2023: AED 589 thousand).

9 Financial assets at fair value through profit or loss

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Quoted equity securities (i)	**11,231**	14,195
Unquoted funds (ii)	**1,038,025**	1,336,694
	1,049,256	1,350,889

(i) Comprised of sharia compliant equity shares quoted in UAE and denominated in UAE Dirhams (AED).

(ii) Comprised of an investment in an open-ended fund incorporated in UAE with the objective to generate return from Middle East region-based instruments.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

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

In 2022, the Company completed the acquisition of the Fund. The acquisition has been completed through a share swap transaction at an agreed swap ratio of 12.61 Eshraq shares to 1 shares of the Fund by issuing 1,385,073 thousand new shares of the Company at par. The Group has 99.485% (31 December 2023: 99.485%) investment in fund and designated at financial assets at FVTPL. The Group does not control the Fund and as such, the group is not involved in the investment decision-making process of the Fund. The Fund is independently managed by its fund manager SHUAA GMC Limited. The Fund manager is not liable for any losses to the Fund. The Group will remain a Limited Partner in the fund and has no power over the terms of the management agreement.

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**1,350,889**	1,766,426
Additions	**1,642**	140,464
Disposals	**-**	(12,250)
Net change in fair value recognised in profit or loss	**(303,275)**	(543,751)
Balance at the end of the period/year	**1,049,256**	1,350,889

Net change in fair value recognised in profit or loss consists of AED 298,669 thousand of AED 303,275 thousand incurred as net losses by the Company during the six-month period ended 30 June 2024 arising mainly from the liquidation of quoted shares to settle debt facilities and net change in fair value in Goldilocks Fund which continues to be managed by Fund Manager SHUAA GMC Limited.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

10 Trade and other receivables

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade receivables (i and ii)	**114,085**	117,536
Accrued interest	**7,672**	5,530
Advance to supplier	**437**	-
Prepayments	**999**	604
Other receivables (iii)	**25,222**	7,509
	148,415	131,179
Less: non-current portion (Note 6)	**(99,137)**	(99,169)
Current portion	**49,278**	32,010

(i) Net receivables from the customers amounting to AED 80,668 thousand (31 December 2023: AED 80,701 thousand) discounted using three-month EIBOR+ spread of 2.25%. Interest income on receivable balance amounted to AED 866 thousand (30 June 2023: AED 311 thousand) (Note 6).

(ii) In September 2022, the Group entered into a sale and purchase agreement ("SPA") with a third party in the United Arab Emirates for the sale of two plots of land located in JVC-Dubai, United Arab Emirates for a total consideration of AED 33,134 thousand and an earnout amount upon completion of the project by the third party. The consideration is interest-bearing and will be payable after 2 to 4 years (Note 10). As of 31 December 2022, the sales transaction is completed and the parties have finalised the performance of the terms and conditions, and legal procedures as stated in the SPA and property development agreement for handing over the plots to the third party. Interest income during the period amounting AED 1,657 thousand (30 June 2023: AED 1,657 thousand). Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management experience and past default history. In determining the recoverability of a receivable balance, the entities consider any change in the credit quality of the receivable balance from the date credit was initially granted up to the end of the reporting period.

(iii) Other receivables include Murabaha facility entered between the Group and the fund amounted to AED 23,000 thousand (31 December 2023: AED nil). The fund is managed by a related party (Note 20). The Murabaha carries a profit rate of 12% per annum and the Group received UAE quoted equity shares as collateral and amounted to AED 28,835 thousand (31 December 2023: AED nil). The profit which is also accrued at the reporting date on Murabaha for the period ended 30 June 2024 amounted AED 461 thousand (30 June 2023: AED nil).

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

11 Cash and bank balances

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Cash on hand	**62**	39
Cash at bank	**23,953**	55,531
Term deposits	**3,202**	3,202
	27,217	58,772
Less: short-term deposits with original maturity of more than three months	**(3,202)**	(3,202)
Less: restricted cash	**(28)**	(28)
Cash and cash equivalents	**23,987**	55,542

Term deposits represents deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate: 4.54 % per annum (31 December 2023: 4.45% - 4.54% per annum).

Finance income on term deposits for the six-month period ended 30 June 2024 amounted to AED 73 thousand (30 June 2023: AED 150 thousand). Accrued interest on term deposits amounted to AED 88 thousand as at 30 June 2024 (31 December 2023: AED 14 thousand).

Restricted cash placed in a local bank amounted to AED 28 thousand (31 December 2023: AED 28 thousand).

12 Wakala investment

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**11,400**	-
Additions	**12,312**	11,400
Disposals	**(11,400)**	-
Balance at the end of the period/year	**12,312**	11,400

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

12 Wakala investment (continued)

In 2023, the Group invested AED 11,400 thousand in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. This investment carry interest rate of 8% per annum and maturity date of 25 March 2024. After maturity, The Group has further reinvested principal plus interest amounted AED 12,312 thousand in Wakala deposits carry interest rate of 8% per annum and maturity date of 29 March 2026.

Finance income on Wakala investment for the six-month ended 30 June 2024 amounted to AED 469 thousand (30 June 2023: AED 344 thousand). Accrued interest on term deposits amounted to AED 259 thousand as at 30 June 2024 (31 December 2023: AED 702 thousand).

13 Assets held for sale

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	-	280,337
Additions	-	266
Disposals	-	(280,603)
Balance at the end of the period/year	-	-

As at 30 June 2023, the fair value of the apartment units has been determined using the sale and purchase agreements. The properties were recorded at a carrying amount of AED 188,800 thousand and was sold at AED 160,726 thousand resulting in a net loss AED 28,074 thousand net of brokerage expense.

14 Share capital

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Authorised, issued and paid up capital		
2,685,285,986 (2023: 2,820,433,097) ordinary shares of AED 1 each	**2,685,286**	2,820,433

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

14 Share capital (continued)

Treasury shares

On 18 August 2022, the Group obtained an approval from SCA to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and SCA regulations. During the General Assembly held on 8 February 2024 through Special Resolution, the Shareholders approved to cancel the shares buy-back program which was approved by the Group's general assembly on 1 August 2022 and as approved by Abu Dhabi Securities Exchange on 18 October 2023.

The movement of treasury shares is as follows:

	30 June 2024		31 December 2023	
	Units'000	**AED'000**	Units'000	AED'000
Balance at the beginning of the year	**134,967**	**73,000**	43,084	26,151
Additional shares purchased during the period/year	**180**	**80**	91,883	46,849
Cancellation of shares during the period/year (i)	**(135,147)**	**(73,080)**	-	-
Balance at the end of the year	-	-	134,967	73,000

(i) During the period, General Assembly held on 8 February 2024 through Special Resolution, the Shareholders approved to amend Article 6 of the Articles of Association to reflect the reduction of Share Capital by authorising the Board and appointment of the Board to undertake all the necessary procedures to reduce the Share Capital of the Group. On 5 April 2024, the Securities and Commodities Authority (SCA) has cancelled treasury shares totalling 135,147 thousand (2023: 134,967 thousand) (equivalent to 4.78% of total share capital). After the reduction of the Share Capital, the issued Share Capital of the Group changed to AED 2,685,286 thousand (31 December 2023: AED 2,820,433 thousand).

Shares discount

In 2022, the acquisition of Goldilocks Class A shares resulted in a net increase of the capital of the Company in an amount of AED 761,790 thousand against the shares in Goldilocks by virtue of which the owners of the shares in Goldilocks received 1,385,073 thousand new shares in the capital of the Company, each proportionally to their ownership in the fund.

In 2022, share discount amounting to AED 623,283 thousand is recognised for the difference of the fair value of the shares issued by the Group to the new shareholders and fair value of the 99.2% total shares of the Fund.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

15 Statutory reserve

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

No allocation to the statutory reserve has been made for the six-month period ended 30 June 2024, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2024.

16 Investments revaluation reserve

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

17 Provision for employees' end of service benefits

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**1,176**	1,470
Charge for the period/year	**181**	273
Paid during the period/year	**(151)**	(567)
Balance at the end of the period/year	**1,206**	1,176

18 Bank borrowings

The term loans comprise of the following:

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Term loan 1	**-**	-
Term loan 2	**-**	6,955
Term loan 3	**125,893**	126,477
	125,893	133,432
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	**(121,278)**	(121,972)
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	**4,615**	11,460

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

18 Bank borrowings (continued)

Term loan 1

A term loan facility from a local bank amounting to AED 145,000 thousand under the terms and conditions defined in the term loan agreement. The loan is repayable in quarterly instalments over a period of 12 years and carries a variable interest rate. The loan is secured by a mortgage over the building used by Nuran Marina Serviced Residences LLC (the "Subsidiary") (Note 13), 58 apartment units at Burj Daman, Dubai (Note 13), corporate guarantee issued by the Subsidiary in favor of the lender and collections made by the subsidiary are assigned to the lender to repay the quarterly principal repayment of the loan. The loan was obtained to repay another previous loan from the same local bank and to finance the Group's general obligations. The loan was fully drawdown as of the reporting date.

During 2023, the Group sold the Nuran Marina hotel building and 58 apartment units and applied the sales proceeds to pay off the loan (Note 13).

As at 30 June 2024, the Group recognised finance costs of AED nil (30 June 2023: AED 3,119 thousand) in relation to this facility.

Term loan 2

In 2020, the Group availed a margin facility from a local bank amounting to AED 69,000 thousand under the terms and conditions defined in the agreement to finance the working capital requirements of the Group and repay one of an existing loan. In 2022, the margin facility limit was decreased to AED 20,000 thousand. The facility is secured by a pledge of quoted shares held in the name of the Group (Note 25). The facility is repayable on demand and carries a variable interest rate.

During the year, the Group has fully repaid the loan amount and the total drawdown from the facility as at 30 June 2024 is AED nil (31 December 2023: AED 6,955 thousand).

As at 30 June 2024, the Group recognised finance costs of AED nil (30 June 2023: AED 154 thousand).

Term loan 3

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

As at 30 June 2024, the Group recognised finance costs of AED 4,846 thousand (30 June 2023: AED 4,672 thousand) in relation to this facility.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

18 Bank borrowings (continued)

Reconciliation of term loans movements to the cash flows arising from financing activities is as follows:

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Balance at the beginning of the period/year	**133,432**	260,308
Cash flows		
Loan repaid	**(7,528)**	(128,079)
Payment of accrued interest	**(52)**	(62)
Other non-cash items		
Accrual of interest	**41**	1,265
Balance at the end of the period/year	**125,893**	133,432

19 Trade and other payables

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade payables	**269**	21
Advances from customers	**5,988**	7,004
Retention payables	**7,041**	7,041
Accruals	**3,047**	1,458
Other payables (i)	**7,346**	13,761
	23,691	29,285

(i) Includes provision for claims (Note 23) and Board of Directors' remuneration amounting AED 169 thousand.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

20 Related party balances and transactions

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

Terms and conditions of transactions with related parties

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

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

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Financial assets at FVOCI:		
Shareholder	-	544
Due from a related party:		
Entity under common control	**23**	28
Advance to a director	**605**	605
	628	633

Aside from advances to director, there were no loans provided to directors as of 30 June 2024 and 31 December 2023.

The following balances are related to the entities under common directorship.

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Financial assets at FVTPL	**11,231**	14,195

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

20 Related party balances and transactions (continued)

The following balances are managed by a Fund Manager that is a related party to the Group:

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Wakala investment	**12,312**	11,400
Financial assets at FVOCI	**20,801**	20,906
Financial assets at FVTPL	**1,038,025**	1,336,694
Debt investments at amortised cost	**7,859**	7,859
Interest receivables	**259**	702
Other receivables	**23,000**	6,901

Significant transactions with the entities under common directorship are as follows:

	Six-month ended 30 June	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Purchase of financial assets at FVTPL	-	9,676
Disposal of financial assets at FVTPL	-	317
Dividend Income	-	416

Transactions with the Fund Manager that is a related party to the Group were as follows:

	Six-month ended 30 June	
	2024 AED'000 (unaudited)	2023 AED'000 (unaudited)
Purchase of wakala investment	**12,312**	11,400
Disposal of wakala investment	**11,400**	-
Purchase of financial assets at FVTPL	**-**	125,000
Purchase of debt investments at amortised cost	**-**	7,859
Interest income	**1,465**	243

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

20 Related party balances and transactions (continued)

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

	Six-month ended 30 June	
	2024	2023
	AED'000	AED'000
	(unaudited)	(unaudited)
Broker fees paid to related parties:		
Shareholder	**3**	1

Key management compensation

	Six-month ended 30 June	
	2024	2023
	AED'000	AED'000
	(unaudited)	(unaudited)
Short term benefits	**1,692**	1,465
Long term end of service benefits	**233**	47
Committee members fee	**60**	-
	1,985	1,512

21 Basic and diluted (losses)/earnings per share

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

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

21 Basic and diluted (losses)/earnings per share (continued)

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

	Six-month ended 30 June	
	2024 (unaudited)	2023 (unaudited)
(Loss)/profit for the period (AED'000)	**(302,534)**	1,904
Weighted average number of ordinary shares outstanding (thousands)	**2,685,288**	2,739,891
Basic and diluted (losses)/earnings per share (AED)	**(0.1127)**	0.0007

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding and decrease in share capital (Note 14).

As at 30 June 2024 and 2023, the Group has not issued any instruments which would have a diluted impact on earnings per share when converted or exercised.

22 Segment reporting

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

For management purposes, at 30 June 2024 and 2023, the Group is organised into five major segments, as follows:

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

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

Information regarding these segments is presented below.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

22 Segment reporting (continued)

30 June 2024	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
Revenue							
Timing of revenue recognition							
Overt time	-	**7,562**	-	-	-	-	**7.562**
At a point in time	-	-	**575**	-	-	-	**575**
	-	**7,562**	**575**	-	-	-	**8,137**
Direct operating expenses	-	**(1,790)**	**(17)**	-	-	-	**(1,807)**
Depreciation	-	-	**(453)**	-	-	-	**(453)**
Gross profit		**5,772**	**105**	-	-	-	**5,877**
Net finance loss	-	-	-	-	**(826)**	-	**(826)**
Net changes in fair value of financial assets at FVTPL	-	-	-	**(303,275)**	-	-	**(303,275)**
Total operating income/(loss)							
General and administrative expenses	-	-	**(85)**	-	**(4,072)**	-	**(4,157)**
Depreciation	-	-	-	-	**(168)**	-	**(168)**
Other income	-	**15**	-	-	**-**	-	**15**
Profit/(loss) for the period	**-**	**5,787**	**20**	**(303,275)**	**(5,066)**	**-**	**(302,534)**
At 30 June 2024							
Total assets	**9**	**819,496**	**10,294**	**1,116,237**	**15,402**	**(450)**	**1,960,988**
Total liabilities	**8,215**	**136,174**	**3,220**	**418**	**2,763**	**-**	**150,790**

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

22 Segment reporting (continued)

30 June 2023	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
Revenue							
Timing of revenue recognition							
Overt time	-	11,911	6,951	-	-	-	18,862
At a point in time	-	-	785	-	-	-	785
	-	11,911	7,736	-	-	-	19,647
Direct operating expenses	-	(2,385)	(3,403)	-	-	-	(5,788)
Depreciation	-	-	(445)	-	-	-	(445)
Gross profit	-	9,526	3,888	-	-	-	13,414
Net finance loss	-	-	-	-	(5,168)	-	(5,168)
Net changes in fair value of financial assets at FVTPL	-	-	-	32,966	-	-	32,966
Dividend income	-	-	-	416	-	-	416
Total operating income/(loss)	-	9,526	3,888	33,382	(5,168)	-	41,628
General and administrative expenses	-	-	(1,335)	-	(9,745)	-	(11,276)
Depreciation	-	-	-	-	(196)	-	(196)
Selling and marketing expense	-	-	(336)	-	(72)	-	(408)
Change in fair value of assets held for sale	-	-	-	-	(28,074)	-	(28,074)
Other income	-	34	-	-	-	-	34
Profit/(loss) for the period	-	9,560	2,217	33,382	(43,255)	-	1,904
At 31 December 2023							
Total assets	30	805,993	9,128	1,404,559	57,414	(450)	2,276,674
Total liabilities	7,937	138,273	4,326	-	13,357	-	163,893

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

23 Contingent liabilities and commitments

Contingencies

The Group is in legal proceedings with certain property developers. These proceedings resulted in a final judgement issued by the Court of First Instance on 6 July 2023, the Court ordered the Group to pay AED 3,575 thousand (31 December 2023: AED 3,573 thousand) to the defendant as their counterclaim (Note 19).

Commitments

	30 June 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Commitments for fixed assets	**15,764**	14,749

24 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

24 Fair value of financial instruments (continued)

	Carrying value AED'000	Fair Value			
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 30 June 2024 (unaudited)					
Financial assets at FVTPL	**1,049,256**	**11,231**	**-**	**1,038,025**	**1,049,256**
Financial assets at FVOCI	**21,249**	**447**	**-**	**20,802**	**21,249**
	1,070,505	**11,678**	**-**	**1,058,827**	**1,070,505**
At 31 December 2023 (audited)					
Financial assets at FVTPL	1,350,889	14,195	-	1,336,694	1,350,889
Financial assets at FVOCI	21,450	544	-	20,906	21,450
	1,372,339	14,739	-	1,357,600	1,372,339

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.

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

	30 June 2024 AED'000	31 December 2023 AED'000
Balance at the beginning of the period/year	**1,357,600**	1,801,305
Additions	**-**	125,000
Disposals	**(232)**	(27,820)
Change in fair value	**(298,541)**	(540,885)
Balance at the end of the period/year	**1,058,827**	1,357,600

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

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2024 (continued)

25 Fiduciary activities

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

	30 June 2024 AED'000	31 December 2023 AED'000
Quoted security (i)	-	7,794
Unquoted security (ii)	**2,744**	2,821
	2,744	10,615

i. In 2023, the quoted securities are mortgaged as a security for a loan obtained by the Group from a local bank. The Group entered into a deferred payment agreement with Goldilocks whereby the Group shall transfer the legal title for the shares upon payment of the obligation to the bank upon receipt of the funds from Goldilocks (Note 18).

ii. Pertains to an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services. The entity is currently under liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee.

26 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 August 2024.