

INVEST B.S.C.

**SHARI'A SUPERVISORY BOARD REPORT,
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2023 (REVIEWED)

Inovest B.S.C.

Administration and contact details as at 30 September 2023

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Mohammad Hamed Al-Shalfan

- Chairman

Mohammad Salah Al-Ayoub

- Vice-Chairman

Abdulaziz Asaad Al-Sanad

- Director

Mohamed Abdulwahab Al Matook

- Director

Abdullah Mohammed Al-Abduljader

- Director

Dr. Abdulaziz Fahad Al Dakheel

- Director

Ausama Abdulrahim Al-Khaja

- Director

Chief Executive Officer

Yaser Hamad Al-Jar

Board Secretary

Riyadh Mahmood Mulla Ahmed

Sharia'a Supervisory Board

Sheikh Dr. Hamad Yousef Al Mazrouei

- Chairman

Sheikh Dr. Abdulrahman Mohammad Al Baloul

- Vice-Chairman

Dr.Mohammad Abdulrahman Al Shurafa

- Member

Nomination and Remuneration Committee members

Mohammed Abdulwahab Al Matook

- Chairman

Abdullah Mohammed Al-Abduljader

- Vice-Chairman

Mohammad Hamed Al-Shalfan

- Member

Corporate Governance, Audit and Risk Committee members

Ausama Abdulrahim Al-Khaja

- Chairman

Mohammad Salah Al-Ayoub

- Vice-Chairman

Abdullah Mohammed Al-Abduljader

- Member

Registered head office

35th floor, East Tower
Bahrain Financial Harbour
P.O. Box 18334
Manama
Kingdom of Bahrain
Telephone no. +973 1715 5777

Bankers

Bahrain Islamic Bank B.S.C.
Ithmaar Bank B.S.C.
Kuwait Finance House (Bahrain) B.S.C. (c)
Kuwait Finance House (Kuwait) K.S.C.P.
Boubyan Bank (Kuwait)
Khaleeji Bank B.S.C.
Al Baraka Islamic Bank B.S.C. (c)
Al Salam Bank, Bahrain B.S.C.

Auditors

Ernst & Young - Middle East
P.O. Box 140
10th Floor, East Tower
Bahrain World Trade Center
Manama, Kingdom of Bahrain

Share registrars

Bahrain Clear
Bahrain Financial Harbour, Harbour Gate,
Level 4, P.O.Box 3203
Manama
Kingdom of Bahrain

Kuwait Clearing Company S.A.K.
P.O. Box 22077
Safat 13081
State of Kuwait

**REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INOVEST B.S.C.**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position as at 30 September 2023 of Inovert B.S.C. (the "Company") and its subsidiaries (together the "Group"), the related interim consolidated statements of income and sources and uses of charity fund for the three and nine month periods then ended and the interim consolidated statements of changes in owners' equity and cash flows for the nine month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard 41 *Interim Financial Reporting* (FAS 41). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41.

..... 2023
Manama, Kingdom of Bahrain

INOVEST B.S.C.

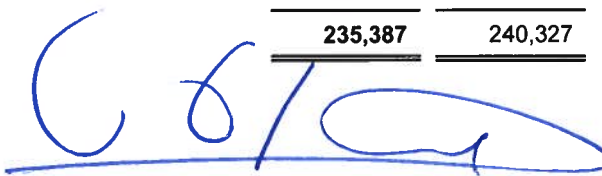
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023 (Reviewed)

		<i>Reviewed</i> 30 September 2,023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
	<i>Note</i>		
ASSETS			
Cash and bank balances	4	11,598	17,819
Accounts receivable	5	19,014	20,626
Investments	6	14,608	14,788
Investment in joint ventures and associates	7	93,862	93,908
Investments in real estate	8	83,331	82,045
Property, plant and equipment	9	9,546	10,009
Right of use asset	10	73	155
Other assets	11	3,355	977
TOTAL ASSETS		235,387	240,327
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Other liabilities and accounts payable	12	62,663	66,990
Lease liability		74	167
Financing from a bank		979	3,912
Total liabilities		63,716	71,069
Owners' Equity			
Share capital		120,334	120,334
Less: Treasury shares		(1,309)	(1,309)
		119,025	119,025
Reserves		6,782	6,782
Retained earnings		20,259	18,029
Equity attributable to Parent's shareholders		146,066	143,836
Non-controlling interest		25,605	25,422
Total owners' equity		171,671	169,258
TOTAL LIABILITIES AND OWNERS' EQUITY		235,387	240,327



Mohamed Hamed Al-Shalfan
Chairman



Mohamed Salah Al-Ayoub
Vice Chairman



Yaser Hamad Al-Jar
Chief Executive Officer

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

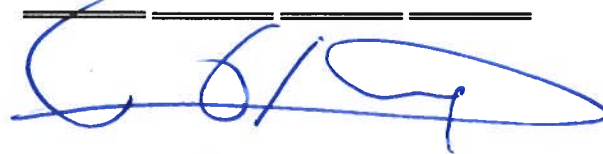
INOVEST B.S.C.
INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended 30 September 2023 (Reviewed)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2023	2022	2023	2022
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
OPERATING INCOME					
Net income from construction contracts	13	80	105	413	672
Income from investments	14	1,010	1,021	3,279	3,413
Fee from management and other services-net		1,153	961	2,622	2,543
Net share of (loss) / income from investment in joint ventures and associates	7	(44)	(239)	35	(525)
Other income	15	183	498	1,067	947
TOTAL OPERATING INCOME		2,382	2,346	7,416	7,050
OPERATING EXPENSES					
Staff costs		860	974	2,783	2,984
General and administrative expenses		448	482	1,416	1,548
Property related expenses		531	472	1,402	1,400
Depreciation	9	83	95	237	286
Financing costs		28	82	139	264
Net Ijarah cost		27	30	88	93
TOTAL OPERATING EXPENSES		1,977	2,135	6,065	6,575
NET OPERATING INCOME		405	211	1,351	475
Net (charge) / reversal of provision for expected credit loss	4 & 5	(325)	179	(531)	201
Net movement in provision for case compensation	12.1	1,593	-	1,593	1,267
PROFIT FOR THE PERIOD		1,673	390	2,413	1,943
Attributable to :					
Equity shareholders of the Parent		1,669	359	2,230	1,801
Non-controlling interest		4	31	183	142
		1,673	390	2,413	1,943
BASIC AND DILUTED EARNINGS					
PER SHARE (US\$ cents)	16	0.56	0.12	0.75	0.61



 Mohamed Hamed Al-Shalfan
Chairman



 Mohamed Salah Al-Ayoub
Vice Chairman



 Yaser Hamad Al-Jar
Chief Executive Officer

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine month period ended 30 September 2023 (Reviewed)

	Equity attributable to Parent's shareholders							Total owners' equity US\$ '000
	Share capital US\$ '000	Treasury shares US\$ '000	Statutory reserve US\$ '000	Fair value through equity reserve US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000	Non- controlling interest US\$ '000	
At 1 January 2023	120,334	(1,309)	4,743	2,039	18,029	143,836	25,422	169,258
Profit for the period	-	-	-	-	2,230	2,230	183	2,413
At 30 September 2023	120,334	(1,309)	4,743	2,039	20,259	146,066	25,605	171,671
At 1 January 2022	120,334	(1,309)	4,651	2,213	17,198	143,087	25,238	168,325
Profit for the period	-	-	-	-	1,801	1,801	142	1,943
At 30 September 2022	120,334	(1,309)	4,651	2,213	18,999	144,888	25,380	170,268

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2023 (Reviewed)

		<i>Nine months ended 30 September</i>	
		2023	2022
		US\$ '000	US\$ '000
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit for the period		2,413	1,943
Adjustments for:			
Depreciation	9	514	475
Net ijarah cost		88	93
Net charge / (reversal) of provision for expected credit loss	4 & 5	531	(201)
Net movement in legal provisions		(1,593)	(1,267)
Net share of (income) / loss from investment in joint ventures and associates	7	(35)	525
Loss / (gain) on sale of investment in real estate	14	113	(579)
		2,031	989
Net changes in operating assets and liabilities:			
Short-term deposits			
(with an original maturity of more than 90 days)	4	1,193	(3,440)
Accounts receivable		1,013	(1,506)
Other assets		(2,378)	(380)
Other liabilities and accounts payable		(2,734)	(457)
Ijarah payment		(99)	(88)
Net cash used in operating activities		(974)	(4,882)
INVESTING ACTIVITIES			
Additional capitalisation of investment in real estate	8	(2,552)	(465)
Proceeds from sale of investment in real estate - net		1,153	1,158
Movement in investments - net		180	(1,997)
Distributions received from joint ventures and associates	7	529	372
Purchase of property, plant and equipment	9	(51)	(1,478)
Acquisition of investment in joint ventures and associates		(448)	-
Proceeds from sale of property, plant and equipment		-	2
Net cash used in investing activities		(1,189)	(2,408)
FINANCING ACTIVITY			
Net movement in financing from a bank		(2,933)	(807)
Net cash used in financing activity		(2,933)	(807)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(5,096)	(8,097)
Cash and cash equivalents at the beginning of the period		7,291	18,642
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	2,195	10,545

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.

**INTERIM CONSOLIDATED STATEMENT OF SOURCES AND USES OF
CHARITY FUND**

For the nine month period ended 30 September 2023 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2023	2022	2023	2022
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Sources of charity funds				
Undistributed charity funds at the beginning of the period	21	24	21	24
Contributions for charitable purposes	-	-	-	-
Undistributed charity funds at end of the period	21	24	21	24

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

As at 30 September 2023 (Reviewed)

1 INCORPORATION AND ACTIVITIES

a) Incorporation

Inovest B.S.C. (the "Company") is a public shareholding company incorporated in the Kingdom of Bahrain on 18 June 2002 and operates under Commercial Registration (CR) number 48848. The Company commenced operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is 50 years, renewable for further similar periods unless terminated earlier by law or as stated in the Memorandum and Articles of Association. The address of the Company's registered office is 35th floor, East Tower, Bahrain Financial Harbour, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company has been issued an Investment Business Firm License – Category 1 (Islamic Principles) by the Central Bank of Bahrain ("CBB"), to operate under the Islamic Sharia'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries (the "Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds.
- Establishing and managing various investment funds.
- Dealing in financial instruments in the local, regional and international markets.
- Providing information and studies related to different types of investments for others.
- Providing financial services and investment consultations to others.
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain.
- Engaging in contracting activities.
- Engaging in the management of commercial and industrial centres and residential buildings, property leasing, development and their maintenance.
- Having interest or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Company's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

The number of staff employed by the Group as at 30 September 2023 was 633 employees (31 December 2022: 650 employees).

The interim condensed consolidated financial statements for the nine months period ended 30 September 2023 were authorised for issue in accordance with a resolution of the Board of Directors dated 13 November 2023.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine months period ended 30 September 2023 have been prepared in accordance with Financial Accounting Standard 41 - *Interim Financial Reporting*. The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. These interim condensed consolidated financial statements are presented in US Dollars, which is the functional currency of the Group. All values are rounded to US Dollar thousands unless otherwise indicated.

As at 30 September 2023 (Reviewed)

2 ACCOUNTING POLICIES (continued)**2.2 Statement of compliance**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 which were prepared in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Bahrain Commercial Companies Law, Central Bank of Bahrain ("CBB") and the Financial Institutions Law and the CBB Rule Book (Volume 4). In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, including interim financial reporting, the Group uses the relevant International Financial Reporting Standards ("IFRS").

2.3 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated in full on consolidation.

The following are the principle subsidiaries of the Company, which are consolidated in these interim condensed consolidated financial statements:

<i>Name of the subsidiary</i>	<i>Ownership 2023</i>	<i>Ownership 2022</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held directly by the Company					
Al Khaleej Development Company (Tameer) W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2009	Purchase, sale, management and development of properties.
Inoventures Company W.L.L.	100.00%	0.00%	Kingdom of Bahrain	2023	Selling and buying shares and securities for company's account only.

The following are the subsidiaries held indirectly through Al Khaleej Development Company (Tameer) W.L.L:

Held indirectly by the Company					
Bahrain Investment Wharf W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2006	Development, maintenance, leasing and management of commercial and industrial centres, residential buildings and property.
Tamcon Contracting Co. W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2007	Contracting activities.
Dannat Resort Development Company Limited	67.57%	67.57%	Cayman Islands	2008	Managing and Development of Real Estate Projects.
Tamcon Trading W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2009	Import, export, sale of electronic & electrical equipment, appliances, its spare parts and sale of building materials.
Panora Interiors W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2015	Carpentry and joinery works.
BIW Labor Accommodation Co W.L.L.	60.21%	60.21%	Kingdom of Bahrain	2007	Buying, selling and management of properties.

2 ACCOUNTING POLICIES (continued)

2.4 New standards, interpretations and amendments

These interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of following FASs as explained below.

- **FAS 39 "Financial Reporting for Zakah" (effective 1 January 2023)**

The standard aims at setting out the accounting treatment of Zakah in the books of an Islamic financial institution, including the presentation and disclosure in its financial statements.

Adoption of the above standard did not have any impact on the interim condensed consolidated financial statements of the Group for the period ended 30 September 2023.

- **FAS 41 "Interim Financial Reporting" (effective 1 January 2023)**

The standard prescribes the principles for the preparation of interim condensed financial information and relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by the AAOIFI. This standard is also applicable to the institutions which prepare a complete set of financial statements at interim reporting dates in line with the respective FAS.

Adoption of the above standard did not have any impact on the interim condensed consolidated financial statements of the Group for the period ended 30 September 2023.

2.5 New standards, amendments and interpretations issued but not yet effective

Standards, interpretations and amendments to existing standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group reasonably expects these issued standards, interpretations and amendments to existing standards to be applicable at a future date. The Group intends to adopt these standards, interpretations and amendments to existing standards, if applicable, when they become effective:

- **FAS 1 "General Presentation and Disclosures in the Financial Statements" (revised) (effective 1 January 2024)**

The standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1.

- **FAS 40 "Financial Reporting for Islamic Finance Windows" (effective 1 January 2024)**

The standard improves upon and supersedes FAS 18 "Islamic Financial Services offered by Conventional Financial Institutions" and defines the financial reporting requirements applicable to conventional financial institutions offering financial services.

- **FAS 42 Presentation and Disclosures in the Financial Statements of Takaful Institutions (effective 1 January 2025)**

This standard sets out the principles for the presentation and disclosure for the financial statements of Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholder as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

- **FAS 43 Accounting for Takaful: Recognition and Measurement (effective 1 January 2025)**

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the nine-month period ended 30 September 2023 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

4 CASH AND BANK BALANCES

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Current account balances with banks	2,185	5,800
Cash in hand	10	8
Short-term deposits (with an original maturity of 90 days or less)	-	1,483
Total cash and cash equivalents	<u>2,195</u>	<u>7,291</u>
Short-term deposits (with an original maturity of more than 90 days)	9,467	10,660
Less: Provisions for expected credit loss	(64)	(132)
Total cash and bank balances	<u><u>11,598</u></u>	<u><u>17,819</u></u>

Movements in the provision for expected credit loss:

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
At 1 January	132	161
Reversals during the period / year	(68)	(29)
	<u>64</u>	<u>132</u>

5 ACCOUNTS RECEIVABLE

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Amounts due from related parties (note 17)	13,151	13,154
Trade receivables	5,954	5,838
Rent receivable	1,566	1,311
Other receivables	21,859	23,484
	<u>42,530</u>	<u>43,787</u>
Less: provision for expected credit losses	(23,516)	(23,161)
	<u><u>19,014</u></u>	<u><u>20,626</u></u>

Amounts due from related parties are unsecured, bear no profit, have no fixed repayment terms and are authorised by the Group's management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

5 ACCOUNTS RECEIVABLE (continued)

The movement in the Group's provision for expected credit losses is as follows:

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
At 1 January	23,161	23,472
Write off during the period / year	(244)	(305)
Charge / (write back) during the period / year	599	(6)
	<u>23,516</u>	<u>23,161</u>

6 INVESTMENTS

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Equity-type instruments at fair value through equity - Unquoted		
Equity investment in real estate	19,559	19,739
Managed funds	1,990	1,990
	<u>21,549</u>	<u>21,729</u>
Less: Provision for impairment	(6,941)	(6,941)
	<u>14,608</u>	<u>14,788</u>

7 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
At 1 January	93,908	95,048
Acquisitions during the period / year	448	247
Share of net profit / (loss)	35	(1,015)
Distributions during the period / year	(529)	(372)
	<u>93,862</u>	<u>93,908</u>

8 INVESTMENTS IN REAL ESTATE

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
At 1 January	82,045	79,524
Additions during the period / year	2,552	3,100
Disposals during the period / year	(1,266)	(579)
	<u>83,331</u>	<u>82,045</u>

Inovent B.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings on leasehold land</i>	<i>Machinery, equipment and fixtures</i>	<i>Computer hardware and software</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Cost					
At 1 January 2023	10,122	12,780	1,737	2,312	26,951
Additions	2	41	8	-	51
Disposal	-	(6)	-	-	(6)
As at 30 September 2023 (Reviewed)	10,124	12,815	1,745	2,312	26,996
Accumulated depreciation					
At 1 January 2023	3,265	10,046	1,610	2,021	16,942
Charge	136	276	41	61	514
Disposal	-	(6)	-	-	(6)
As at 30 September 2023 (Reviewed)	3,401	10,316	1,651	2,082	17,450
Net book amount:					
As at 30 September 2023 (Reviewed)	6,723	2,499	94	230	9,546
At 31 December 2022	6,857	2,734	127	291	10,009

Depreciation on property, plant and equipment charged to the consolidated statement of income is as follows:

	<i>Reviewed Nine months ended 30 September</i>	
	<i>2023</i>	<i>2022</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Depreciation charged to contract costs (note 13)	277	189
Depreciation charged to expenses	237	286
	514	475

10 RIGHT OF USE ASSET

	<i>Reviewed 30 September 2023</i>	<i>Audited 31 December 2022</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Cost		
Opening	328	328
	328	328
Accumulated amortisation		
At 1 January	173	64
Charge	82	109
	255	173
Net book value	73	155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

11 OTHER ASSETS

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Advances to contractors	1,031	591
Prepayments	456	381
Others	1,868	5
	3,355	977

12 OTHER LIABILITIES AND ACCOUNTS PAYABLE

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Payable to the Government	50,105	50,105
Trade payables	6,662	4,940
Advances from construction clients	2,377	3,293
Accruals and other payables	2,252	5,698
Retentions payable	1,238	1,042
Amounts due to related parties (note 17)	29	113
Case compensation and other contingencies (note 12.1)	-	1,799
	62,663	66,990

Note 12.1

During the year 2020, a case was filed against the Group, and based on the report and the assessment of the case, the management of the Group had recognised provision for case compensation against the same. However, in the current period, based on the Cassation Court verdict, the Group has reversed the provision.

The management has assessed that no further provisions are required for cases against the Group.

13 NET INCOME FROM CONSTRUCTION CONTRACTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i>	
	2023 US\$ '000	2022 US\$ '000
Contract income	10,402	10,829
Contract costs	(9,989)	(10,157)
	413	672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

14 INCOME FROM INVESTMENTS

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2023	2022
	US\$ '000	US\$ '000
Rental income	3,298	2,802
Realised (loss) / gain on sale of investment in real estate	(113)	579
Dividend income	94	32
	3,279	3,413

15 OTHER INCOME

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2023	2022
	US\$ '000	US\$ '000
Profit on short-term deposits	366	554
Electricity and water services	480	244
Others	221	149
	1,067	947

16 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period as follows:

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2023	2022
Income attributable to the equity shareholders of the parent for the period (US\$ '000)	2,230	1,801
Weighted average number of shares outstanding at the beginning and end of the period - in thousands	297,162	297,162
Earnings per share - US\$ cents	0.75	0.61

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

17 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors of the Group, key management personnel, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group and Shari'a Supervisory Board members and external auditors.

Terms and conditions of transactions with related parties

The Group enters into transactions, arrangements and agreements with its related parties in the ordinary course of business at terms and conditions approved by the Board of Directors. The transactions and balances arose from the ordinary course of business of the Group. Outstanding balances at the year end are unsecured.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Terms and conditions of transactions with related parties (continued)

The related party balances included in the interim condensed consolidated financial statements are as follows:

	Reviewed 30 September 2023					Audited 31 December 2022				
	Key					Key				
	management personnel/ Board	Associates and joint venture	Other related parties	Board members/ external auditors	Total	management personnel/ Board	Associates and joint venture	Other related parties	Board members/ external auditors	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Accounts receivable - gross	-	10,128	3,023	-	13,151	-	10,002	3,152	-	13,154
Provision for expected credit losses	-	(2,998)	(2,409)	-	(5,407)	-	(2,998)	(2,409)	-	(5,407)
Accounts receivable - net	-	7,130	614	-	7,744	-	7,004	743	-	7,747
Investment in joint ventures and associates	-	93,862	-	-	93,862	-	93,908	-	-	93,908
Other liabilities and accounts payable	8	17	4	17	29	11	11	79	23	113

The related party transactions included in the interim condensed consolidated financial statements are as follows:

	Reviewed 30 September 2023					Reviewed 30 September 2022				
	Key					Key				
	management personnel/ Board	Associates and joint venture	Other related parties	Board members/ external auditors	Total	management personnel/ Board	Associates and joint venture	Other related parties	Board members/ external auditors	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income										
Fee from management and other services-net	-	155	-	-	155	-	155	-	-	155
Net share of income / (loss) from investment in a joint venture and associates	35	-	-	-	35	(525)	(525)	-	-	(525)
	190	-	-	-	190	(370)	(370)	-	-	(370)
Expenses										
Staff costs	-	1,249	-	-	1,249	-	-	-	1,398	1,398
General and administrative expenses	8	208	99	8	315	8	8	102	178	288
	8	1,457	99	8	1,564	8	8	102	1,576	1,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Compensation of the key management personnel is as follows:

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2023	2022
	US\$ '000	US\$ '000
Salaries and other benefits	1,249	1,398

18 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. For management purposes, the Group is organised into three major business segments.

The accounting policies of the segments are the same as those applied in the preparation of the Group's interim consolidated financial statements as set out in note 2 to the consolidated financial statements. Transactions between segments are conducted at estimated market rates on an arm's length basis.

(a) Segment information relating to the interim consolidated statement of income is disclosed as follows:

	<i>30 September 2023 - Reviewed</i>				
	<i>Investment and related services</i>	<i>Construction Contracts</i>	<i>Development and sale of industrial plots</i>	<i>Eliminations</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from					
external customers	49	413	2,573	-	3,035
Inter-segment transactions	209	121	283	(613)	-
Income from investments	94	-	3,185	-	3,279
Net share of profit / (loss) from					
investment in joint					
ventures and associates					
(note 7)	18	57	-	(40)	35
Other income	18	438	611	-	1,067
Total revenue	388	1,029	6,652	(653)	7,416
Segment profit	(2,347)	712	4,062	(14)	2,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

18 SEGMENTAL INFORMATION (continued)

	30 September 2022 - Reviewed					
	<i>Investment and related services</i>	<i>Construction Contracts</i>	<i>Development and sale of industrial plots</i>		<i>Eliminations</i>	<i>Total</i>
			<i>US\$ '000</i>	<i>US\$ '000</i>		
Net revenues from external customers	2,390	1,155	3,324	(241)	6,628	
Inter-segment transactions	158	-	368	(526)	-	
Net share of loss from investment in joint ventures and associates (note 7)	(476)	-	-	(49)	(525)	
Other income	58	411	478	-	947	
Total revenue	2,130	1,566	4,170	(816)	7,050	
Segment profit / (loss)	1,343	(931)	2,618	(1,087)	1,943	

(b) Segment information relating to the interim consolidated statement of financial position as at 30 September 2023 and 31 December 2022 is disclosed as follows:

	30 September 2023 - Reviewed					
	<i>Investment and related services</i>	<i>Construction Contracts</i>	<i>Development and sale of industrial plots</i>		<i>Eliminations</i>	<i>Total</i>
			<i>US\$ '000</i>	<i>US\$ '000</i>		
Segment assets	387,789	36,473	155,476	(344,351)	235,387	
Segment liabilities	135,621	11,423	53,985	(137,313)	63,716	

	31 December 2022 - Audited					
	<i>Investment and related services</i>	<i>Construction Contracts</i>	<i>Development and sale of industrial plots</i>		<i>Eliminations</i>	<i>Total</i>
			<i>US\$ '000</i>	<i>US\$ '000</i>		
Segment assets	385,590	38,708	150,720	(334,691)	240,327	
Segment liabilities	139,507	14,370	54,060	(136,868)	71,069	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023 (Reviewed)

19 CONTINGENCIES AND COMMITMENTS

Credit-related commitments include commitments to extend guarantees and acceptances which are designed to meet the requirements of the Group's customers. Guarantees and acceptances commit the Group to make payments to third parties on behalf of customers in certain circumstances.

The Group has the following credit related commitments:

	<i>Reviewed</i> 30 September 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Guarantees	10,528	12,759

20 FIDUCIARY ASSETS

The assets managed on behalf of customers, to which the Group does not have any legal title are not included in the consolidated statement of financial position. At 30 September 2023, the carrying value of such assets is US\$ 74.99 million (31 December 2022: US\$ 96.64 million). The share of assets relating to non-controlling shareholders within the subsidiaries consolidated in the financial statements amounted to US\$ 27.07 million (31 December 2022: US\$ 26.70 million).