

INOVEST B.S.C.

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

30 SEPTEMBER 2022 (REVIEWED)

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

Shari'a Supervisory Board

Sheikh Dr. Hamad Yusuf Al Mazrouie	- Chairman
Sheikh Dr. Abdulrahman Mohammed Al Baloul	- Vice Chairman
Dr. Mohammed Abdulrahman Al Shurafa	- Member

Corporate Governance, Nomination and Remuneration Committee members

Mohammed Abdulwahab Al Matook	- Chairman
Abdullah Mohammed Al-Abduljader	- Vice-Chairman
Mohammad Hamed Al-Shalfan	- Member

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 Commercial Bank B.S.C.
Al Baraka Islamic Bank B.S.C. (c)
Al Salam Bank, Bahrain B.S.C.

Auditors

Ernst & Young (EY)
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

In the name of Allah, The Beneficent, The Merciful

Sharia Supervisory Board Report on the activities of INOVEST Company B.S.C For the Nine Months Period Ended 30 September 2022.

All praise is due to Allah , Lord of the worlds, Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

To the Shareholders of INOVEST B.S.C **"the Company"**,

Acting as Sharia Supervisory Board **"SSB"** pursuant to the appointment resolution passed by the General Assembly of the Company and SSB meeting on Thursday 6th Nov. 2022 in State of Kuwait, we are required to provide the following report:

The SSB has reviewed the Company's principles, contracts related transactions, and applications submitted by the Company's management for the Nine months period ended 30 September 2022 , and based on the Sharia auditor presentation of the Company's activities for the abovementioned period, and comparing it with the fatwa and rulings issued.

The Company's management is responsible for ensuring that the Company conducts its business in accordance with the Islamic Shari'a Rules and principles. It is our responsibility to form an independent opinion, based on our review of the Company's operations and to report to you.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated Islamic Shari rules and principles.

In our opinion:

The contracts and transactions concluded by the Company during the Nine Months Period Ended 30 September 2022 that we have reviewed are in compliance with the Islamic Shari'a Rules and Principles.

Also, the SSB has approved the financial statements and concluded that it's prepared in an acceptable form from Islamic Sharia view. The respective report has been prepared based on the information provided by the Company.

Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

Dr. Hamad Yusuf AlMazrouie

Chairman



Dr. Abdulrahman Mohamad Al-Baloul

Vice Chairman



Dr. Mohamad Abdulrahman AlShurafa

Member



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 2022 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 the accounting policies disclosed in note 2. 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 the accounting policies disclosed in note 2.



9 November 2022
Manama, Kingdom of Bahrain

INOVEST B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022 (Reviewed)

		<i>Reviewed</i> 30 September 2022	<i>Audited</i> 31 December 2021
	<i>Note</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
ASSETS			
Cash and bank balances	4	21,844	26,376
Accounts receivable	5	21,993	20,411
Investments	6	14,961	12,964
Investment in joint ventures and associates	7	94,151	95,048
Investments in real estate	8	79,410	79,524
Property, plant and equipment	9	9,362	8,361
Right of use asset	10	182	264
Other assets	11	911	531
TOTAL ASSETS		242,814	243,479
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Other liabilities and accounts payable	12	67,399	69,123
Ijarah liability		197	274
Financing from a bank		4,950	5,757
Total liabilities		72,546	75,154
Owners' Equity			
Share capital		120,334	120,334
Less: Treasury shares		(1,309)	(1,309)
		119,025	119,025
Reserves		6,864	6,864
Retained earnings		18,999	17,198
Equity attributable to Parent's shareholders		144,888	143,087
Non-controlling interest		25,380	25,238
Total owners' equity		170,268	168,325
TOTAL LIABILITIES AND OWNERS' EQUITY		242,814	243,479



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 2022 (Reviewed)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
OPERATING INCOME					
Net income from					
construction contracts	13	105	68	672	467
Income from investments	14	1,021	773	3,413	2,314
Fee from management and other services - net		961	580	2,543	1,010
Net share of (loss) /profit from investment in joint ventures and associates	7	(239)	78	(525)	(217)
Other income	15	498	317	947	1,035
TOTAL OPERATING INCOME		2,346	1,816	7,050	4,609
OPERATING EXPENSES					
Staff costs		974	927	2,984	2,993
General and administrative expenses		482	244	1,548	1,637
Property related expenses		472	349	1,400	934
Depreciation	9	95	190	286	556
Financing costs		82	76	264	247
Net Ijarah cost		30	32	93	43
TOTAL OPERATING EXPENSES		2,135	1,818	6,575	6,410
NET OPERATING PROFIT / (LOSS)		211	(2)	475	(1,801)
Net reversal of provision for expected credit loss	4 & 5	179	29	201	222
Net movement in provision for case compensation		-	-	1,267	-
PROFIT / (LOSS) FOR THE PERIOD		390	27	1,943	(1,579)
Attributable to :					
Equity shareholders of the Parent		359	12	1,801	(1,659)
Non-controlling interest		31	15	142	80
		390	27	1,943	(1,579)
BASIC AND DILUTED EARNINGS / (LOSS)					
PER SHARE (US\$ cents)	16	0.12	0.00	0.61	(0.56)



 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 2022 (Reviewed)

	<i>Equity attributable to Parent's shareholders</i>							<i>Total owners' equity</i> US\$ '000	
	<i>Share capital</i> US\$ '000	<i>Treasury shares</i> US\$ '000	<i>Statutory reserve</i> US\$ '000	<i>Reserves</i>		<i>Retained earnings</i> US\$ '000	<i>Total equity</i> US\$ '000		<i>Non-controlling interest</i> US\$ '000
				<i>Fair value through equity reserve</i> US\$ '000					
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	
As at 30 September 2022 (Reviewed)	120,334	(1,309)	4,651	2,213	18,999	144,888	25,380	170,268	
At 1 January 2021	120,334	(1,309)	4,576	1,495	16,527	141,623	25,107	166,730	
Cumulative movement in fair value of investments	-	-	-	680	-	680	-	680	
(Loss) / profit for the period	-	-	-	-	(1,659)	(1,659)	80	(1,579)	
As at 30 September 2021 (Reviewed)	120,334	(1,309)	4,576	2,175	14,868	140,644	25,187	165,831	

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 2022 (Reviewed)

	Note	Nine months ended 30 September	
		2022 US\$ '000	2021 US\$ '000
OPERATING ACTIVITIES			
Profit / (loss) for the period		1,943	(1,579)
Adjustments for:			
Depreciation	9	475	731
Net ijarah cost		93	43
Net share of loss from investment in joint ventures and associates	7	525	217
Net reversal of ECL	4 & 5	(201)	(222)
Write off during the period / year	5	(278)	-
Net movement in provision for case compensation		(1,267)	-
Gain on sale of investment in real estate	14	(579)	-
		711	(810)
Net changes in operating assets and liabilities:			
Short-term deposits (with an original maturity of more than 90 days)	4	(3,440)	(315)
Movement in restricted cash		-	(35)
Accounts receivable		(1,228)	4,716
Other assets		(380)	199
Other liabilities and accounts payable		(457)	2,131
Ijarah payment		(88)	(33)
Net cash (used in) / from operating activities		(4,882)	5,853
INVESTING ACTIVITIES			
Purchase of investment		(2,289)	-
Additional capitalisation of investment in real estate	8	(465)	(2,476)
Proceeds from sale of investment in real estate - net		1,158	-
Proceeds from capital reduction for investments		292	323
Distributions received from a joint venture and associates	7	372	410
Purchase of property, plant and equipment	9	(1,478)	(253)
Proceeds from disposal of property, plant and equipment		2	-
Net cash used in investing activities		(2,408)	(1,996)
FINANCING ACTIVITY			
Net movement in financing from a bank		(807)	247
Net cash (used in) / from financing activity		(807)	247
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(8,097)	4,104
Cash and cash equivalents at the beginning of the period		18,642	17,568
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	10,545	21,672
Non cash transactions:			
Changes in Investment fair value reserve		-	680

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

Inovent B.S.C.

INTERIM CONSOLIDATED STATEMENT OF SOURCES AND USES OF CHARITY FUND

For the nine month period ended 30 September 2022 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2022	2021	2022	2021
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Sources of charity funds				
Undistributed charity funds at the beginning of the period	24	24	24	24
Contributions by the Company	-	-	-	-
Total sources of charity funds during the period	24	24	24	24
Undistributed charity funds at end of period	24	24	24	24

As at 30 September 2022 (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 2022 was 665 employees (31 December 2021: 357 employees).

The interim condensed consolidated financial statements for the nine months period ended 30 September 2022 were authorised for issue in accordance with a resolution of the Board of Directors dated 9 November 2022.

As at 30 September 2022 (Reviewed)

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 2022 have been prepared in accordance with the guidance given by International Accounting Standard 34 - *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 2021. 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.

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 2021 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>	Ownership 2022	<i>Ownership 2021</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held directly by the Company					
Al Khaleej Development Co. W.L.L	100.00%	100.00%	Kingdom of Bahrain	2009	Purchase, sale, management and development of properties.

The following are the subsidiaries held indirectly through Al Khaleej Development Co. 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.
Eresco Tamcon JV B.S.C (c)	100.00%	100.00%	Kingdom of Bahrain	2014	Construction and maintenance of villas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

2 ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

<i>Name of the subsidiary</i>	Ownership 2022	<i>Ownership 2021</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held indirectly by the Company (continued)					
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.

2.4 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 2021, except for the adoption of following FASs as explained below.

- **FAS 37 "Financial Reporting by Waqf Institutions" (effective 1 January 2022)**

The standard establishes principles of financial reporting by Waqf financial institutions, which are established and operated in line with Shari'ah principle and rules.

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 2022.

- **FAS 38 Wa'ad, Khiyar and Tahawwut (effective 1 January 2022)**

The standard prescribes the accounting and reporting principles and requirements for Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for the institutions.

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 2022.

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 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.

- 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 1 "General Presentation and Disclosures in the Financial Statements" (revised) (effective 1 January 2023)

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.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the nine-month period ended 30 September 2022 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

4 CASH AND BANK BALANCES

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
Short-term deposits (with an original maturity of 90 days or less)	1,468	9,087
Current account balances with banks	9,065	9,542
Cash in hand	12	13
	<hr/>	<hr/>
Total cash and cash equivalents	10,545	18,642
Short-term deposits (with an original maturity of more than 90 days)	11,335	7,895
Less: Provision for expected credit losses	(36)	(161)
	<hr/>	<hr/>
Total cash and bank balances	21,844	26,376
	<hr/> <hr/>	<hr/> <hr/>

Movements in the provision for expected credit loss:

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
At 1 January	161	142
(Reversals) / charge during the period / year	(125)	19
	<hr/>	<hr/>
	36	161
	<hr/> <hr/>	<hr/> <hr/>

5 ACCOUNTS RECEIVABLE

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
Amounts due from related parties (note 17)	13,115	12,830
Trade receivables	6,798	8,729
Rent receivable	1,332	1,296
Other receivables	23,866	21,028
	<hr/>	<hr/>
	45,111	43,883
Less: provision for expected credit losses	(23,118)	(23,472)
	<hr/>	<hr/>
	21,993	20,411
	<hr/> <hr/>	<hr/> <hr/>

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 2022 (Reviewed)

5 ACCOUNTS RECEIVABLE (continued)

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

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
At 1 January	23,472	23,905
Write off during the period / year	(278)	-
Write back during the period / year	(76)	(433)
	<u>23,118</u>	<u>23,472</u>

6 INVESTMENTS

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
Equity investment in real estate	12,971	12,964
Managed funds	1,990	-
	<u>14,961</u>	<u>12,964</u>

7 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
At 1 January	95,048	95,681
Net share of loss	(525)	(223)
Distributions during the period / year	(372)	(410)
	<u>94,151</u>	<u>95,048</u>

8 INVESTMENTS IN REAL ESTATE

	<i>Reviewed</i> 30 September 2022 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
At 1 January	79,524	76,824
Additions during the period / year	465	2,700
Disposals during the period / year	(579)	-
	<u>79,410</u>	<u>79,524</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Capital WIP US\$ '000</i>	<i>Buildings on leasehold land US\$ '000</i>	<i>Machinery, equipment furniture and fixtures US\$ '000</i>	<i>Computer hardware and software US\$ '000</i>	<i>Motor vehicles US\$ '000</i>	<i>Total US\$ '000</i>
Cost						
At 1 January 2022	-	10,122	10,694	1,592	2,254	24,662
Additions	73	-	1,192	132	81	1,478
Disposals	-	-	-	-	(16)	(16)
As at 30 September 2022 (Reviewed)	73	10,122	11,886	1,724	2,319	26,124
Accumulated depreciation						
At 1 January 2022	-	3,081	9,727	1,533	1,960	16,301
Charge	-	136	218	60	61	475
Disposals	-	-	-	-	(14)	(14)
As at 30 September 2022 (Reviewed)	-	3,217	9,945	1,593	2,007	16,762
Net book amount:						
As at 30 September 2022 (Reviewed)	73	6,905	1,941	131	312	9,362
At 31 December 2021	-	7,041	967	59	294	8,361

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

	<i>Reviewed Nine months ended 30 September</i>	
	2022	2021
	US\$ '000	US\$ '000
Depreciation charged to contract costs (note 13)	189	175
Depreciation charged to expenses	286	556
	475	731

10 RIGHT OF USE ASSET

	<i>Reviewed 30 September 2022 US\$ '000</i>	<i>Audited 31 December 2021 US\$ '000</i>
Cost		
At 1 January	328	-
Additions	-	328
	328	328
Accumulated amortisation		
At 1 January	64	-
Charge for the period / year	82	64
	146	64
Net book value	182	264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

11 OTHER ASSETS

	<i>Reviewed</i> 30 September 2022 <i>US\$ '000</i>	<i>Audited</i> 31 December 2021 <i>US\$ '000</i>
Advances to contractors	528	274
Prepayments	383	257
	<u>911</u>	<u>531</u>

12 OTHER LIABILITIES AND ACCOUNTS PAYABLE

	<i>Reviewed</i> 30 September 2022 <i>US\$ '000</i>	<i>Audited</i> 31 December 2021 <i>US\$ '000</i>
Payable to the Government	50,105	50,105
Accruals and other payables	4,962	7,992
Advances from construction clients	4,914	4,970
Case compensation and other contingencies	2,122	3,389
Trade payables	4,214	1,469
Retentions payable	1,014	1,046
Amounts due to related parties (note 17)	68	152
	<u>67,399</u>	<u>69,123</u>

13 NET INCOME FROM CONSTRUCTION CONTRACTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i>	
	2022 <i>US\$ '000</i>	2021 <i>US\$ '000</i>
Contract income	10,829	4,192
Contract costs	(10,157)	(3,725)
	<u>672</u>	<u>467</u>

14 INCOME FROM INVESTMENTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i>	
	2022 <i>US\$ '000</i>	2021 <i>US\$ '000</i>
Rental income	2,802	2,314
Realised gain on sale of investment in real estate	579	-
Dividend income	32	-
	<u>3,413</u>	<u>2,314</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

15 OTHER INCOME

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2022	2021
	US\$ '000	US\$ '000
Profit on short-term deposits	554	119
Electricity and water services	244	408
Others	149	508
	947	1,035

16 BASIC AND DILUTED EARNINGS / (LOSS) 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>	
	2022	2021
	US\$ '000	US\$ '000
Income / (loss) attributable to the equity shareholders of the parent for the period	1,801	(1,659)
Weighted average number of shares outstanding at the beginning and end of the period	297,162	297,162
Earnings / (loss) per share - US\$ cents	0.61	(0.56)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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 period end are unsecured.

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

	30 September 2022				31 December 2021			
	Key management personnel/ Associates and joint venture			Total	Key management personnel/ Associates and joint venture			Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Accounts receivable - gross	9,993	-	3,122	13,115	9,810	-	3,020	12,830
Provision for expected credit losses	(2,998)	-	(2,409)	(5,407)	(2,997)	-	(2,409)	(5,406)
Accounts receivable - net	6,995	-	713	7,708	6,813	-	611	7,424
Investment in joint ventures and associates	94,151	-	-	94,151	95,048	-	-	95,048
Other liabilities and accounts payable	8	15	45	68	15	15	122	152

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

	30 September 2022				30 September 2021			
	Key management personnel/ Associates and joint venture			Total	Key management personnel/ Associates and joint venture			Total
	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	161	-	-	161
Net share of loss from investment in joint ventures and associates	(525)	-	-	(525)	(217)	-	-	(217)
	(370)	-	-	(370)	(56)	-	-	(56)
Expenses								
Staff costs	-	1,398	-	1,398	-	1,390	-	1,390
General and administrative expenses	8	178	102	288	6	145	90	241
	8	1,576	102	1,686	6	1,535	90	1,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (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>	
	2022	2021
	US\$ '000	US\$ '000
Salaries and other benefits	1,398	1,390

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 condensed consolidated financial statements as set out in note 2. 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 2022 - 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	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022 (Reviewed)

18 SEGMENTAL INFORMATION (continued)

	30 September 2021 - Reviewed				
	<i>Investment and related services</i> US\$ '000	<i>Construction Contracts</i> US\$ '000	<i>Development and sale of industrial plots</i> US\$ '000	<i>Eliminations</i> US\$ '000	<i>Total</i> US\$ '000
Net revenues from external customers	483	534	3,240	(466)	3,791
Inter-segment transactions	53	33	128	(214)	-
Net share of loss from investment in joint ventures and associates (note 7)	(190)	-	-	(27)	(217)
Other income	163	406	466	-	1,035
Total revenue	509	973	3,834	(707)	4,609
Segment (loss) / profit	(2,606)	(1,424)	2,531	(80)	(1,579)

(b) Segment information relating to the interim consolidated statement of financial position as at 30 September 2022 and 31 December 2021 is disclosed as follows:

	30 September 2022 - Reviewed				
	<i>Investment and related services</i> US\$ '000	<i>Construction Contracts</i> US\$ '000	<i>Development and sale of industrial plots</i> US\$ '000	<i>Eliminations</i> US\$ '000	<i>Total</i> US\$ '000
Segment assets	389,339	40,660	149,667	(336,852)	242,814
Segment liabilities	141,978	14,623	53,879	(137,934)	72,546

	31 December 2021 - Audited				
	<i>Investment and related services</i> US\$ '000	<i>Construction Contracts</i> US\$ '000	<i>Development and sale of industrial plots</i> US\$ '000	<i>Eliminations</i> US\$ '000	<i>Total</i> US\$ '000
Segment assets	386,215	40,124	122,708	(305,568)	243,479
Segment liabilities	137,777	13,156	53,071	(128,850)	75,154

19 CONTINGENCIES AND COMMITMENTS

The Group has the following credit related commitments:

	Reviewed 30 September 2022 US\$ '000	Audited 31 December 2021 US\$ '000
Guarantees	13,194	2,200

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 2022, the carrying value of such assets is US\$ 97.19 million (31 December 2021: US\$ 98.21 million). The share of assets relating to non-controlling shareholders within the subsidiaries consolidated in the financial statements amounted to US\$ 26.54 million (31 December 2021: US\$ 26.40 million).