

INOVEST B.S.C.

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

31 MARCH 2023 (REVIEWED)

Inovest B.S.C.

Administration and contact details as at 31 March 2023

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Mohammad Hamed Al-Shalfan
Mohammad Salah Al-Ayoub
Abdulaziz Asaad Al-Sanad
Mohamed Abdulwahab Al Matook
Abdullah Mohammed Al-Abduljader
Dr. Abdulaziz Fahad Al Dakheel
Ausama Abdulrahim Al-Khaja

- Chairman
- Vice-Chairman
- Director
- Director
- Director
- Director
- Director

Chief Executive Officer

Yaser Hamad Al-Jar

Board Secretary

Riyadh Mahmood Mulla Ahmed

Sharia'a Supervisory Board

Sheikh Dr. Hamad Yousef Al Mazrouei
Sheikh Dr. Abdulrahman Mohammad Al Baloul
Mohammad Abdulrahman Al Shurafa

- Chairman
- Vice-Chairman
- Member

Nomination and Remuneration Committee members

Mohammed Abdulwahab Al Matook
Abdullah Mohammed Al-Abduljader
Mohammad Hamed Al-Shalfan

- Chairman
- Vice-Chairman
- Member

Corporate Governance, Audit and Risk Committee members

Ausama Abdulrahim Al-Khaja
Mohammad Salah Al-Ayoub
Abdullah Mohammed Al-Abduljader

- Chairman
- Vice-Chairman
- 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 - 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

In the name of Allah, The Beneficent, The Merciful

**Sharia Supervisory Board Report on the activities of INOVEST Company B.S.C For the three Months
Period Ended 31 March 2023.**

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 4th May 2023 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 Three months period ended 31 March 2023 , 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 three Months Period Ended 31 March 2023 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 31 March 2023 of Inovert B.S.C. (the "Company") and its subsidiaries (together the "Group"), the related interim consolidated statements of income, changes in owner's equity, cash flows and sources and uses of charity fund for the three 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.



10 May 2023
Manama, Kingdom of Bahrain

INOVEST B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023 (Reviewed)

		Reviewed	<i>Audited</i>
		31 March	<i>31 December</i>
		2023	<i>2022</i>
	<i>Note</i>	US\$ '000	<i>US\$ '000</i>
ASSETS			
Cash and bank balances	4	14,958	17,819
Accounts receivable	5	23,831	20,626
Investments	6	14,848	14,788
Investment in joint ventures and associates	7	93,806	93,908
Investments in real estate	8	82,567	82,045
Property, plant and equipment	9	9,873	10,009
Right of use asset	10	128	155
Other assets	11	2,173	977
TOTAL ASSETS		242,184	240,327
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Other liabilities and accounts payable	12	69,764	66,990
Lease liability		103	167
Financing from a bank		2,857	3,912
Total liabilities		72,724	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		18,132	18,029
Equity attributable to Parent's shareholders		143,939	143,836
Non-controlling interest		25,521	25,422
Total owners' equity		169,460	169,258
TOTAL LIABILITIES AND OWNERS' EQUITY		242,184	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.

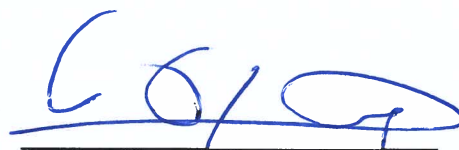
INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2023 (Reviewed)

	Note	Three months ended	
		31 March	
		2023	2022
		US\$ '000	US\$ '000
OPERATING INCOME			
Net income from construction contracts	13	535	224
Income from investments	14	1,099	1,447
Fee from management and other services-net		356	1,461
Net share of income from investment in joint ventures and associates	7	68	91
Other income	15	373	225
TOTAL OPERATING INCOME		2,431	3,448
OPERATING EXPENSES			
Staff costs		1,004	1,005
General and administrative expenses		563	492
Property related expenses		443	463
Depreciation	9	69	99
Financing costs		48	77
Net Ijarah cost		29	31
TOTAL OPERATING EXPENSES		2,156	2,167
NET OPERATING INCOME		275	1,281
Net (charge) / reversal of provision for expected credit loss 4 & 5		(73)	54
PROFIT FOR THE PERIOD		202	1,335
Attributable to :			
Equity shareholders of the Parent		103	1,292
Non-controlling interest		99	43
		202	1,335
BASIC AND DILUTED EARNINGS			
PER SHARE (US\$ cents)	16	0.03	0.43



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 three month period ended 31 March 2023 (Reviewed)

	<i>Equity attributable to Parent's shareholders</i>							<i>Total owners' equity</i> <i>US\$ '000</i>	
	<i>Share capital</i> <i>US\$ '000</i>	<i>Treasury shares</i> <i>US\$ '000</i>	<i>Statutory reserve</i> <i>US\$ '000</i>	<i>Reserves</i>		<i>Retained earnings</i> <i>US\$ '000</i>	<i>Total equity</i> <i>US\$ '000</i>		<i>Non-controlling interest</i> <i>US\$ '000</i>
				<i>Fair value through equity reserve</i> <i>US\$ '000</i>					
At 1 January 2023	120,334	(1,309)	4,743	2,039	18,029	143,836	25,422	169,258	
Profit for the period	-	-	-	-	103	103	99	202	
At 31 March 2023	120,334	(1,309)	4,743	2,039	18,132	143,939	25,521	169,460	
At 1 January 2022	120,334	(1,309)	4,651	2,213	17,198	143,087	25,238	168,325	
Profit for the period	-	-	-	-	1,292	1,292	43	1,335	
At 31 March 2022	120,334	(1,309)	4,651	2,213	18,490	144,379	25,281	169,660	

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 three month period ended 31 March 2023 (Reviewed)

	Note	Three months ended 31 March	
		2023 US\$ '000	2022 US\$ '000
OPERATING ACTIVITIES			
Profit for the period		202	1,335
Adjustments for:			
Depreciation	9	158	143
Net charge / (reversal) of provision for expected credit loss	4 & 5	73	(54)
Net share of income from investment in joint ventures and associates	7	(68)	(91)
Net ijarah cost		29	31
		394	1,364
Net changes in operating assets and liabilities:			
Short-term deposits (with an original maturity of more than 90 days)		(1)	(5,658)
Accounts receivable		(3,303)	634
Other assets		(1,196)	(968)
Other liabilities and accounts payable		2,774	874
Ijarah payment		(66)	(55)
Net cash used in operating activities		(1,398)	(3,809)
INVESTING ACTIVITIES			
Proceeds from capital reduction for FVTE investment		-	292
Purchase of investment		(60)	(1,990)
Purchase of investment in a joint venture and associates	7	(202)	-
Additional capitalisation of investment in real estate	8	(522)	(155)
Distributions received from a joint venture and associates	7	372	-
Purchase of property, plant and equipment	9	(22)	(81)
Net cash used in investing activities		(434)	(1,934)
FINANCING ACTIVITIES			
Net movement in financing from a bank		(1,055)	110
Net cash (used in) / from financing activities		(1,055)	110
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(2,887)	(5,633)
Cash and cash equivalents at the beginning of the period		7,291	18,642
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	4,404	13,009

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 three month period ended 31 March 2023 (Reviewed)

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	US\$ '000	US\$ '000
Sources of charity funds		
Undistributed charity funds at the beginning of the period	21	24
Contributions for charitable purposes	-	-
Undistributed charity funds at end of the period	21	24

As at 31 March 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 31 March 2023 was 678 employees (31 December 2022: 650 employees).

The interim condensed consolidated financial statements for the three months period ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors dated 10 May 2023.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2023 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 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>	Ownership 2023	<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.

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.

As at 31 March 2023 (Reviewed)

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 31 March 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.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the three-month period ended 31 March 2023 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 31 March 2023 (Reviewed)

4 CASH AND BANK BALANCES

	<i>Reviewed</i> 31 March 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Short-term deposits (with an original maturity of 90 days or less)	54	1,483
Current account balances with banks	4,339	5,800
Cash in hand	11	8
	<hr/>	<hr/>
Total cash and cash equivalents	4,404	7,291
Short-term deposits (with an original maturity of more than 90 days)	10,661	10,660
Less: Provisions for expected credit loss	(107)	(132)
	<hr/>	<hr/>
Total cash and bank balances	14,958	17,819
	<hr/> <hr/>	<hr/> <hr/>

Movements in the provision for expected credit loss:

	<i>Reviewed</i> 31 March 2023 US\$ '000	<i>Audited</i> 31 December 2021 US\$ '000
At 1 January	132	161
Reversals during the period / year	(25)	(29)
	<hr/>	<hr/>
	107	132
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5 ACCOUNTS RECEIVABLE

	<i>Reviewed</i> 31 March 2023 US\$ '000	<i>Audited</i> 31 December 2022 US\$ '000
Amounts due from related parties (note 17)	13,239	13,154
Trade receivables	7,972	5,838
Rent receivable	1,368	1,311
Other receivables	24,511	23,484
	<hr/>	<hr/>
	47,090	43,787
Less: provision for expected credit losses	(23,259)	(23,161)
	<hr/>	<hr/>
	23,831	20,626
	<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 31 March 2023 (Reviewed)

5 ACCOUNTS RECEIVABLE (continued)

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

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
At 1 January	23,161	23,472
Write off during the period / year	-	(305)
Charge / (write back) during the period / year	98	(6)
	23,259	23,161

6 INVESTMENTS

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
Equity-type instruments at fair value through equity - Unquoted		
Equity investment in real estate	19,799	19,739
Managed funds	1,990	1,990
	21,789	21,729
Less: Provision for impairment	(6,941)	(6,941)
	14,848	14,788

7 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
At 1 January	93,908	95,048
Acquisitions during the period / year	202	247
Share of net profit / (loss)	68	(1,015)
Distributions during the period / year	(372)	(372)
	93,806	93,908

8 INVESTMENTS IN REAL ESTATE

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
At 1 January	82,045	79,524
Additions during the period / year	522	3,100
Disposals during the period / year	-	(579)
	82,567	82,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023 (Reviewed)

9 PROPERTY, PLANT AND EQUIPMENT

	<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 2023	10,122	12,780	1,737	2,312	26,951
Additions	1	21	-	-	22
As at 31 March 2023 (Reviewed)	10,123	12,801	1,737	2,312	26,973
Accumulated depreciation					
At 1 January 2023	3,265	10,046	1,610	2,021	16,942
Charge	45	77	15	21	158
As at 31 March 2023 (Reviewed)	3,310	10,123	1,625	2,042	17,100
Net book amount:					
As at 31 March 2023 (Reviewed)	6,813	2,678	112	270	9,873
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 Three months ended 31 March</i>	
	2023	2022
	US\$ '000	US\$ '000
Depreciation charged to contract costs (note 13)	89	44
Depreciation charged to expenses	69	99
	158	143

10 RIGHT OF USE ASSET

	<i>Reviewed 31 March 2023 US\$ '000</i>	<i>Audited 31 December 2022 US\$ '000</i>
Cost		
Opening	328	328
Additions	-	-
	328	328
Accumulated amortisation		
At 1 January	173	64
Charge	27	109
	200	173
Net book value	128	155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023 (Reviewed)

11 OTHER ASSETS

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
Advances to contractors	985	591
Prepayments	469	381
Others	719	5
	2,173	977

12 OTHER LIABILITIES AND ACCOUNTS PAYABLE

	<i>Reviewed</i> 31 March 2023 <i>US\$ '000</i>	<i>Audited</i> 31 December 2022 <i>US\$ '000</i>
Payable to the Government	50,105	50,105
Accruals and other payables	7,507	5,698
Advances from construction clients	2,483	3,293
Case compensation and other contingencies	1,799	1,799
Trade payables	6,653	4,940
Retentions payable	1,085	1,042
Amounts due to related parties (note 17)	132	113
	69,764	66,990

13 NET INCOME FROM CONSTRUCTION CONTRACTS

	<i>Reviewed</i> <i>Three months ended</i> <i>31 March</i>	
	2023 <i>US\$ '000</i>	2022 <i>US\$ '000</i>
Contract income	6,812	2,599
Contract costs	(6,277)	(2,375)
	535	224

14 INCOME FROM INVESTMENTS

	<i>Reviewed</i> <i>Three months ended</i> <i>31 March</i>	
	2023 <i>US\$ '000</i>	2022 <i>US\$ '000</i>
Rental income	1,066	868
Gain on sale of investment in real estate	-	579
Dividend income	33	-
	1,099	1,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023 (Reviewed)

15 OTHER INCOME

	<i>Reviewed</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	US\$ '000	US\$ '000
Profit on short-term deposits	118	162
Electricity and water services	198	-
Others	57	63
	373	225

16 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Reviewed</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	US\$ '000	US\$ '000
Income attributable to the equity shareholders of the parent for the period - US\$ '000	103	1,292
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	0.03	0.43

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 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:

	<i>Reviewed</i> 31 March 2023				<i>Audited</i> 31 December 2022			
	<i>Key management personnel/ Associates and joint venture</i> <i>US\$ '000</i>	<i>Board members/ external auditors</i> <i>US\$ '000</i>	<i>Other related parties</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Key management personnel/ Associates and joint venture</i> <i>US\$ '000</i>	<i>Board members/ external auditors</i> <i>US\$ '000</i>	<i>Other related parties</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Accounts receivable - gross	10,039	-	3,200	13,239	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	7,041	-	791	7,832	7,004	-	743	7,747
Other liabilities and accounts payable	13	38	81	132	11	23	79	113

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

	<i>Reviewed</i> 31 March 2023				<i>Reviewed</i> 31 March 2022			
	<i>Key management personnel/ Associates and joint venture</i> <i>US\$ '000</i>	<i>Board members/ external auditors</i> <i>US\$ '000</i>	<i>Other related parties</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Key management personnel/ Associates and joint venture</i> <i>US\$ '000</i>	<i>Board members/ external auditors</i> <i>US\$ '000</i>	<i>Other related parties</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Income								
Fee from management and other services-net	52	-	-	52	52	-	-	52
Net share of income from investment in a joint venture and associates	68	-	-	68	91	-	-	91
	120	-	-	120	143	-	-	143
Expenses								
Staff costs	-	447	-	447	-	466	-	466
General and administrative expenses	3	53	30	86	4	64	22	90
	3	500	30	533	4	530	22	556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Compensation of the key management personnel is as follows:

	<i>Reviewed</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	US\$ '000	US\$ '000
Salaries and other benefits	447	466

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 four 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:

	31 March 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>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from					
external customers	28	586	1,394	(51)	1,957
Inter-segment transactions	92	-	94	(186)	-
Income from investments	-	-	33	-	33
Net share of profit / (loss) from					
investment in joint					
ventures and associates					
(note 7)	85	(5)	-	(12)	68
Other income	-	128	245	-	373
Total revenue	205	709	1,766	(249)	2,431
Segment profit / (loss)	801	(5)	1,357	(1,951)	202
Segment assets	385,397	40,804	153,473	(337,490)	242,184
Segment liabilities	138,457	16,472	55,453	(137,658)	72,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023 (Reviewed)

18 SEGMENTAL INFORMATION (continued)

	31 March 2022 - Reviewed				Total US\$ '000
	Investment and related services US\$ '000	Construction Contracts US\$ '000	Development and sale of industrial plots US\$ '000	Eliminations US\$ '000	
Net revenues from external customers	2,834	176	126	(4)	3,132
Inter-segment transactions	-	33	126	(159)	-
Net share of profit from investment in joint ventures and associates (note 7)	101	-	-	(10)	91
Other income	-	106	119	-	225
Total revenue	2,935	315	371	(173)	3,448
Segment profit / (loss)	206	(457)	(76)	1,662	1,335
Segment assets	385,590	38,708	150,720	(334,691)	240,327
Segment liabilities	139,507	14,370	54,060	(136,868)	71,069

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:

	Reviewed 31 March 2023 US\$ '000	Audited 31 December 2022 US\$ '000
Guarantees	12,759	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 31 March 2023, the carrying value of such assets is US\$ 96.56 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\$ 26.90 million (31 December 2022: US\$ 26.70 million).