

Hily Holding PJSC

Condensed consolidated interim financial statements

31 March 2024

Principal business address:

P.O. Box 2378

Abu Dhabi

United Arab Emirates

Hily Holding PJSC

Condensed consolidated interim financial statements

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Hily Holding PJSC

REPORT OF THE BOARD OF DIRECTORS

31 March 2024

The Directors have pleasure in submitting their report and the condensed consolidated interim financial statements for the period ended 31 March 2024.

Principal activities

The principal activity of the Company and its subsidiaries (together, the “Group”) is primarily the management of securities portfolios, along with investing, development and management of real estate and commercial enterprises. The Group is also engaged in the importing and distribution of foodstuff and household items in the United Arab Emirates.

Financial results

The results of the Group for the period ended are set out on page 6 of the condensed consolidated interim financial statements.

For and on behalf of Board of Directors



Chairman of the Board



KPMG Lower Gulf Limited
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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Hily Holding PJSC

Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial statements of Hily Holding PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2024;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2024;
- the condensed consolidated statement of other comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2024; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.



Hily Holding PJSC
*Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Statements
31 March 2024*

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Avtar Jalif
Registration No: 5413
Abu Dhabi, United Arab Emirates

Date: 15 MAY 2024

Hily Holding PJSC

Condensed consolidated statement of financial position

as at

		31 March 2024 AED	31 December 2023 AED
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		93,787,762	83,512,749
Intangible assets		284,475	319,249
Right of use assets		6,932,679	7,209,091
Investment properties	5	245,115,298	243,984,577
Equity-accounted investee	6	367,323,293	363,458,757
Investments held at fair value through other comprehensive income ("FVTOCI")	7	87,080,287	77,528,443
Investment at amortized cost	7	19,346,933	23,778,968
		<u>819,870,727</u>	<u>799,791,834</u>
Current assets			
Inventories	8	7,753,732	5,849,020
Investments held at fair value through profit or loss ("FVTPL")	7	230,983,984	227,510,434
Trade and other receivables	9	46,254,733	8,312,183
Prepayment		2,383,752	1,392,740
Amounts due from related parties	14	8,524,463	6,977,796
Cash and cash equivalents	10	71,021,241	70,223,083
		<u>366,921,905</u>	<u>320,265,256</u>
TOTAL ASSETS		<u>1,186,792,632</u>	<u>1,120,057,090</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		120,000,000	120,000,000
Legal reserve		60,000,000	60,000,000
Regulatory reserve		60,000,000	60,000,000
Fair value reserve		(32,884,051)	(29,944,678)
Retained earnings		412,726,612	389,734,970
Equity attributable to Owners of the Company		<u>619,842,561</u>	<u>599,790,292</u>
Non-controlling interests		4,867,693	4,849,147
Total equity		<u>624,710,254</u>	<u>604,639,439</u>

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Hily Holding PJSC

Condensed consolidated statement of financial position (continued) as at

	31 March 2024 AED	31 December 2023
Non-current liability		
Provision for employees' end of service benefits	3,603,853	3,523,105
Lease liability	5,445,861	5,522,920
Loans and borrowings	11 210,927,446	201,020,727
Deferred tax liabilities	18 177,753	-
	<u>220,154,913</u>	<u>210,066,752</u>
Current liabilities		
Lease liability	1,508,202	1,508,202
Loans and borrowings	11 195,351,329	183,331,187
Trade and other payables	12 144,948,338	120,401,965
Amounts due to related parties	14 119,596	109,545
	<u>341,927,465</u>	<u>305,350,899</u>
Total liabilities	<u>562,082,378</u>	<u>515,417,651</u>
TOTAL EQUITY AND LIABILITIES	<u>1,186,792,632</u>	<u>1,120,057,090</u>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34.

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 15 MAY 2024, and was signed on their behalf by:


Ahmed Ali Khalfan Al Dhaheri
Chairman


Mohammed Hafez
Chief Financial Officer

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

Hily Holding PJSC

Condensed consolidated statement of profit or loss

for the three – month period ended

		31 March 2024 AED (Unaudited)	31 March 2023 AED (Unaudited)
	<i>Note</i>		
Revenue from contracts with customers	13	21,153,309	19,910,555
Income from investment properties	13	8,949,261	8,647,014
Net income from investments	13	14,986,981	11,775,031
		45,089,551	40,332,600
Direct costs		(16,194,756)	(16,689,758)
Selling and distribution expenses		(4,329,418)	(5,378,666)
General and administrative expenses		(4,803,437)	(4,870,241)
Impairment loss on trade receivables		-	(176,954)
Share of results of associate	6	12,111,985	8,698,386
Other income		109,399	25,083
Operating profit		31,983,324	21,940,450
Finance costs		(9,687,133)	(6,865,491)
Finance income		891,750	600,521
Profit before tax		23,187,941	15,675,480
Income tax expense		(177,753)	-
Profit after tax		23,010,188	15,675,480
Attributable to:			
Owners of the Company		22,991,642	15,760,849
Non-controlling interests		18,546	(85,369)
		23,010,188	15,675,480
Basic and diluted earnings per share	16	0.19	0.13

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

Hily Holding PJSC

Condensed consolidated statement of other comprehensive income

for the three – month period ended

	31 March 2024 AED (Unaudited)	31 March 2023 AED (Unaudited)
Profit after tax for the period	23,010,188	15,675,480
Other comprehensive (loss):		
<i>Items that will not be reclassified to profit or loss</i>		
Net changes in fair value of investments held at fair value through other comprehensive income (FVTOCI)	(2,939,373)	(1,469,675)
Other comprehensive loss for the period	(2,939,373)	(1,469,675)
Total comprehensive income for the period	20,070,815	14,205,805
Attributable to:		
Owners of the Company	20,052,269	14,291,174
Non-controlling interests	18,546	(85,369)
	20,070,815	14,205,805

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

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Hily Holding PJSC

Condensed consolidated statement of changes in equity for the three-month period ended

	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Equity Retained earnings AED	Non- attributable to Owners of the Company AED	controlling interests ("NCI") AED	Total AED
At 1 January 2023 (Audited)	120,000,000	60,000,000	60,000,000	(35,586,124)	383,125,040	587,538,916	5,187,507	592,726,423
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	15,760,849	15,760,849	(85,369)	15,675,480
Other comprehensive loss	-	-	-	(1,469,675)		(1,469,675)	-	(1,469,675)
At 31 March 2023 (Unaudited)	120,000,000	60,000,000	60,000,000	(37,055,799)	398,885,889	601,830,090	5,102,138	606,932,228
At 1 January 2024 (Audited)	120,000,000	60,000,000	60,000,000	(29,944,678)	389,734,970	599,790,292	4,849,147	604,639,439
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	22,991,642	22,991,642	18,546	23,010,188
Other comprehensive loss	-	-	-	(2,939,373)	-	(2,939,373)	-	(2,939,373)
At 31 March 2024 (Unaudited)	120,000,000	60,000,000	60,000,000	(32,884,051)	412,726,612	619,842,561	4,867,693	624,710,254

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

Hily Holding PJSC

Condensed consolidated statement of cash flows

for the three-month period ended

	31 March 2024 AED (Unaudited)	31 March 2023 AED (Unaudited)
<i>Note</i>		
OPERATING ACTIVITIES		
Profit before tax for the period	23,187,941	15,675,480
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	885,665	882,838
Depreciation of right of use assets	276,412	223,812
Amortization of intangible assets	34,774	34,672
Finance costs	9,687,133	6,865,491
Finance income	(891,750)	(600,521)
Gain on disposal of property, plant and equipment	-	(4,801)
Provision for employees' end of service benefits	142,844	151,282
Net changes in fair value of investments held at FVTPL	(9,224,548)	(3,159,570)
Gain on disposal of investments (FVTPL and Amortised Cost)	(2,445,249)	(2,238,749)
Impairment loss on trade receivables, advances to suppliers and other receivables	1,712,800	176,955
Dividend income	(2,856,977)	(6,095,214)
Provision for slow moving inventories	1,120,989	95,141
Reversal of provision for slow moving inventories	-	(447,726)
Share of results of associate	(16,424,180)	(7,101,900)
Loss / (gain) on recognition	4,312,195	(1,596,486)
Interest income on investment at amortized cost	(460,207)	(281,501)
	<u>9,057,842</u>	<u>2,579,203</u>
<i>Changes in:</i>		
Inventories	(3,025,701)	4,550,102
Trade and other receivables	(19,295,344)	(4,328,087)
Amounts due from related parties	(1,546,667)	(336,989)
Trade and other payables	22,355,262	36,037,378
Amounts due to related parties	10,051	189,744
Cash generated from operating activities	<u>7,555,443</u>	<u>38,691,351</u>
Employees' end of service benefits paid	(62,096)	(171,109)
Purchase of investment in securities	(39,614,688)	(58,963,100)
Purchase of investment at amortized cost	(11,137,730)	(14,933,440)
Proceeds from disposal of investment securities	50,245,008	16,683,086
Interest received from investment at amortized cost	1,104,682	294,200
Investment in additional shares of an existing associate	(10,252,551)	(4,124,082)
Net cash used in operating activities	<u>(2,161,932)</u>	<u>(22,523,094)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,160,678)	(5,413,054)
Proceeds from disposal of property, plant and equipment	-	5,701
Purchase of investment property	(1,130,721)	-
Net cash used in investing activities	<u>(12,291,399)</u>	<u>(5,407,353)</u>

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Hily Holding PJSC

Condensed consolidated statement of cash flows *(continued)* for the three-month period ended

	31 March 2024 AED	31 March 2023 AED
FINANCING ACTIVITIES		
Proceeds from borrowings	60,506,929	43,747,410
Repayment of borrowings	(39,335,479)	(41,436,772)
Payment of lease liability	(202,033)	(154,424)
Finance cost paid	(7,371,301)	(6,125,523)
Finance income received	897,964	-
Net cash generated from / (used in) financing activities	14,496,080	(3,969,309)
Net increase / (decrease) in cash and cash equivalents	42,749	(31,899,756)
Cash and cash equivalents as at 1 January	(82,318,341)	35,510,987
Cash and cash equivalents as at 31 March	10 (82,275,592)	3,611,231

The notes set out on pages 10 to 26 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 1 and 2.

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

Hily Holding PJSC (formerly known as Foodco Holding PJSC) (the "Company") is a public shareholding company incorporated in Abu Dhabi, United Arab Emirates. The Company was established in 1979. It is regulated and listed on the Abu Dhabi Securities Exchange. On 26 May 2022, the Company's name was changed from Foodco Holding PJSC to Hily Holding PJSC.

The Company and its subsidiaries (collectively referred to as the "Group") are primarily engaged in the management of securities portfolios, along with investing, development and management of real estate and commercial enterprises. The Group is also engaged in the importing and distribution of foodstuff and household items in the United Arab Emirates.

These condensed consolidated interim financial statements include the financial position and the financial performance of the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership		Principal activities
		31 March 2024	31 December 2023	
Subsidiaries directly under the Company				
National Oasis Foodstuff Company LLC	UAE	0%	0%	Packing of foodstuff
FOODCO National Foodstuff PJSC	UAE	97.78%*	97.78%	Catering services and restaurant business
Abu Dhabi National Catering LLC	UAE	100%	100%	Catering services and wholesale of foodstuff
Dana Plaza Real-Estate LLC	UAE	100%	100%	Investing, development and management of real estate and commercial enterprises
NURANA Properties WLL	Bahrain	100%	100%	Investing, development and management of real estate and commercial enterprises
Subsidiary of FOODCO National Foodstuff PJSC				
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	Shipment, clearance and warehousing services
National Oasis Foodstuff Company LLC	UAE	100%	100%	Packing of foodstuff

* Shares in FOODCO National Foodstuff PJSC with a quantity of 40,350,000 (31 December 2023: 40,350,000) shares are pledged with commercial banks for securing overdraft facility. (Note 11). FOODCO National Foodstuff PJSC has 280,000,000 (31 December 2023: 280,000,000) shares in issue and the net equity of FOODCO National Foodstuff PJSC amounts to AED 219.11 million (31 December 2023: AED 218.75 million).

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

2 Statement of compliance

The condensed consolidated interim financial statements has been prepared in accordance with IAS 34, "Interim Financial Reporting" and complies where appropriate, with relevant Articles of Association and the requirements of the UAE Federal Law No. 32 of 2021. It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last financial statements.

3 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

New currently effective standards

<i>New standards or amendments</i>	<i>Effective date</i>
Non-current Liabilities with Covenants -Amendments to IAS 1	1 January 2024
Classification of liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
Lease Liability in Sale and Leaseback-Amendments to IFRS 16	1 January 2024
Supplier Finance Agreements -Amendments to IAS 7 and IFRS 7	1 January 2024

Forthcoming requirements

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

<i>New standard or amendments</i>	<i>Effective date</i>
Lack of Exchangeability -Amendments to IAS 21	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

4 Use of judgements and estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

4 Use of judgements and estimates *(continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

5 Investment properties

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Warehouses	16,060,868	16,060,868
Building - commercial and residential	226,447,884	225,317,163
Land	2,606,546	2,606,546
	245,115,298	243,984,577

The movements in the investment properties during the period / year were as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
As at 1 January	243,984,577	241,210,031
Transferred from investment properties under development	-	168,000
Addition	1,130,721	-
Change in fair value of investment properties	-	2,606,546
At the end of the period / year	245,115,298	243,984,577

Fair value of investment properties has been determined based on an internal valuation carried out by the Group's management as at 31 December 2023.

Given that there were no significant changes in the inputs used in the December 2023 valuation and no major or drastic changes to the property market in the UAE, management believes that the fair value as of 31 March 2024 remains consistent with the value determined in December 2023. Management intends to reperform its internal valuation in December 2024.

Investment properties amounting to AED 208,476,329 (31 December 2023: AED 206,892,606) are mortgaged against loans and borrowings *(note 11)* obtained by the Group to finance the construction of the properties.

The fair value measurement for all the investment properties has been categorised as a Level 3 fair value.

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

6 Equity-accounted investee

Name	Domiciled	% of equity held		Principal activities
		31-Mar-24	31-Dec-23	
Al Waha Capital PJSC	UAE	9.8711%	9.5383%	Investment in a wide range of sectors including financial services, capital markets, industrial real estates, infrastructure, healthcare, fintech and oil and gas.

At 1 January 2021, the Group received confirmation from two shareholders of Al Waha Capital PJSC (“investee”) who own 8.6% and 4% in Al Waha Capital PJSC, respectively, stating that they have assigned their voting rights in favour of the Group and will represent the Group's interest in the Board of the investee. This assignment resulted in the Group having meaningful representation in the Board of Directors of the investee. Accordingly, the investee is considered as an associate effective 1 January 2021 with its shareholding of 8.8034% as at that date. During the three-month period ended 31 March 2024, the Company has invested in additional shares of the associate, which has increased its shareholding to 9.87% as of 31 March 2024.

The movement in equity-accounted investee during the period is as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Opening balance	363,458,757	328,648,938
Purchase	10,252,550	5,659,740
Share of profit	16,424,180	41,698,489
(Loss) / gain on recognition	(4,312,194)	2,097,850
Dividends	(18,500,000)	(14,248,800)
Share of change in other reserves	-	(397,460)
	367,323,293	363,458,757

Investment in associate securities with a quantity of 67,078,706 (31 December 2023: 67,078,706) shares are pledged with commercial banks for securing term loans.

For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2023 are as follows:

	31 March 2023 AED (Unaudited)
Share of profit	7,101,900
Gain on recognition	1,596,486
	8,698,386

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

7 Investments

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	87,080,287	77,528,443
Investments held at fair value through profit and loss ("FVTPL")	230,983,984	227,510,434
Investment at amortized cost	19,346,933	23,778,968
	<u>337,411,204</u>	<u>328,817,845</u>

The investments held at FVTOCI comprise:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Investments in quoted equity securities inside UAE	84,398,792	74,846,947
Investments in quoted equity securities outside UAE	702,960	702,960
Investments in unquoted equity securities inside UAE	1,728,487	1,728,487
Investments in unquoted equity securities outside UAE	250,048	250,049
	<u>87,080,287</u>	<u>77,528,443</u>

The investments held at FVTPL comprise:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Investments in quoted equity securities inside UAE	227,304,106	221,718,499
Quoted commodities	3,679,878	5,791,862
Investments in mutual funds outside UAE	-	73
	<u>230,983,984</u>	<u>227,510,434</u>

Investment at amortized cost:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	23,778,968	8,311,999
Purchase of financial assets	11,137,730	14,933,436
Interest income for the period	460,207	1,932,415
Interest received	(1,104,682)	(1,398,882)
Disposal*	(14,925,290)	-
	<u>19,346,933</u>	<u>23,778,968</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

7 Investments (continued)

Investment at amortized cost: (continued)

* The company disposed its investment in Egyptian sukuku during the year due to increase in the credit risk of the financial asset. Credit risk rating of the Egyptian sukuku (EGYSK 10 7/8 02/28/26 Corp) deteriorated from B3 in February 2023 to Caa1 as at May 2024.

This investment consists of Turkish Sukuku and Alinma Tier 1 Sukuku with a coupon rate of 7.25%, and 6.5% respectively per annum. 30,000 units were purchased from Alinma Tier 1 Sukuk Limited during the three-month period ended 31 March 2024, with an issue price of 101.05 USD per unit. All of these Sukuku are currently in the name of the Chairman and assigned to the Group.

The movement in financial assets was as follows:

	FVTPL Three-months period ended 31 March 2024 AED (Unaudited)	FVOCI Three-months period ended 31 March 2024 AED (Unaudited)	FVTPL Year ended 31 December 2023 AED (Audited)	FVOCI Year ended 31 December 2023 AED (Audited)
At 1 January	227,510,434	77,528,443	187,346,001	32,642,449
Purchase of financial assets	27,123,471	12,491,217	195,035,919	39,000,167
Disposal of financial assets	(32,874,469)	-	(117,393,586)	(246,009)
Change in fair value	9,224,548	(2,939,373)	(37,477,900)	6,131,836
At end of the period / year	<u>230,983,984</u>	<u>87,080,287</u>	<u>227,510,434</u>	<u>77,528,443</u>

For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2023 are as follows:

	FVTPL 31 March 2023 AED (Unaudited)	FVOCI 31 March 2023 AED (Unaudited)
Purchase of financial assets	(58,963,099)	-
Gain on disposal of financial assets	(2,238,749)	-
Change in fair value	(3,159,570)	-
Proceeds from disposal of financial assets	<u>16,683,086</u>	<u>-</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

7 Investments (continued)

The following table represents the Group's investments, segregated by the level of inputs used to measure each investment's fair value according to the fair value hierarchy set out by IFRS 13:

31 March 2024	Carrying Amount AED	Level 1 AED	Fair value Level 2 AED	Level 3 AED	Total AED
Investments held at FVTPL	230,983,984	227,304,034	3,679,878	-	230,983,984
Investments held at FVTOCI:					
Quoted shares	85,101,751	84,398,791	702,960	-	85,101,751
Unquoted shares	1,978,536	-	-	1,978,536	1,978,536
	87,080,287	84,398,791	702,960	1,978,536	87,080,287
Investments held at amortised cost	19,346,933	-	19,346,933	-	19,346,933
Total	337,411,204	311,702,825	23,729,771	1,978,536	337,411,204
31 December 2023	Carrying Amount AED	Level 1 AED	Fair value Level 2 AED	Level 3 AED	Total AED
Investments held at FVTPL	207,096,568	207,096,568	20,413,866	-	227,510,434
Investments held at FVTOCI:					
Quoted shares	72,350,696	72,350,696	2,496,502	-	74,847,198
Unquoted shares	-	-	-	2,681,244	2,681,244
	72,350,696	72,350,696	2,496,502	2,681,244	77,528,442
Investments held at amortised cost	23,778,968	8,474,251	15,183,216	-	23,657,467
Total	328,817,845	287,921,515	38,093,584	2,681,244	328,696,343

8 Inventories

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Goods for resale	7,428,662	6,649,421
Consumables	1,221,259	1,341,914
	8,649,921	7,991,335
Less: allowance for slow moving inventories	(896,189)	(2,142,315)
	7,753,732	5,849,020

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8 Inventories (continued)

Movement in allowance for slow moving inventories is as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	2,142,315	1,789,094
Charge for the period / year	-	2,116,644
Written off during the period / year	(1,246,126)	(1,763,423)
At end of the period / year	<u>896,189</u>	<u>2,142,315</u>

For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2023 are as follows:

	31 March 2023 AED (Unaudited)
Provision for slow moving inventories	95,141
Reversal of provision for slow moving inventories	<u>(447,726)</u>

9 Trade and other receivables

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade receivables	47,121,453	36,670,774
Less: allowance for expected credit loss	<u>(28,684,044)</u>	<u>(29,642,486)</u>
	18,437,409	7,028,288
Advances to suppliers	7,432,195	2,081,509
Dividend receivable	21,357,344	112
Other receivables	1,228,136	1,402,625
Less: allowance for expected credit loss on advances to suppliers and other receivables	<u>(2,200,351)</u>	<u>(2,200,351)</u>
	<u>46,254,733</u>	<u>8,312,183</u>

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9 Trade and other receivables (continued)

Movement in allowance for expected credit loss on trade receivables is as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	29,642,486	25,639,750
Charge for the period / year	1,712,800	247,594
Reversal during the period / year	(26,094)	-
Written off during the period / year	(2,645,148)	-
Transfer	-	3,755,142
At end of the period / year	<u>28,684,044</u>	<u>29,642,486</u>

For the purpose of statement of cashflows, amounts for the three-month period ended 31 March 2023 are as follows:

	31 March 2023 AED (Unaudited)
Impairment loss on trade receivables, advance to suppliers and other receivables	176,955
Changed in trade and other receivables	<u>(4,328,087)</u>

10 Cash and cash equivalents

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cash and bank balances - cash and cash equivalents in the statement of financial position	71,021,242	70,223,083
Less: bank overdrafts repayable on demand and used for cash management purposes (note 11)	<u>(153,296,834)</u>	<u>(152,541,424)</u>
Cash and cash equivalents in the statement of cash flows	<u>(82,275,592)</u>	<u>(82,318,341)</u>

11 Borrowings

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Bank borrowings	241,368,478	231,810,490
Trust receipts	11,613,463	-
Bank overdrafts (note 10)	<u>153,296,834</u>	<u>152,541,424</u>
	<u>406,278,775</u>	<u>384,351,914</u>

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11 Borrowings (continued)

Bank overdrafts, trust receipts and bank borrowings are repayable as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Current portion	195,351,328	183,331,187
Non-current portion	210,927,447	201,020,727
	<u>406,278,775</u>	<u>384,351,914</u>

The average interest rates during the period were as follows:

March 2024 and December 2023

Bank overdrafts	1 month EIBOR + margin
Term loans	3 months EIBOR + margin
Trust receipts	3 months EIBOR + margin

Borrowings are partially secured by:

- Corporate guarantee of the Company;
- Investment properties; and
- Investment in securities.

12 Trade and other payables

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade payables	112,975,533	100,180,114
Accruals	12,811,544	11,014,162
Advances from customers	15,289,606	5,355,625
Other payables	3,871,655	3,852,064
	<u>144,948,338</u>	<u>120,401,965</u>

13 Revenue

Revenue from contracts with customers:

	Three-month period ended	
	31 March 2024 AED (Unaudited)	31 March 2023 AED (Unaudited)
Sale of goods	16,954,063	17,438,483
Freight forwarding, logistics and storage	4,199,245	2,472,072
	<u>21,153,308</u>	<u>19,910,555</u>

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13 Revenue (continued)

Income from investment properties:

	Three-month period ended	
	31 March	31 March
	2024	2023
	AED	AED
	(Unaudited)	(Unaudited)
Rental income	8,768,121	8,530,419
Facility management income	181,140	116,595
	<u>8,949,261</u>	<u>8,647,014</u>

Net income / (loss) from investments:

	Three-month period ended	
	31 March	31 March
	2024	2023
	AED	AED
	(Unaudited)	(Unaudited)
Dividend income	2,856,977	6,095,214
Gain on sale of investment	2,445,249	2,238,748
Net change in fair value of investment held at FVTPL	9,224,548	3,159,569
Interest income on amortised investments	460,207	281,500
	<u>14,986,981</u>	<u>11,775,031</u>

14 Related party transaction and balances

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. The related parties also include relatives of the Chairman, Board members and other key management personnel, major shareholders in the company (those who own 5% or more of the company's shares or voting rights), Chairman and members of the boards of parent, subsidiary, sister, or affiliated companies of the company, companies where any member of the board or executive management of the company serves as a Board Member or senior executive. Such transactions are on agreed terms and conditions with related parties.

Transactions and balances with related parties

Significant transactions with related parties comprise:

	Three-month period ended	
	31 March	31 March
	2024	2023
	AED	AED
	(Unaudited)	(Unaudited)
Sales to related parties	1,321,777	907,548
Purchases and other charges from related parties	<u>786,081</u>	<u>83,085</u>

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Notes to the condensed consolidated interim financial statements

14 Related party transaction and balances *(continued)*

Amounts due from related parties

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Entities with significant influence	460,693	500,817
Key management personnel	262,874	6,315,757
Other related parties	7,800,896	161,222
	<u>8,524,463</u>	<u>6,977,796</u>

Amounts due to related parties

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Entities with significant influence	55,150	42,682
Other related parties	64,445	66,863
	<u>119,595</u>	<u>109,545</u>

Key management personnel compensation

The remuneration of key management was as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Key management compensation	<u>1,160,707</u>	<u>803,219</u>

15 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at the end for the year ended 31 December 2023, except as disclosed in the related notes in these condensed consolidated interim financial statements.

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Notes to the condensed consolidated interim financial statements

16 Basic and diluted earnings per share

	Three-month period ended	
	31 March 2024	31 March 2023
	AED	AED
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (AED)	22,991,642	15,760,849
Weighted-average number of ordinary shares	120,000,000	120,000,000
Basic and diluted earnings per share (AED)	0.19	0.13

17 Commitments and contingent liabilities

Contingent liabilities

As at reporting date, the following contingent liabilities were outstanding:

	31 March 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Bank guarantees	1,565,992	1,987,245
Letter of Credit	-	2,414,921

Capital commitments

As at reporting date, the capital commitments relate to the following:

	31 March 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Warehouse expansion	30,185,708	41,817,382

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18 Income Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law will be effective for financial years beginning on or after 1 June 2023 and therefore applicable to the Group with effect on 1 January 2024. The Cabinet Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) would be subject to the 9% UAE CT rate.

For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024.

The management of the Group has opted to form a Tax Group where in all of its subsidiaries in UAE are included; for the purpose of determining taxable income in accordance with Article 42 of the Federal Decree Law No. 47 of 2022. Consequently, the Company has consolidated the financial results, assets and liabilities of the subsidiaries within the Tax group election for the relevant Tax period, eliminated transactions between Parent and each subsidiary that is member of the Tax Group. Additionally, the Group has elected to account for gains and losses of changes in fair value of investments on a realisation basis along with other adjustments.

Components of income tax

The components of total income tax expense for the periods are:

	Three-month period ended	
	31 March 2024	31 March 2023
	AED	AED
	(Unaudited)	(Unaudited)
Current tax	-	-
Deferred tax	<u>177,753</u>	<u>-</u>
	<u>177,753</u>	<u>-</u>

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Notes to the condensed consolidated interim financial statements

18 Income Tax (continued)

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

The income tax rate applicable to the Group's income is 9% (for the three-month period ended 31 March 2023: Nil). A reconciliation between the expected and the actual tax charge is provided below:

	Three-month period ended	
	31 March	31 March
	2024	2023
	AED	AED
	(Unaudited)	(Unaudited)
Profit before tax	23,187,941	14,205,805
Tax on profit before tax @ 9%	2,086,915	-
Adjustment for tax on exempt income	(2,358,174)	-
Adjustment for tax on non-deductible adjustments	96,043	-
	(175,216)	-
Current income tax expense	-	-

The Group's consolidated effective tax rate in respect for the three-month period ended 31 March 2024 was 0.77 % percent (for the three-month period ended 31 March 2023: Nil).

Deferred tax

During the current period, net deferred tax liability was recognised amounting to AED 177,753 relating to unrealised changes in fair value of investments (FVTPL and FVOCI) which has been recognised in statement of profit or loss and statement of other comprehensive income in addition to taxable carried forward losses.

The Group will continue to monitor any further announcements and perform further assessment to ensure compliance with the Regulations.

19 Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Investing in securities ("Investment in securities");
- (ii) Investing in properties ("Investment properties");
- (iii) Marine, air and land shipment services along with management and operation of store and warehouses ("Freight forwarding and storage"); and
- (iv) Wholesale and distribution of food products ("Trading").

Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

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19 Segment information (continued)

Information regarding these segments is presented below:

For the three-month period ended 31 March 2024 (Unaudited):

	Investment in securities	Investment properties	Freight forwarding, logistics and storage	Trading	Others	Eliminations	Consolidated
	AED	AED	AED	AED	AED	AED	AED
For the three-month period ended 31 March 2024 (Unaudited)							
Income – external	-	-	-	4,199,246	-	-	4,199,246
Revenue from contracts with customers	-	-	-	-	-	-	-
- Sale of Goods	-	-	-	-	-	-	-
- -Freight forwarding, logistics and storage services	-	-	16,954,063	-	-	-	16,954,063
Other Income	14,818,541	8,949,261	-	-	168,440	-	23,936,242
Income – internal	-	(367,772)	-	(891,638)	-	1,259,410	-
Profit / (loss) for the period	15,071,191	6,831,578	2,064,515	(1,173,066)	215,970	-	23,010,188

For the three-month period ended 31 March 2023 (Unaudited)

Income – external	-	-	-	17,438,482	-	-	17,438,482
Revenue from contracts with customers	-	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-	-
- Freight forwarding, logistics and storage services	-	-	2,472,072	-	-	-	2,472,072
Other Income	11,775,031	8,647,015	-	-	-	-	20,422,046
Income – internal	-	355,272	-	1,669,844	-	(2,025,116)	-
Profit / (loss) for the period	12,048,216	7,469,956	(3,847,803)	(120,438)	(182,298)	307,847	15,675,480

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19 Segment information (continued)

The segment assets and liabilities are as follows:

As at 31 March 2024 (Unaudited)	Investment in securities	Investment properties	Freight forwarding, logistics and storage	Trading	Others	Eliminations	Consolidated
	AED	AED	AED	AED	AED	AED	AED
Assets	1,267,759,397	81,278,342	164,763,411	120,048,919	108,390,890	(555,448,327)	1,186,792,632
Liabilities	562,045,934	8,246,252	33,420,812	138,929,145	1,594	(180,561,359)	562,082,378
Equity-accounted investees	367,323,293	-	-	-	-	-	367,323,293
Capital expenditure	-	-	11,160,677	-	-	-	11,160,677
As at 31 December 2023 (Audited)							
Assets	1,231,168,631	62,794,496	105,150,556	77,914,814	108,130,523	(465,101,930)	1,120,057,090
Liabilities	468,193,968	8,777,005	123,456,582	5,113,990	114,412	(90,238,306)	515,417,651
Equity-accounted investees	328,648,938	-	-	-	-	-	328,648,938
Capital expenditure	75,570	1,422,714	22,887,825	38,177	-	-	24,424,286