

Hily Holding PJSC

Condensed consolidated interim financial statements

30 June 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

30 June 2024

The Directors have pleasure in submitting their report and the condensed consolidated interim financial statements for the period ended 30 June 2024.

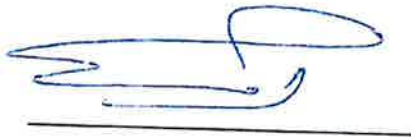
Principal activities

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 30 June 2024 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 30 June 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 30 June 2024;
- the condensed consolidated statements of profit or loss for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statements of other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 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.



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 statements 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 30 June 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: **14 AUG 2024**

Hily Holding PJSC

Condensed consolidated statement of financial position

as at

		30 June 2024	31 December 2023
	Notes	AED	AED
ASSETS			
Non-current assets			
Property and equipment		103,371,720	83,512,749
Intangible assets		249,701	319,249
Right of use assets		6,831,112	7,209,091
Investment properties	5	245,115,298	243,984,577
Equity-accounted investee	6	378,632,171	363,458,757
Investments held at fair value through other comprehensive income ("FVTOCI")	7	86,282,901	77,528,443
Investment at amortized cost	7	19,667,354	23,778,968
Deferred tax asset	18	429,039	-
		<u>840,579,296</u>	<u>799,791,834</u>
Current assets			
Inventories	8	12,846,306	5,849,020
Investments held at fair value through profit or loss ("FVTPL")	7	220,106,367	227,510,434
Trade and other receivables	9	15,360,101	8,312,183
Prepayment		2,223,713	1,392,740
Amounts due from related parties	14	9,564,395	6,977,796
Cash and cash equivalents	10	45,710,730	70,223,083
		<u>305,811,612</u>	<u>320,265,256</u>
TOTAL ASSETS		<u>1,146,390,908</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		(35,182,780)	(29,944,678)
Retained earnings		403,605,284	389,734,970
Equity attributable to Owners of the Company		<u>608,422,504</u>	<u>599,790,292</u>
Non-controlling interests		4,835,537	4,849,147
Total equity		<u>613,258,041</u>	<u>604,639,439</u>

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Hily Holding PJSC

Condensed consolidated statement of financial position (continued)

as at

	30 June 2024	31 December 2023
	Notes	AED
Non-current liability		
Provision for employees' end of service benefits		3,523,105
Lease liability		5,522,920
Loans and borrowings	11	201,020,727
		<u>210,066,752</u>
Current liabilities		
Lease liability		1,508,202
Loans and borrowings	11	183,331,187
Trade and other payables	12	120,401,965
Amounts due to related parties	14	109,545
		<u>305,350,899</u>
Total liabilities		<u>515,417,651</u>
TOTAL EQUITY AND LIABILITIES		<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 14 AUG 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 29 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		Six-month period ended	
		30 June		30 June	
		2024	2023	2024	2023
	Notes	AED	AED	AED	AED
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income comprises:					
- Revenue from contracts					
with customers	13	12,628,636	11,121,060	33,781,945	31,031,615
- Income from investment properties	13	8,954,145	8,377,102	17,903,406	17,024,116
- Income from investment					
in securities	13	(13,770,529)	(6,508,360)	1,216,452	5,266,667
		<u>7,812,252</u>	<u>12,989,802</u>	<u>52,901,803</u>	<u>53,322,398</u>
Direct costs		(9,391,973)	(9,351,969)	(25,586,729)	(27,573,877)
Selling and distribution expenses		(3,758,203)	(4,991,025)	(8,087,621)	(10,369,691)
General and administrative expenses		(5,726,822)	(6,413,195)	(10,530,259)	(9,751,282)
Impairment loss on trade receivables		-	(54,417)	-	(231,371)
Share of results of associate	6	8,534,710	8,620,088	20,646,695	17,318,474
Other income		29,023	92,653	138,422	117,736
Operating (loss)/profit		<u>(2,501,013)</u>	<u>891,937</u>	<u>29,482,311</u>	<u>22,832,387</u>
Finance costs		(8,145,636)	(8,684,094)	(17,832,769)	(15,592,826)
Finance income		878,383	634,113	1,770,133	1,277,875
(Loss)/profit before tax		<u>(9,768,266)</u>	<u>(7,158,044)</u>	<u>13,419,675</u>	<u>8,517,436</u>
Income tax credit	18	614,782	-	437,029	-
(Loss)/profit after tax		<u>(9,153,484)</u>	<u>(7,158,044)</u>	<u>13,856,704</u>	<u>8,517,436</u>
Attributable to:					
Owners of the Company		(9,121,328)	(7,059,216)	13,870,314	8,701,633
Non-controlling interests		(32,156)	(98,828)	(13,610)	(184,197)
		<u>(9,153,484)</u>	<u>(7,158,044)</u>	<u>13,856,704</u>	<u>8,517,436</u>
Basic and diluted earnings	16	(0.08)	(0.06)	0.12	0.07

The notes set out on pages 10 to 29 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		Six-month period ended		
	30 June		30 June		
	Notes	2024 AED (Unaudited)	2023 AED (Unaudited)	2024 AED (Unaudited)	2023 AED (Unaudited)
(Loss)/profit for the period		(9,153,484)	(7,158,044)	13,856,704	8,517,436
Other comprehensive income / (loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Net changes in fair value of investments					
carried at FVTOCI		(2,094,909)	11,846,592	(5,034,282)	10,376,917
Associate - share of other comprehensive income		(195,830)	8,338	(195,830)	8,338
Related tax		(7,990)	-	(7,990)	-
Other comprehensive (loss) / income for the period		(2,298,729)	11,854,930	(5,238,102)	10,385,255
Total comprehensive (loss)/income for the period		(11,452,213)	4,696,886	8,618,602	18,902,691
Attributable to:					
Owners of the Company		(11,420,057)	4,795,710	8,632,212	19,086,888
Non-controlling interests		(32,156)	(98,824)	(13,610)	(184,197)
		(11,452,213)	4,696,886	8,618,602	18,902,691

The notes set out on pages 10 to 29 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 six-month period ended

	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Retained earnings AED	Equity attributable to Owners of the Company AED	Non-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
Total comprehensive income for the period								
Profit / (loss) for the period	-	-	-	-	8,701,633	8,701,633	(184,197)	8,517,436
Other comprehensive income	-	-	-	10,372,826	-	10,372,826	-	10,372,826
Gain on disposal of OCI investment	-	-	-	-	12,429	12,429	-	12,429
Transfer	-	-	-	(10,953)	10,953	-	-	-
At 30 June 2023 (Unaudited)	120,000,000	60,000,000	60,000,000	(25,224,251)	391,850,055	606,625,804	5,003,310	611,629,114
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
Total comprehensive income for the period								
Profit / (loss) for the period	-	-	-	-	13,870,314	13,870,314	(13,610)	13,856,704
Other comprehensive loss	-	-	-	(5,238,102)	-	(5,238,102)	-	(5,238,102)
At 30 June 2024 (Unaudited)	120,000,000	60,000,000	60,000,000	(35,182,780)	403,605,284	608,422,504	4,835,537	613,258,041

The notes set out on pages 10 to 29 form an integral part of these condensed consolidated interim financial statements.

Hily Holding PJSC

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

	30 June 2024 AED (Unaudited)	30 June 2023 AED (Unaudited)
OPERATING ACTIVITIES		
Profit for the year	13,856,704	8,517,436
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,727,672	1,759,274
Depreciation of right of use assets	578,608	464,564
Amortization of intangible assets	69,548	69,541
Finance costs	17,832,769	15,592,826
Finance income	(1,770,133)	(1,277,875)
Income tax credit	(437,029)	-
Gain on disposal of property, plant and equipment	-	(5,194)
Provision for employees' end of service benefits	296,220	306,884
Net changes in fair value of investments held at FVTPL	6,558,241	13,518,057
Gain on disposal of investments (FVTPL and Amortised Cost)	(2,089,799)	(11,075,723)
Impairment loss on trade receivables, net	-	231,371
Dividend income	(4,904,266)	(6,877,203)
Provision for slow moving inventories	-	133,436
Reversal of provision for slow moving inventories	(1,491,483)	(447,726)
Share of results of associate	(20,646,695)	(17,318,474)
Interest income on investment at amortized cost	(780,628)	(831,798)
	<u>8,799,729</u>	<u>2,759,396</u>
<i>Changes in:</i>		
Inventories	(5,505,803)	4,262,535
Trade and other receivables	(2,756,129)	(3,889,286)
Amounts due from related parties	(2,586,599)	(1,746,044)
Trade and other payables	21,638,783	12,025,317
Amounts due to related parties	217,640	189,508
Cash generated from operating activities	<u>19,807,621</u>	<u>13,601,426</u>
Employees' end of service benefits paid	(251,693)	(261,653)
Purchase of investment in securities	(49,578,686)	(134,014,947)
Purchase of investment at amortized cost	(11,137,730)	(14,933,440)
Proceeds from disposal of investment in securities	53,650,867	82,696,813
Dividends received	18,281,504	19,951,995
Interest received from investment at amortized cost	1,104,682	294,200
Purchase of additional shares of an existing associate	(13,222,549)	(4,124,082)
Net cash generated from / (used) in operating activities	<u>18,654,016</u>	<u>(36,789,688)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(19,198,105)	(16,580,335)
Proceeds from disposal of property, plant and equipment	-	6,191
Purchase of investment property (improvements)	(1,130,721)	-
Net cash used in investing activities	<u>(20,328,826)</u>	<u>(16,574,144)</u>

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Hily Holding PJSC

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

	30 June 2024 AED	30 June 2023 AED
FINANCING ACTIVITIES		
Proceeds from borrowings	49,678,116	95,419,821
Repayment of borrowings	(33,043,500)	(91,892,431)
Payment of lease liability	(463,727)	(749,116)
Finance cost paid	(15,018,782)	(15,314,283)
Finance income received	1,770,133	1,277,875
Net cash generated from / (used) in financing activities	2,922,240	(11,258,134)
Net increase / decrease in cash and cash equivalents	1,247,430	(64,621,966)
Cash and cash equivalents as at 1 January	(82,318,341)	35,510,987
Cash and cash equivalents as at 30 June	10 (81,070,911)	(29,110,979)

The notes set out on pages 10 to 29 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 (continued)

1 Legal status and principal activities

Hily 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
		30 June 2024	31 December 2023	30 June 2023	
Subsidiaries directly under the Company					
FOODCO National Foodstuff PJSC	UAE	97.78%*	97.78%	97.79%	Catering services and restaurant business
Abu Dhabi National Catering LLC	UAE	100%	100%	100%	Catering services and wholesale of foodstuff
Dana Plaza Real-Estate LLC	UAE	100%	100%	100%	Investing, development and management of real estate and commercial enterprises
National Oasis Foodstuff Company LLC	UAE	0%	0%	100%	Packing of foodstuff
NURANA Properties WLL	Bahrain	100%	100%	100%	Investing, development and management of real estate and commercial enterprises
Subsidiaries of FOODCO National Foodstuff PJSC					
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	100%	Shipment, clearance and warehousing services
National Oasis Foodstuff Company LLC	UAE	100%	100%	0%	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 217.63 million (31 December 2023: AED 218.75 million).

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

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>Forthcoming requirements</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 (continued)

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

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(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
	<u>245,115,298</u>	<u>243,984,577</u>

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

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(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	<u>245,115,298</u>	<u>243,984,577</u>

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 30 June 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 208,909,827 (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 (continued)

6 Equity-accounted investee

Name	Domiciled	% of equity held		Principal activities
		30-Jun-24	31-Dec-23	
Al Waha Capital PJSC	UAE	10.1048%	9.5383%	Investment in a wide range of sectors including financial services, capital markets, industrial real estates, infrastructure, healthcare, fintech and oil and gas.

Effective 1 January 2021 Hily Holding PJSC gained significant influence over its existing investment in Al Waha Capital PJSC based on the arrangement between Hily Holding PJSC, Al Wathba National Insurance Co. PJSC and Mr. Ahmed Ali Al Dhaheri, Chairman of Hily Holding PJSC which resulted in 21.3% voting powers and representation through 2 directors out of total 7 members of the board of directors of Al Waha Capital PJSC. Post the annual general assembly of Al Waha Capital PJSC, which was held during 2024, the board representation has reduced to 1 out of 9 members of the board of directors of AL Waha Capital PJSC. However, based on quantitative and qualitative factors, the Group still exercises significant influence over the investee through direct and indirect voting powers of **14.16%** and **one board representation**. On account of the arrangement between Hily Holding PJSC and Mr. Ahmad Ali Al Dhaheri (who is the vice Chairman of Al Waha Capital PJSC), Hily Holding PJSC has meaningful representation on the governing body of the investee and accordingly has influence over the financial and operating decisions of the investee Company. The Group has further invested during the period in additional shares of the associate resulting in increase in shareholding to 10.10% as of 30 June 2024.

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

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Opening balance	363,458,757	328,648,938
Purchase	13,222,549	5,659,740
Share of profit	20,682,065	41,698,489
(Loss) / gain on recognition	(35,370)	2,097,850
Dividends	(18,500,000)	(14,248,800)
Share of change in other reserves	(195,830)	(397,460)
	<u>378,632,171</u>	<u>363,458,757</u>

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 six-month period ended 30 June 2023 are as follows:

	30 June 2023 AED (Unaudited)
Share of profit	15,721,988
Gain on recognition	1,596,486
	<u>17,318,474</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

7 Investments

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	86,282,901	77,528,443
Investments held at fair value through profit and loss ("FVTPL")	220,106,367	227,510,434
Investment at amortized cost	19,667,354	23,778,968
	<u>326,056,622</u>	<u>328,817,845</u>

The investments held at FVTOCI comprise:

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Investments in quoted equity securities inside UAE	83,601,655	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	249,799	250,049
	<u>86,282,901</u>	<u>77,528,443</u>

The investments held at FVTPL comprise:

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Investments in quoted equity securities inside UAE	215,805,891	221,718,499
Quoted commodities	4,300,476	5,791,935
	<u>220,106,367</u>	<u>227,510,434</u>

Investment at amortized cost:

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(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	780,628	1,932,415
Interest received	(1,104,682)	(1,398,882)
Disposal*	(14,925,290)	-
	<u>19,667,354</u>	<u>23,778,968</u>

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Notes to the condensed consolidated interim financial statements (continued)

7 Investments (continued)

Investment at amortized cost: (continued)

* The company disposed its investment in Egyptian sukuku during the period 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 six-month period ended 30 June 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 Six-month period ended 30 June 2024 AED (Unaudited)	FVOCI Six-month period ended 30 June 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	35,789,947	13,788,739	195,035,919	39,000,167
Disposal of financial assets	(36,635,773)	-	(117,393,586)	(246,009)
Change in fair value	(6,558,241)	(5,034,281)	(37,477,900)	6,131,836
At end of the period / year	<u>220,106,367</u>	<u>86,282,901</u>	<u>227,510,434</u>	<u>77,528,443</u>

For the purpose of statement of cashflows, amounts for the six-month period ended 30 June 2023 are as follows:

	FVTPL 30 June 2023 AED (Unaudited)	FVOCI 30 June 2023 AED (Unaudited)
Purchase of financial assets	(133,970,555)	(44,392)
Gain on disposal of financial assets	(11,075,723)	-
Change in fair value	<u>13,518,057</u>	<u>(10,364,488)</u>

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Notes to the condensed consolidated interim financial statements (continued)

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:

30 June 2024	Carrying Amount AED	Level 1 AED	Fair value Level 2 AED	Level 3 AED	Total AED
Investments held at FVTPL	<u>220,106,367</u>	<u>198,963,434</u>	<u>21,142,933</u>	-	<u>220,106,367</u>
Investments held at FVTOCI:					
Quoted shares	83,601,656	81,015,993	2,585,663	-	83,601,656
Unquoted shares	2,681,245	-	-	2,681,245	2,681,245
	<u>86,282,901</u>	<u>81,015,993</u>	<u>2,585,663</u>	<u>2,681,245</u>	<u>86,282,901</u>
Investments held at amortised cost	<u>19,667,354</u>	-	<u>19,667,354</u>	-	<u>19,667,354</u>
Total	<u>326,056,622</u>	<u>279,979,427</u>	<u>43,395,950</u>	<u>2,681,245</u>	<u>326,056,622</u>
	Carrying Amount AED	Level 1 AED	Fair value Level 2 AED	Level 3 AED	Total AED
31 December 2023					
Investments held at FVTPL	<u>227,510,434</u>	<u>207,096,568</u>	<u>20,413,866</u>	-	<u>227,510,434</u>
Investments held at FVTOCI:					
Quoted shares	74,847,199	72,350,696	2,496,502	-	74,847,198
Unquoted shares	2,681,244	-	-	2,681,244	2,681,244
	<u>77,528,443</u>	<u>72,350,696</u>	<u>2,496,502</u>	<u>2,681,244</u>	<u>77,528,442</u>
Investments held at amortised cost	<u>23,778,968</u>	<u>8,474,251</u>	<u>15,183,216</u>	-	<u>23,657,467</u>
Total	<u>328,817,845</u>	<u>287,921,515</u>	<u>38,093,584</u>	<u>2,681,244</u>	<u>328,696,343</u>

8 Inventories

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Goods for resale	<u>12,096,561</u>	6,649,421
Consumables	<u>1,400,577</u>	1,341,914
	<u>13,497,138</u>	7,991,335
Less: allowance for slow moving inventories	<u>(650,832)</u>	(2,142,315)
	<u>12,846,306</u>	5,849,020

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Notes to the condensed consolidated interim financial statements (continued)

8 Inventories (continued)

Movement in allowance for slow moving inventories is as follows:

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
At 1 January	2,142,315	1,789,094
Charge for the period / year	-	2,116,644
Reversal during the period / year	(1,491,483)	-
Written off during the year	-	(1,763,423)
At end of the period / year	<u>650,832</u>	<u>2,142,315</u>

For the purpose of statement of cashflows, amounts for the six-month period ended 30 June 2023 are as follows:

	30 June 2023
	AED
	(Unaudited)
Provision for slow moving inventories	<u>(314,290)</u>

9 Trade and other receivables

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Trade receivables	32,792,856	36,670,774
Less: allowance for expected credit loss	(24,659,409)	(29,642,486)
	<u>8,133,447</u>	<u>7,028,288</u>
Advances to suppliers	2,081,509	2,081,509
Dividend receivable	5,122,874	112
Other receivables	2,222,622	1,402,625
Less: allowance for expected credit loss on advances to suppliers and other receivables	(2,200,351)	(2,200,351)
	<u>15,360,101</u>	<u>8,312,183</u>

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Notes to the condensed consolidated interim financial statements (continued)

9 Trade and other receivables (continued)

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

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
At 1 January	29,642,486	25,639,750
Charge for the period / year	-	247,594
Written off during the period / year	(4,983,077)	-
Transfer	-	3,755,142
At end of the period / year	<u>24,659,409</u>	<u>29,642,486</u>

For the purpose of statement of cashflows, amounts for the six-month period ended 30 June 2023 are as follows:

	30 June 2023
	AED
	(Unaudited)
Impairment loss on trade receivables, advance to suppliers and other receivables	<u>231,371</u>

10 Cash and cash equivalents

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Cash and bank balances - cash and cash equivalents in the statement of financial position	45,710,730	70,223,083
Less: bank overdrafts repayable on demand and used for cash management purposes (note 11)	<u>(126,781,641)</u>	<u>(152,541,424)</u>
Cash and cash equivalents in the statement of cash flows	<u>(81,070,911)</u>	<u>(82,318,341)</u>

11 Borrowings

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Bank borrowings	244,635,947	231,810,490
Trust receipts	3,809,159	-
Bank overdrafts (note 10)	<u>126,781,641</u>	<u>152,541,424</u>
	<u>375,226,747</u>	<u>384,351,914</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

11 Borrowings (continued)

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

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Current portion	156,835,890	183,331,187
Non-current portion	218,390,857	201,020,727
	<u>375,226,747</u>	<u>384,351,914</u>

The average interest rates during the period were as follows:

	June 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

	30 June 2024	31 December 2023
	AED	AED
	(Unaudited)	(Audited)
Trade payables	120,304,200	100,180,114
Accruals	8,270,801	11,014,162
Advances from customers	14,510,387	5,355,625
Other payables	3,904,676	3,852,064
	<u>146,990,064</u>	<u>120,401,965</u>

13 Revenue

Revenue from contracts with customers

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024	2023	2024	2023
	AED	AED	AED	AED
Sale of goods	9,428,020	7,892,939	26,382,084	25,331,422
Logistics and storage services	3,200,616	3,228,121	7,399,861	5,700,193
	<u>12,628,636</u>	<u>11,121,060</u>	<u>33,781,945</u>	<u>31,031,615</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

13 Revenue (continued)

Income from investment properties

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024	2023	2024	2023
	AED	AED	AED	AED
Rental income	8,702,958	8,068,754	17,471,079	16,599,172
Facility management income	251,187	308,348	432,327	424,944
	<u>8,954,145</u>	<u>8,377,102</u>	<u>17,903,406</u>	<u>17,024,116</u>

Income from investments in securities

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024	2023	2024	2023
	AED	AED	AED	AED
Dividend and coupon income	2,047,289	781,989	4,904,266	6,877,203
Net change in fair value of investment held at FVTPL	(15,782,789)	(16,677,626)	(6,558,241)	(13,518,057)
Gain on sale of investment	(355,450)	8,836,975	2,089,799	11,075,723
Interest income on amortised investments (sukuks)	320,421	550,302	780,628	831,798
	<u>(13,770,529)</u>	<u>(6,508,360)</u>	<u>1,216,452</u>	<u>5,266,667</u>

Geographical information

The information on Group's revenue by geography has been compiled based on the principal location of the customers. The Group's principal place of operations is the United Arab Emirates.

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024	2023	2024	2023
	AED	AED	AED	AED
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
United Arab Emirates	12,029,808	11,121,060	28,436,579	31,031,615
Kuwait	598,828	-	4,746,538	-
Bahrain	-	-	598,828	-
	<u>12,628,636</u>	<u>11,121,060</u>	<u>33,781,945</u>	<u>31,031,615</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

14 Related party transaction and balances

In the ordinary course of business, the Group enters into transactions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in IAS 24. The Group has a related party relationship with its executive officers and business entities over which they can exercise significant influence, or which can exercise significant influence over the Group.

Transactions and balances with related parties

Significant transactions with related parties comprise:

Nature of relationship	Three-month period ended 30 June		Six-month period ended 30 June	
	2024	2023	2024	2023
	AED	AED	AED	AED
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales				
Green Motor – Sole Proprietorship LLC	869,888	1,445,831	2,782,881	1,677,350
Ali & Sons Holding LLC	193,920	222,236	439,407	407,312
Ahmed Ali Al Dhaheri (Chairman)	130,114	30,028	304,436	121,565
Other related parties	110,133	158,150	331,003	557,567
	1,304,055	1,856,245	3,857,727	2,763,794
Purchases				
Al Wathba National Insurance Co.	339,117	82,540	394,268	143,356
Green Lease – Sole Proprietorship LLC	126,817	4,347	188,741	4,347
Other related parties	6,876	48,940	163,573	71,210
	472,810	135,827	746,582	218,913

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Notes to the condensed consolidated interim financial statements (continued)

14 Related party transaction and balances (continued)

Amounts due from related parties

		30 June 2024	31 December 2023
	Nature of relationship	AED (Unaudited)	AED (Audited)
Green Motor – Sole Proprietorship LLC	Other related party	8,392,262	5,867,767
Ali & Sons Holding LLC	Entity with significant influence	488,142	500,817
Mohamed Ali AlHossani	Director	186,944	95,404
Other related parties		497,047	513,808
		<u>9,564,395</u>	<u>6,977,796</u>

Amounts due to related parties

		30 June 2024	31 December 2023
	Nature of relationship	AED (Unaudited)	AED (Audited)
Al Wathba National Insurance Co. PJSC	Entity with significant influence	214,660	42,682
Other related parties		112,525	66,863
		<u>327,185</u>	<u>109,545</u>

Key management personnel compensation

The remuneration of Directors and other members of key management was as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2024 AED (Unaudited)	2023 AED (Unaudited)	2024 AED (Unaudited)	2023 AED (Unaudited)
Key management compensation	1,435,095	1,188,297	2,595,802	2,989,822
	<u>1,435,095</u>	<u>1,188,297</u>	<u>2,595,802</u>	<u>2,989,822</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements (continued)

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.

16 Basic and diluted earnings per share

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024 AED	2023 AED	2024 AED	2023 AED
(Loss)/profit for the period attributable to owners of the Company (AED)	<u>(9,121,328)</u>	<u>(7,059,216)</u>	<u>13,870,314</u>	<u>8,701,633</u>
Weighted-average number of ordinary shares	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
Basic and diluted earnings per share (AED)	<u>(0.08)</u>	<u>(0.06)</u>	<u>0.12</u>	<u>0.07</u>

17 Commitments and contingent liabilities

Contingent liabilities

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

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Bank guarantees	<u>1,565,991</u>	<u>1,987,245</u>
Letter of Credit	<u>270,590</u>	<u>2,414,921</u>

Capital commitments

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

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Warehouse expansion	<u>21,351,622</u>	<u>41,817,382</u>

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Notes to the condensed consolidated interim financial statements (continued)

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. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the period ended 30 June 2024.

The management of the Group has opted to form a Tax Group where in all of its subsidiaries 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 Parent 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 recognize gains/losses on 'realisation basis' for assets and liabilities held on capital account only.

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial information may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

Amounts recognised in statement of profit or loss

	For the six-month period ended	
	30 June 2024	30 June 2023
	AED	AED
	(Unaudited)	(Unaudited)
Current tax	-	-
Deferred tax	<u>437,029</u>	<u>-</u>
	<u>437,029</u>	<u>-</u>

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Notes to the condensed consolidated interim financial statements (continued)

18 Income tax (continued)

Amounts recognised in statement of other comprehensive income

	For the six-month period ended	
	30 June 2024	30 June 2023
	AED	AED
	(Unaudited)	(Unaudited)
Current tax	-	-
Deferred tax	<u>(7,990)</u>	<u>-</u>
	<u>(7,990)</u>	<u>-</u>

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 six-month period ended 30 June 2023: Nil). A reconciliation between the expected and the actual tax charge is provided below:

	For the six-month period ended	
	30 June 2024	30 June 2023
	AED	AED
	(Unaudited)	(Unaudited)
Total comprehensive income before tax	<u>8,189,563</u>	<u>8,517,436</u>
Tax on profit before tax @ 9%	<u>(737,061)</u>	-
Adjustment for tax on exempt incomes	<u>2,408,211</u>	-
Adjustment for tax on non-deductible adjustments	<u>(1,207,144)</u>	-
Deferred tax asset	<u>464,006</u>	-
Deferred tax expense on temporary differences in investments held at FVTPL	<u>(26,977)</u>	-
Deferred tax asset	<u>437,029</u>	-

The Group's consolidated effective tax rate in respect for the six-month period ended 30 June 2024 was 0 % percent (for the six-month period ended 30 June 2023: Nil).

Deferred tax

During the current period, net deferred income tax liability was recognised amounting to AED 16,056 relating to unrealised changes in fair value of investments held at FVTPL and AED 7,990 relating to unrealised changes in fair value of investments held at 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.

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Notes to the condensed consolidated interim financial statements (continued)

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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Notes to the condensed consolidated interim financial statements (continued)

19 Segment information (continued)

Information regarding these segments is presented below:

For the six-month period ended 30 June 2024 (Unaudited):

	Investment in securities	Investment properties	Freight forwarding, logistics and storage	Trading	Others	Eliminations	Consolidated
	AED	AED	AED	AED	AED	AED	AED
Income – external Revenue from contracts with customers	-	-	-	26,382,084	-	-	26,382,084
- Sale of Goods	-	-	-	-	-	-	-
- -Freight forwarding, logistics and storage services	-	-	7,399,861	-	-	-	7,399,861
Other Income	1,216,452	17,903,406	-	-	-	-	19,119,858
Income – internal	-	(735,544)	(1,743,525)	-	-	2,479,069	-
Profit / (loss) for the period	1,035,116	12,892,816	(3,426,149)	3,218,672	136,249	-	13,856,704

For the six-month period ended 30 June 2023 (Unaudited)

Income – external Revenue from contracts with customers	-	-	-	25,331,422	-	-	25,331,422
Sale of Goods	-	-	-	-	-	-	-
-Freight forwarding, logistics and storage services	-	-	5,700,193	-	-	-	5,700,193
Other Income	5,266,667	17,024,116	-	-	-	-	22,290,783
Income – internal	-	1,171,089	2,759,678	-	-	(3,930,767)	-
Profit / (loss) for the period	2,449,929	14,373,182	(1,772,076)	(8,543,852)	(423,147)	2,433,400	8,517,436

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Notes to the condensed consolidated interim financial statements (continued)

19 Segment information (continued)

	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 30 June 2024 (Unaudited)							
Income – external	-	-	-	9,428,021	-	-	9,428,021
Revenue from contracts with customers	-	-	-	-	-	-	-
- Sale of Goods	-	-	-	-	-	-	-
- Freight forwarding, logistics and storage services	-	-	3,200,615	-	-	-	3,200,615
Other Income	(13,770,529)	8,954,145	-	-	-	-	(4,816,384)
Income – internal	-	(367,772)	-	(851,887)	-	1,219,659	-
Profit / (loss) for the period	(14,036,068)	6,061,231	(5,490,664)	4,391,738	(79,721)	-	(9,153,484)
For the three-month period ended 30 June 2023 (Unaudited)							
Income – external	-	-	-	7,892,939	-	-	7,892,939
Revenue from contracts with customers	-	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-	-
- Freight forwarding, logistics and storage services	-	-	3,228,121	-	-	-	3,228,121
Other Income	(6,508,360)	8,377,102	-	-	-	-	1,868,742
Income – internal	-	815,816	2,759,678	(1,669,844)	-	(1,905,650)	-
Profit / (loss) for the period	(9,598,287)	6,903,226	2,075,727	(8,423,414)	(240,849)	2,125,553	(7,158,044)

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Notes to the condensed consolidated interim financial statements (continued)

19 Segment information (continued)

The segment assets and liabilities are as follows:

	Investment in securities	Investment properties	Freight forwarding, logistics and storage	Trading			Eliminations	Consolidated
				AED	AED	AED		
As at 30 June 2024 (Unaudited)								
Assets	1,222,227,721	88,204,786	127,048,697	137,491,963	107,975,654	(536,986,952)	1,145,961,869	
Liabilities	548,541,993	8,370,716	147,622,890	5,847,096	208,712	(177,434,494)	533,156,913	
Equity-accounted investees	378,632,171	-	-	-	-	-	378,632,171	
Capital expenditure	-	-	19,148,937	-	-	-	19,148,937	
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	