

Hily Holding PJSC

Condensed consolidated interim financial statements

30 September 2023

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 September 2023

The Directors have pleasure in submitting their report and the condensed consolidated interim financial statements for the period ended 30 September 2023.

Principal activities

The principal activity of the Company and its subsidiaries (together, the "Group") is primarily the import and distribution of foodstuff and household items in the United Arab Emirates, along with investing, development and management of real estate and commercial enterprises. The objectives of the Group include investment in or establishment of companies in the same line of business and investment in or establishment of factories in the processing or canning of foodstuff as well as engagement in all operations and investments in and outside the United Arab Emirates.

Financial results

The results of the Group for the period ended 30 September 2023 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 30 September 2023 condensed consolidated interim financial statements of Hily Holding PJSC ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2023;
- the condensed consolidated interim statements of profit or loss for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated interim statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2023;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2023; 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 September 2023 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Abu Dhabi, United Arab Emirates

Date: **13 NOV 2023**

Hily Holding PJSC

Condensed consolidated interim statement of financial position

As at

	Notes	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Assets			
Non-current assets			
Property and equipment		82,060,715	62,646,526
Intangible assets		354,500	459,293
Right-of-use assets		7,495,968	7,311,557
Investment properties	5	247,819,205	241,210,031
Equity-accounted investee	6	343,098,777	328,648,938
Investments held at fair value through other comprehensive income ("FVTOCI")	7	74,600,627	32,642,449
Investment at amortized cost	7	23,228,665	8,311,999
Total non-current assets		778,658,457	681,230,793
Current assets			
Inventories	8	8,627,979	14,754,302
Investments held at fair value through profit or loss ("FVTPL")	7	223,767,781	187,346,001
Trade and other receivables	9	15,206,086	12,314,997
Prepayments		3,367,167	1,593,443
Amounts due from related parties	14	6,866,641	2,966,633
Term deposit	10	7,500,000	7,500,000
Cash and cash equivalents	10	64,729,412	37,804,127
Total current assets		330,065,066	264,279,503
Total assets		1,108,723,523	945,510,296
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		(32,537,068)	(35,586,124)
Retained earnings		393,194,392	383,125,040
Equity attributable to owners of the Company		600,657,324	587,538,916
Non-controlling interests		4,854,539	5,187,507
Total equity		605,511,863	592,726,423

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Hily Holding PJSC


Condensed consolidated interim statement of financial position (continued)

As at

	Notes	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits		3,645,106	3,945,681
Lease liabilities		6,704,444	7,024,288
Loans and borrowings	11	207,736,948	221,535,573
Total non-current liabilities		218,086,498	232,505,542
Current liabilities			
Lease liabilities		1,111,025	638,459
Loans and borrowings	11	169,512,015	40,050,867
Amounts due to related parties	14	850,476	530,713
Trade and other payables	12	113,651,646	79,058,292
Total current liabilities		285,125,162	120,278,331
Total liabilities		503,211,660	352,783,873
Total shareholders' equity and liabilities		1,108,723,523	945,510,296

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are 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 ~~13 NOV 2023~~ and was signed on their behalf by:


Ahmed Ali Khalfan Al Dhaheeri
 Chairman


Mohammed Hafez
 Chief Financial Officer

The notes set out on pages 11 to 27 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 2 and 3.



Hily Holding PJSC

Condensed consolidated interim statement of profit or loss for the

	Notes	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2023 AED (Unaudited)	2022 AED (Unaudited)	2023 AED (Unaudited)	2022 AED (Unaudited)
Income comprises:					
- Revenue from contracts with customers	13	7,752,431	9,003,756	38,784,046	37,130,913
- Income from investment properties	13	15,821,117	7,884,720	32,845,233	25,371,420
- (Loss) / income from investment in securities	13	(6,534,107)	55,499,926	(1,267,440)	66,581,855
		<u>17,039,441</u>	<u>72,388,402</u>	<u>70,361,839</u>	<u>129,084,188</u>
Direct costs		(6,754,368)	(6,508,313)	(32,796,095)	(31,430,028)
Selling and distribution expenses		(3,056,089)	(4,800,070)	(13,425,780)	(14,262,930)
General and administrative expenses		(3,911,889)	(5,549,083)	(15,195,321)	(13,260,826)
Impairment loss on trade receivables, advances to suppliers and other receivables		-	(96,484)	(231,371)	(364,952)
Share of results of associate	6	5,712,038	9,548,191	23,030,512	18,723,892
Other (loss) / income		4,542	(21,095)	122,280	564,124
		<u>9,033,675</u>	<u>64,961,548</u>	<u>31,866,064</u>	<u>89,053,468</u>
Operating profit		9,033,675	64,961,548	31,866,064	89,053,468
Finance costs		(7,878,711)	(5,218,475)	(22,193,662)	(13,315,089)
		<u>1,154,964</u>	<u>59,743,073</u>	<u>9,672,402</u>	<u>75,738,379</u>
Profit for the period		1,154,964	59,743,073	9,672,402	75,738,379
Attributable to:					
Owners of the Company		1,303,735	59,918,302	10,005,370	76,095,095
Non-controlling interests		(148,771)	(175,229)	(332,968)	(356,716)
		<u>1,154,964</u>	<u>59,743,073</u>	<u>9,672,402</u>	<u>75,738,379</u>
Basic and diluted earnings	16	<u>0.01</u>	<u>0.50</u>	<u>0.08</u>	<u>0.63</u>

The notes set out on pages 11 to 27 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 2 and 3.

Hily Holding PJSC

Condensed consolidated interim statement of comprehensive income for the period ended

	Three-month period ended		Nine-month period ended		
	30 September		30 September		
	Notes	2023 AED (Unaudited)	2022 AED (Unaudited)	2023 AED (Unaudited)	2022 AED (Unaudited)
Profit for the period		1,154,964	59,743,073	9,672,402	75,738,379
Other comprehensive income / (loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive loss		-	-	-	3,845
Net changes in fair value of investments carried at FVTOCI		(7,302,064)	(69,034)	3,062,424	(1,099,688)
Gain on disposal of OCI investment		29,847	-	42,276	-
Associate - share of other comprehensive income		-	(22,499)	8,338	(22,499)
Other comprehensive income / (loss) for the period		(7,272,217)	(91,533)	3,113,038	(1,118,342)
Total comprehensive income for the period		(6,117,253)	59,651,540	12,785,440	74,620,037
Attributable to:					
Owners of the Company		(5,968,482)	59,826,769	13,118,408	74,976,753
Non-controlling interests		(148,771)	(175,229)	(332,968)	(356,716)
		(6,117,253)	59,651,540	12,785,440	74,620,037

The notes set out on pages 11 to 27 form an integral part of these condensed consolidated interim financial statements.

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Hily Holding PJSC

Condensed consolidated interim statement of changes in equity for the nine-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 2022 (Audited)	120,000,000	60,000,000	60,000,000	(38,085,835)	305,790,338	507,704,503	5,587,848	513,292,351
Total comprehensive (loss) / income for the period								
Profit for the period	-	-	-	-	76,095,095	76,095,095	(356,716)	75,738,379
Other comprehensive loss	-	-	-	(1,122,187)	3,845	(1,118,342)	-	(1,118,342)
Total comprehensive income for the period	-	-	-	(1,122,187)	76,098,940	74,976,753	(356,716)	74,620,037
At 30 September 2022 (Unaudited)	120,000,000	60,000,000	60,000,000	(39,208,022)	381,889,278	582,681,256	5,231,132	587,912,388
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 for the period	-	-	-	-	10,005,370	10,005,370	(332,968)	9,672,402
Other comprehensive income (Net change in Fair value of investments held at FVTOCI)	-	-	-	3,104,700	-	3,104,700	-	3,104,700
Transfer of fair value reserve on disposal of investments held at FVTOCI	-	-	-	(63,982)	63,982	-	-	-
Associate - share of other comprehensive income	-	-	-	8,338	-	8,338	-	8,338
Total comprehensive income for the period	-	-	-	3,049,056	10,069,352	13,118,408	(332,968)	12,785,440
At 30 September 2023 (Unaudited)	120,000,000	60,000,000	60,000,000	(32,537,068)	393,194,392	600,657,324	4,854,539	605,511,863

The notes set out on pages 11 to 27 form an integral part of these condensed consolidated interim financial statements.

Hily Holding PJSC

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

		30 September 2023 AED (Unaudited)	30 September 2022 AED (Unaudited)
	Note		
Cash flows from operating activities			
Profit for the period		9,672,402	75,738,379
<i>Adjustments for:</i>			
Depreciation on property and equipment		2,647,407	2,759,926
Depreciation on right-of-use assets		727,831	632,570
Amortization on intangible assets		104,793	555,112
Finance costs		22,193,662	13,315,089
Provision for employees' end of service benefits		424,837	613,081
Net loss in fair value of investments held at FVTPL	7	26,373,188	7,221,703
Gain on disposal of investments held at FVTPL		(16,327,110)	(64,987,474)
Provision for expected credit losses on trade and other receivables, net		231,371	364,952
Dividend income		(7,396,526)	(8,472,757)
Provision for slow moving inventories		171,560	225,000
Reversal of provision for slow moving inventories		(447,727)	-
Change in fair value of investment property		(6,441,174)	-
Gain on Disposal of property, plant and equipment		(9,996)	-
Gain on share capital reduction of Investment carried at FVTOCI		11,631	-
Gain on recognition of purchase of associate	6	(2,097,850)	-
Share of results of associate	6	(20,941,050)	(18,723,892)
Interest income on investment at amortized cost		(1,382,108)	(343,327)
		<u>7,515,141</u>	<u>8,898,362</u>
<i>Changes in:</i>			
- inventories		6,402,490	5,034,906
- trade and other receivables		(3,627,888)	(7,069,250)
- amounts due from related parties		(3,900,008)	(780,635)
- trade and other payables		34,593,354	(21,471,746)
- amounts due to related parties		319,763	(123,266)
		<u>41,302,852</u>	<u>(15,511,629)</u>
Employees end of service benefits paid		(725,412)	(464,914)
Purchase of investments in securities	7	(216,388,098)	(171,716,688)
Purchase of investments at amortized cost	7	(14,933,440)	(8,115,866)
Proceeds from disposal of investments in securities		130,969,181	327,699,682
Dividends received		7,490,814	9,698,727
Dividends received from associate		12,980,504	12,219,820
Dividends received from Sukuk	7	1,398,882	294,240
Investment in additional shares of an existing associate	6	(5,659,739)	(11,955,699)
Net cash (used in) / generated from operating activities		<u>(43,564,456)</u>	<u>142,147,673</u>

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Hily Holding PJSC

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

		30 September 2023 AED (Unaudited)	30 September 2022 AED (Unaudited)
	Note		
Cash flows from investing activities			
Purchase of property and equipment		(22,071,321)	(6,060,582)
Purchase of investment property		(168,000)	-
Proceeds from disposal of property and equipment		19,721	230,716
Improvements made on an investment property		-	(1,460,937)
Purchase of intangible assets		-	(172,839)
Net cash used in investing activities		<u>(22,219,600)</u>	<u>(7,463,642)</u>
Cash flows from financing activities			
Proceeds from bank borrowings	11	127,336,245	53,424,763
Repayment of bank borrowings	11	(147,460,627)	(72,649,260)
Payment of lease liabilities		(1,164,965)	(955,391)
Finance costs paid		(21,788,217)	(12,955,725)
Net cash used in financing activities		<u>(43,077,564)</u>	<u>(33,135,613)</u>
Net decrease in cash and cash equivalents		(108,861,620)	101,548,418
Cash and cash equivalents at 1 January		35,510,987	(66,283,006)
Cash and cash equivalents at 30 September	10	<u>(73,350,633)</u>	<u>35,265,412</u>

The notes set out on pages 11 to 27 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 2 and 3.

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
		30-Sep-23	31-Dec-22	30-Sep-22	
Subsidiaries directly under the Company					
National Oasis Foodstuff Company LLC	UAE	100%	100%	100%	Packing of foodstuff
FOODCO National Foodstuff PJSC	UAE	97.79%*	97.79%	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
NURANA Properties WLL	Bahrain	100%	100%	100%	Investing, development and management of real estate and commercial enterprises

* Shares in FOODCO National Foodstuff PJSC with a quantity of 40,350,000 (31 December 2022: 40,350,000) shares are pledged with commercial banks for securing overdraft facility (Note 11).

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities *(continued)*

Subsidiary 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

2 Statement of compliance

The condensed consolidated interim financial statements have 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 Decree 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 2022. 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 Significant 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 2022.

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 standards or amendments	Effective date
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimate	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

3 Significant accounting policies (continued)

Forthcoming requirements

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 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.

New standard or amendments	Effective date
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 – Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 – Lack of Exchangeability	1 January 2024
Amendments to IFRS 10 and IAS 28 – Sale or Construction of Assets between an Investor and its Associate or Joint Venture	N/A*

*Available for optional adoption / 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 2022.

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.

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

5 Investment properties

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Warehouses	16,060,868	16,060,868
Building - commercial and residential	225,317,163	225,149,163
Land	6,441,174	-
	<u>247,819,205</u>	<u>241,210,031</u>

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

	Nine-month period ended 30 September 2023 AED (Unaudited)	Year ended 31 December 2022 AED (Audited)
As at 1 January	241,210,031	242,012,006
Additions during the year	168,000	1,718,748
Change in fair value of investment properties	-	(2,520,723)
Change in fair value	6,441,174	-
At the end of the period / year	<u>247,819,205</u>	<u>241,210,031</u>

Fair value of all investment properties except land held by Nurana properties WLL has been determined based on an internal valuation carried out by the Group's management as at 31 December 2022.

Given that there were no significant changes in the inputs used in the December 2022 valuation and no major or drastic changes to the property market in the UAE, management believes that the fair value as of 30 September 2023 remained consistent with the value determined in December 2022.

Investment properties amounting to AED 209,601,865 (31 December 2022: AED 209,601,865) are mortgaged against loans and borrowings (note 11) obtained by the Group to finance the construction of the properties.

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2023 (Unaudited)				
Investment properties	<u>-</u>	<u>-</u>	<u>247,819,205</u>	<u>247,819,205</u>
31 December 2022 (Audited)				
Investment properties	<u>-</u>	<u>-</u>	<u>241,210,031</u>	<u>241,210,031</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

6 Equity-accounted investee

Name	Domiciled	% of equity held		Principal activities
		30-Sep-23	31-Dec-22	
Al Waha Capital PJSC	UAE	9.53%	9.36%	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 8.80% as at that date. During 2022 and the nine-month period ended 30 September 2023, the Company has invested in additional shares of the associate, which has increased its shareholding to 9.53% as of 30 September 2023.

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

	Nine-month period ended 30 September 2023 AED	Year ended 31 December 2022 AED
Opening balance	328,648,938	292,931,271
Purchase	5,659,739	13,496,302
Share of profit	20,932,662	31,592,812
Gain on recognition	2,097,850	3,038,993
Dividends*	(14,248,800)	(12,219,820)
Share of revaluation reserve	8,388	(190,620)
	<u>343,098,777</u>	<u>328,648,938</u>

Investment in associate securities with a quantity of 67,078,706 (31 December 2022: 67,078,706) shares are pledged with commercial banks for securing term loans.

* Dividends received during the nine-month period amounted to AED 12,980,504 whereas the AED 1,268,96 is still outstanding and is included in dividend and coupon receivable.

For the purpose of statement of cashflows, amounts for the nine-month period ended 30 September 2022 are as follows:

	30 September 2022 AED (Unaudited)
Share of profit	16,080,186
Gain on recognition	2,643,706
	<u>18,723,892</u>

Hily Holding PJSC

Notes to the condensed consolidated interim financial statements

7 Investments

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	74,600,627	32,642,449
Investments held at fair value through profit and loss ("FVTPL")	223,767,781	187,346,001
Investment at amortized cost	23,228,665	8,311,999
	<u>321,597,073</u>	<u>228,300,449</u>

The investments held at FVTOCI comprise:

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Investments in quoted equity securities inside UAE	71,768,240	29,769,427
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	400,940	441,575
	<u>74,600,627</u>	<u>32,642,449</u>

The investments held at FVTPL comprise:

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Investments in quoted equity securities inside UAE	218,380,284	181,834,107
Investments in quoted equity securities outside UAE	103	1,543
Quoted commodities outside UAE	5,387,394	5,510,351
	<u>223,767,781</u>	<u>187,346,001</u>

Investments in quoted debt securities are currently in the name of the Chairman and assigned to the Group.

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7 Investments (continued)

Investment at amortized cost:

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
At 1 January	8,311,999	-
Purchase of financial assets (sukuks)	14,933,440	8,115,866
Interest accrued for the period	1,382,108	490,413
Interest income received	(1,398,882)	(294,280)
	<u>23,228,665</u>	<u>8,311,999</u>

This investment consists of Turkish Sukuks and Egyptian Sukuks with a coupon rate of 7.25% and 10.875% per annum respectively. All of these Sukuks are currently in the name of the Chairman and assigned to the Group through the letter of assignment.

Investments at amortized cost are held within business model whose objective is to hold assets to collect contractual cash flows that are solely payment of principal and interest (SPPI) on the principal amount understanding.

The movement in financial assets was as follows:

	FVTPL Nine-month period ended 30 September 2023 AED (Unaudited)	FVOCI Nine-month period ended 30 September 2023 AED (Unaudited)	FVTPL Year ended 31 December 2022 AED (Audited)	FVOCI Year ended 31 December 2022 AED (Audited)
At 1 January	187,346,001	32,642,449	273,630,705	19,738,327
Purchase of financial assets	177,387,930	39,000,168	194,292,620	11,389,695
Disposal of financial assets	(114,592,962)	(63,778)	(268,303,534)	(1,206,155)
Capital reduction	-	(40,635)	-	-
	<u>250,140,969</u>	<u>71,538,204</u>	<u>199,619,791</u>	<u>29,921,867</u>
Change in fair value	(26,373,188)	3,062,423	(12,273,790)	2,720,582
At end of the period / year	<u>223,767,781</u>	<u>74,600,627</u>	<u>187,346,001</u>	<u>32,642,449</u>

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Notes to the condensed consolidated interim financial statements

7 Investments (continued)

* For the purpose of statement of cashflows, amounts for the nine-month period ended 30 September 2022 are as follows:

	FVTPL 30 September 2022 AED (Unaudited)	FVOCI 30 September 2022 AED (Unaudited)
Purchase of financial assets	160,300,623	11,416,065
Disposal of financial assets	(261,479,714)	(1,228,649)
Change in fair value	(7,221,703)	(1,099,688)

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:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2023				
Investments held at FVTPL	223,767,781	-	-	223,767,781
Investments held at FVTOCI:				
Quoted shares	72,471,200	-	-	72,471,200
Unquoted shares	-	-	2,129,427	2,129,427
	72,471,200	-	2,129,427	74,600,627
Total	296,238,981	-	2,129,427	298,368,408
	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 December 2022				
Investments held at FVTPL:	187,346,001	-	-	187,346,001
Investments held at FVTOCI:				
Quoted shares	30,472,387	-	-	30,472,387
Unquoted shares	-	-	2,170,062	2,170,062
	30,472,387	-	2,170,062	32,642,449
Total	217,818,388	-	2,170,062	219,988,450

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8 Inventories

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Goods for resale	7,798,534	14,427,437
Consumables	1,410,519	2,115,959
	<u>9,209,053</u>	<u>16,543,396</u>
Less: allowance for slow moving inventories	(581,074)	(1,789,094)
	<u>8,627,979</u>	<u>14,754,302</u>

Movement in allowance for slow moving inventories is as follows:

	Nine-month period ended 30 September 2023 AED (Unaudited)	Year ended 31 December 2022 AED (Audited)
At 1 January	1,789,094	1,047,582
Charge for the period / year*	171,560	1,200,332
Reversal of provision	(447,727)	-
Written off during the period / year	(931,853)	(458,820)
	<u>581,074</u>	<u>1,789,094</u>

* For the purpose of statement of cashflows, amounts for the nine-month period ended 30 September 2022 are as follows;

	30 September 2022 AED (Unaudited)
Charge for the period	225,000
Written off during the period	(347,346)

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9 Trade and other receivables

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Trade receivables	35,789,570	35,375,223
Less: allowance for expected credit loss	<u>(25,871,121)</u>	<u>(25,639,750)</u>
	9,918,449	9,735,473
Advances to suppliers	2,081,509	3,266,341
Dividend and coupon receivable	1,570,806	94,288
Other receivables	3,835,674	2,244,202
Less: allowance for expected credit loss on advances to suppliers and other receivables	<u>(2,200,352)</u>	<u>(3,025,307)</u>
	<u>15,206,086</u>	<u>12,314,997</u>

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

	Nine-month period ended 30 September 2023 AED (Unaudited)	Year ended 31 December 2022 AED (Audited)
At 1 January	25,639,750	24,888,943
Charge for the period / year	231,371	789,500
Transfer from other provision	-	(38,693)
	<u>25,871,121</u>	<u>25,639,750</u>

* For the purpose of statement of cashflows, amounts for the nine-month period ended 30 September 2022 are as follows;

	30 September 2022 AED (Unaudited)
Charge for the period	<u>364,952</u>

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10 Cash and cash equivalents

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Cash and bank balances - cash and cash equivalents in the statement of financial position	5,814,339	2,804,127
One month deposit (cash equivalent)	58,915,073	35,000,000
Term Deposit*	7,500,000	7,500,000
	<u>72,229,412</u>	<u>45,304,127</u>
Bank Balances and cash	72,229,412	45,304,127
Less: bank overdrafts repayable on demand and used for cash management purposes (note 11)	(138,080,045)	(2,293,140)
Less: term Deposit*	(7,500,000)	(7,500,000)
	<u>(73,350,633)</u>	<u>35,510,987</u>
Cash and cash equivalents in the statement of cash flows	<u>(73,350,633)</u>	<u>35,510,987</u>

* Term deposit is placed with a local bank, have an original maturity of more than 3 months and matures in November 2023. The deposit yields an interest rate 4.6% per annum.

11 Borrowings

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Bank borrowings	238,463,644	255,009,766
Trust receipts	705,274	4,283,534
Bank overdrafts (note 10)	138,080,045	2,293,140
	<u>377,248,963</u>	<u>261,586,440</u>

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

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Current portion	169,512,015	40,050,867
Non-current portion	207,736,948	221,535,573
	<u>377,248,963</u>	<u>261,586,440</u>

The average interest rates during the period were as follows:

	September 2023 and December 2022
Bank overdrafts	1-month EIBOR + margin
Term loans	1 to 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.

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Notes to the condensed consolidated interim financial statements

11 Borrowings (continued)

The Group has bank borrowings that contains covenants which are regularly monitored by the head of treasury for compliance. No breach of covenants as of 30 September 2023.

12 Trade and other payables

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Trade payables	86,767,338	48,642,720
Accruals	12,821,525	19,237,143
Advances from customers	10,029,032	5,761,149
Retention payable	-	257,813
Other payables	4,033,751	5,159,467
	<u>113,651,646</u>	<u>79,058,292</u>

13 Income

Revenue from contracts with customers

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2023 AED	2022 AED	2023 AED	2022 AED
Sale of goods	3,730,672	7,116,619	29,062,094	32,065,919
Logistics and storage services	4,021,759	1,887,137	9,721,952	5,064,994
	<u>7,752,431</u>	<u>9,003,756</u>	<u>38,784,046</u>	<u>37,130,913</u>

Income from investment properties

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2023 AED	2022 AED	2023 AED	2022 AED
Rental income	9,490,117	7,884,720	26,514,233	25,371,420
Change in fair value	6,331,000	-	6,331,000	-
	<u>15,821,117</u>	<u>7,884,720</u>	<u>32,845,233</u>	<u>25,371,420</u>

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Notes to the condensed consolidated interim financial statements

13 Income

(Loss) / income from investments in securities

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	AED	AED	AED	AED
Dividend and coupon income	519,323	1,229,977	7,396,526	8,472,757
Net change in fair value of investment held at FVTPL	(12,855,131)	(9,888,539)	(26,373,188)	(7,221,703)
Gain on sale of investment	5,251,387	64,011,350	16,327,110	64,987,474
Interest income on amortised Investments (sukuks)	550,314	147,138	1,382,112	343,327
	<u>(6,534,107)</u>	<u>55,499,926</u>	<u>(1,267,440)</u>	<u>66,581,855</u>

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:

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	AED	AED	AED	AED
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales to entities under common directorship	2,667,505	378,120	5,431,298	782,367
Purchases and other charges from entities under common directorship	2,149,598	23,624	2,368,510	254,700

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Notes to the condensed consolidated interim financial statements

14 Related party transaction and balances *(continued)*

Amounts due from related parties

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Entity with significant influence	628,499	688,845
Key management personnel	82,162	106,760
Other related parties	6,155,980	2,171,028
	<u>6,866,641</u>	<u>2,966,633</u>

Amounts due to related parties

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Entity with significant influence	81,690	23,386
Key management personnel	768,786	507,327
	<u>850,476</u>	<u>530,713</u>

Key management personnel compensation

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED (Unaudited)	2022 AED (Unaudited)	2023 AED (Unaudited)	2022 AED (Unaudited)
Management compensation	<u>934,151</u>	<u>409,362</u>	<u>3,077,753</u>	<u>3,055,437</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 2022, 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		Nine-month period ended	
	30 September		30 September	
	2023 AED	2022 AED	2023 AED	2022 AED
Profit for the period attributable to owners of the Company (AED)	<u>1,303,735</u>	<u>59,918,302</u>	<u>10,005,370</u>	<u>76,095,095</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>0.01</u>	<u>0.50</u>	<u>0.08</u>	<u>0.63</u>

17 Commitments and contingent liabilities

Contingent liabilities

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Bank guarantees	<u>2,719,122</u>	<u>2,193,239</u>

Capital commitments

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

	30 September 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Warehouse expansion	<u>49,906,714</u>	<u>71,015,000</u>

18 Corporate Tax

AE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:

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 from FY 2024 onwards. The Cabinet Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

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18 Corporate Tax (continued)

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 interim financial period ended 30 September 2023.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Group has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

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.

Information regarding these segments is presented below:

For the nine-month period ended 30 September 2023 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	(1,267,440)	32,845,233	9,723,652	29,060,394	151,783	(151,783)	70,361,839
Income – internal	-	950,539	3,294,415	-	-	(4,244,954)	-
Profit / (loss) for the period	(7,054,496)	28,841,081	(5,156,817)	(6,535,255)	(270,328)	(151,783)	9,672,402

For the nine-month period ended 30 September 2022 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	66,581,855	25,371,420	5,064,994	32,065,919	-	-	129,084,188
Income – internal	-	-	5,593,138	-	-	(5,593,138)	-
Profit / (loss) for the period	67,378,925	19,637,845	(1,023,386)	(12,442,789)	(2,586,560)	4,774,344	75,738,379

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19 Segment information (continued)

For the three-month period ended 30 September 2023 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	(6,534,107)	15,821,117	4,023,459	3,728,972	151,783	(151,783)	17,039,441
Income – internal	-	(220,550)	534,737	-	-	(314,187)	-
Profit / (loss) for the period	(9,504,427)	14,467,899	(3,384,741)	2,008,597	152,819	(2,585,183)	1,154,964

For the three-month period ended 30 September 2022 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	12,932,235	9,088,368	1,484,694	9,170,744	-	-	32,676,041
Income – internal	-	-	1,876,530	-	-	(1,876,530)	-
Profit / (loss) for the period	648,733	7,725,098	(379,895)	(2,653,826)	(57,836)	(151,398)	5,130,876

The segment assets and liabilities are as follows:

As at 30 September 2023 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	1,085,654,009	284,802,426	72,851,005	128,530,854	195,530	(463,310,301)	1,108,723,523
Liabilities	352,609,413	219,950,166	8,831,888	10,887,913	45,094	(89,112,814)	503,211,660

As at 31 December 2022 (Audited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	1,024,865,943	294,343,889	73,450,922	179,404,041	2,585,666	(629,140,165)	945,510,296
Liabilities	330,518,451	257,725,900	89,274,435	37,002,486	45,094	(361,782,493)	352,783,873