

ESHRAQ INVESTMENTS PJSC

**Review report and condensed
consolidated financial information
for the nine-month period ended
30 September 2023**

ESHRAQ INVESTMENTS PJSC

Review report and condensed consolidated financial information for the nine-month period ended 30 September 2023

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ESHRAQ INVESTMENTS PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Eshraq Investments PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34 *Interim Financial Reporting*.

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No. 5482
9 November 2023
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
at 30 September 2023**




		30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
	Notes		
ASSETS			
Non-current assets			
Property and equipment	5	6,478	6,904
Investment properties	6	689,118	834,928
Financial assets at fair value through other comprehensive income	7	21,828	48,204
Debt investment at amortised cost	8, 20	7,859	-
Trade and other receivables – net of current portion	10	114,087	33,679
Total non-current assets		839,370	923,715
Current assets			
Inventories		66	68
Trade and other receivables	10	20,111	8,559
Financial assets at fair value through profit or loss	9, 20	1,767,478	1,766,426
Wakala investment	12, 20	11,400	-
Due from a related party	20	7,536	14,846
Cash and bank balances	11	49,742	25,822
Total current assets		1,856,333	1,815,721
Assets held for sale	13	91,803	280,337
Total assets		2,787,506	3,019,773
EQUITY AND LIABILITIES			
Equity			
Share capital	14	2,820,433	2,820,433
Share discount	14	(623,283)	(623,283)
Treasury shares	14	(71,158)	(26,151)
Statutory reserve	15	58,979	58,979
Retained earnings		440,439	525,113
Investment revaluation reserve	16	(46,961)	(51,426)
Total equity		2,578,449	2,703,665

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of financial position
at 30 September 2023 (continued)**

	Notes	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	17	1,328	1,470
Bank borrowings	18	165,321	227,759
Total non-current liabilities		166,649	229,229
Current liabilities			
Trade and other payables	19	22,600	54,330
Bank borrowings	18	19,808	32,549
Total current liabilities		42,408	86,879
Total liabilities		209,057	316,108
Total equity and liabilities		2,787,506	3,019,773

To the best of our knowledge, the condensed consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.

		
Chairman	Chief Executive Officer	Director, Finance

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of profit or loss
for the nine-month period ended 30 September 2023**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2023	2022	2023	2022
		AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)
Revenue from commercial operations		8,181	8,723	26,578	29,528
Direct operating expenses		(4,260)	(4,099)	(9,243)	(11,984)
Gross profit from commercial operations		3,921	4,624	17,335	17,544
Finance income		1,487	1,748	4,272	9,781
Finance costs		(3,517)	(3,045)	(11,470)	(7,795)
Net finance (loss)/income		(2,030)	(1,297)	(7,198)	1,986
Dividend income		-	-	416	4,294
Changes in fair value of financial assets at fair value through profit or loss	9	(85,042)	473,574	(52,076)	468,299
Share of profits from an associate		-	-	-	382
Net (loss)/gain from investments		(85,042)	473,574	(51,660)	472,975
Total operating (loss)/income		(83,151)	476,901	(41,523)	492,505
General and administrative expenses		(2,592)	(2,600)	(15,158)	(10,544)
Selling and marketing expenses		(163)	(205)	(571)	(589)
Reversal of allowance for impairment on debt investments		-	89	-	89
Change in fair value of assets held for sale	13	-	-	(26,784)	-
Change in fair value of investment properties	6	2,558	-	2,558	-
Other income		4	2	38	13
(Loss)/profit for the period		(83,344)	474,187	(81,440)	481,474
Basic and diluted(loss)/ earnings per share (AED)	24	(0.0306)	0.2820	(0.0299)	0.2864

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income
for the nine-month period ended 30 September 2023**

	Three-month ended 30 September		Nine-month ended 30 September	
	2023 AED '000 (unaudited)	2022 AED '000 (unaudited)	2023 AED '000 (unaudited)	2022 AED '000 (unaudited)
(Loss)/profit for the period	(83,344)	474,187	(81,440)	481,474
Other comprehensive income:				
<i>Item that will not be reclassified to profit or loss</i>				
Changes in the fair value of equity instruments designated at fair value through other comprehensive income/(loss)	(186)	(6)	1,231	(4,723)
Total other comprehensive income/(loss)	(186)	(6)	1,231	(4,723)
Total comprehensive (loss)/income for the period	(83,530)	474,181	(80,209)	476,751

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2023**

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings/ Accumulated losses AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2022 (audited)	2,325,000	-	(15,609)	141,125	(1,039,304)	(47,957)	1,363,255
Profit for the six-months period 30 June 2022	-	-	-	-	7,287	-	7,287
Other comprehensive loss for the six-months period 30 June 2022	-	-	-	-	-	(4,717)	(4,717)
Total comprehensive income for the six-months period 30 June 2022	-	-	-	-	7,287	(4,717)	2,570
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	-	1,252	-	1,252
Balance at 30 June 2022 (unaudited)	2,325,000	-	(15,609)	141,125	(1,030,765)	(52,674)	1,367,077
Decrease in share capital	(889,640)	-	-	(141,125)	1,030,765	-	-
Revised share capital post-reduction	1,435,360	-	(15,609)	-	-	(52,674)	1,367,077
Profit for the three-months period 30 September 2022	-	-	-	-	474,187	-	474,187
Other comprehensive loss for the three-months period 30 September 2022	-	-	-	-	-	(6)	(6)
Total comprehensive income for the period	-	-	-	-	474,187	(6)	474,181
Transfer to retained earnings from financial assets at FVTOCI	-	-	-	-	2,356	4,850	7,206
Treasury shares purchased (Note 14)	-	-	(4,764)	-	-	-	(4,764)
Increase in share capital	1,385,073	(623,283)	-	-	-	-	761,790
Balance at 30 September 2022 (unaudited)	2,820,433	(623,283)	(20,373)	-	476,543	(47,830)	2,605,490

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2023 (continued)**

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings/ Accumulated losses AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2023 (audited)	2,820,433	(623,283)	(26,151)	58,979	525,113	(51,426)	2,703,665
Loss for the period	-	-	-	-	(81,440)	-	(81,440)
Other comprehensive income for the period	-	-	-	-	-	1,231	1,231
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	-	-	(81,440)	1,231	(80,209)
Transfer to retained earnings from financial assets at FVTOCI	-	-	-	-	(3,234)	3,234	-
Treasury shares purchased (Note 14)	-	-	(45,007)	-	-	-	(45,007)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2023 (unaudited)	2,820,433	(623,283)	(71,158)	58,979	440,439	(46,961)	2,578,449
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The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows
for the nine-month period ended 30 September 2023**

	Notes	Nine-month ended 30 September	
		2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Cash flows from operating activities			
(Loss)/profit for the period		(81,440)	481,474
<i>Adjustments for:</i>			
Change in fair value of financial assets at FVTPL	9	52,076	(468,299)
Depreciation of property and equipment	5	666	2,877
Share of profits from an associate		-	(382)
Amortisation of borrowing cost	18	161	161
Reversal of impairment on debt investments at amortised cost		-	(89)
Finance income		(4,272)	(9,781)
Change in valuation of investment properties	6	(2,558)	-
Change in fair value of assets held for sale	13	26,784	-
Finance costs		11,309	7,634
Dividend income		(416)	(4,294)
Provision for employees' end of service benefits	17	206	276
Operating cash flows before changes in working capital		2,516	9,577
Decrease in trade and other receivables		2,141	576
Decrease/(increase) in inventories		2	(26)
Decrease in restricted cash		3,635	-
(Increase)/decrease in due from a related party		(4,090)	9,366
Decrease in trade and other payables		(21,427)	(5,617)
Cash (used in)/generated from operating activities		(17,223)	13,876
Employees' end of service benefits paid	17	(348)	(23)
Net cash (used in)/generated from operating activities		(17,571)	13,853
Cash flows from investing activities			
Proceeds from sales of financial assets at fair value through profit or loss	9	12,250	580
Proceeds from sales of assets held for sale	13	162,016	-
Proceeds from sale of investment properties	6	48,554	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	7	27,607	6,385
Dividends received		416	7,274
Interest received		227	9,679
Purchase of financial assets at fair value through profit or loss	9	(65,378)	(814)
Payments for investment properties	6	(242)	-
Payment for assets held for sale	13	(266)	-
Payments for purchase of property and equipment	5	(240)	(3,619)
Purchase of debt investments at amortised cost	8	(7,859)	(36,724)
Net cash generated from/(used in) investing activities		177,085	(17,239)
Cash flows from financing activities			
Repayment of bank borrowings	18	(70,866)	(21,977)
Finance costs paid		(16,086)	(6,700)
Treasury shares purchased	14	(45,007)	(4,764)
Net cash used in financing activities		(131,959)	(33,441)
Net increase/(decrease) in cash and cash equivalents		27,555	(36,827)
Cash and cash equivalents at 1 January		15,500	61,733
Cash and cash equivalents at 30 September	11	43,055	24,906
Non-cash transactions			
Acquisition of Wakala investment on settlement of related party receivables	12	11,400	-

The accompanying notes form an integral part of these condensed consolidated financial information.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2023

1 General information

Eshraq Investments PJSC (the “Company”) was initially registered as a private joint stock company in the Emirate of Abu Dhabi on 24 December 2006. On 7 July 2011, the Company converted to a public joint stock company. The Company is listed on the Abu Dhabi Securities Exchange.

The Company is registered under commercial license No. 1005631 and Abu Dhabi Chamber of Commerce and Industry membership No. 223393. The registered head office of the Company is at P.O. Box 108737, Abu Dhabi, United Arab Emirates (“UAE”).

The Company, its subsidiaries and an associate (together referred to as the “Group”) are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services. The Company also owns a hotel apartment building.

The details of principal activities, country of incorporation, and ownership interest of the Company in its subsidiaries and associate are set out below:

Name of the subsidiary	Country of incorporation	Legal % of holding		Principal activities	Classification
		2023	2022		
Eshraq International Company LLC	Cayman Islands	100	100	Real estate	Subsidiary
Beans and Pages Café*	UAE	100	100	Library and café	Subsidiary
Goldilocks Investment Holding-Sole Proprietorship L.L.C.**	UAE	100	100	Investment, institution and management	Subsidiary
Qanat View Real Estate Development Construction – Sole Proprietorship L.L.C. *	UAE	100	100	Real estate development construction	Subsidiary
Bayfront Waves View Real Estate Development Construction – Sole Proprietorship L.L.C. ***	UAE	100	100	Real estate development construction	Subsidiary
Garden Meadows View Real Estate Development Construction – Sole Proprietorship L.L.C. ***	UAE	100	100	Real estate development construction	Subsidiary
Heights View Real Estate Development Construction – Sole Proprietorship L.L.C. ***	UAE	100	100	Real estate development construction	Subsidiary
Paradise Empire View Real Estate Development Construction – Sole Proprietorship L.L.C. ***	UAE	100	100	Real estate development construction	Subsidiary
Seascape Oasis View Real Estate Development Construction – Sole Proprietorship L.L.C.***	UAE	100	100	Real estate development construction	Subsidiary

*Entities incorporated during 2022.

**Dormant entity acquired from a related party.

***Entities incorporated during 2023.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

1 General information (continued)

<u>Subsidiary under Eshraq International Company LLC</u>	<u>Country of incorporation</u>	<u>Legal % of holding</u>	<u>Beneficial % of holding</u>	<u>Principal activities</u>	<u>Classification</u>
Nuran Marina Serviced Residence LLC*	UAE	49%	100	Hotel apartments	Subsidiary

* Eshraq International Company LLC has a 49% ownership in Nuran Marina Serviced Residence LLC and the remaining 51% is held by the heirs of a former board member on behalf of the Company who had irrecoverably assigned the beneficial ownership to Eshraq International Company LLC.

<u>Associate under Eshraq International Company LLC</u>	<u>Country of incorporation</u>	<u>Legal % of holding</u>		<u>Principal activities</u>	<u>Classification</u>
		<u>2023</u>	<u>2022</u>		
Alkonost Investment Ltd. *	Cayman Islands	-	40%	Asset management	Associate

*During 2022, the ownership in Alkonost Investments Ltd was disposed.

Corporate income tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. As the Group’s accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Enactment of the legislation requires the recognition of deferred taxes where relevant, however the Group does not have any material deferred tax balances to record for the period. The impact of any future changes in enacted law will be accounted for when such changes are substantively enacted or enacted.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

2 Application of new and revised International Financial Reporting Standards (“IFRSs”)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been applied in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- IFRS 17 *Insurance Contracts*
- Amendments to IFRS 17
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to IAS 8 *Definition of Accounting Estimates*

2.2 New and revised IFRSs in issue but not yet effective

The Group has not early adopted any new and revised IFRSs that have been issued but are not yet effective.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2024
Amendments to IFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 1 <i>Non-current liabilities with covenants</i>	1 January 2024
Amendments to IFRS 10 <i>Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.
IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	1 January 2024
IFRS S2 <i>Climate-related Disclosures</i>	1 January 2024

The above stated new standards and amendments are not expected to have any significant impact on these condensed consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on these condensed consolidated financial statements of the Group.

3 Summary of significant accounting policies

Statement of compliance

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all the information required for full annual 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.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

3 Summary of significant accounting policies (continued)

In addition, results for nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value and investment properties which are carried at fair value.

4 Accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2022, except for the below and the adoption of new standards and interpretations effective 1 January 2023 as stated in Note 2 above.

5 Property and equipment

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Carrying amount at the beginning of the period/year	6,904	97,253
Additions during the period/year	240	4,297
Depreciation charge for the period/year	(666)	(3,108)
Transfer to asset held for sale (Note 14)	-	(91,538)
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Carrying amount at the end of the period/year	6,478	6,904
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All of the Group's property and equipment are located in the UAE.

The depreciation charge has been allocated in the condensed consolidated statement of profit or loss as follows:

	Nine-month ended 30 September	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Direct operating expenses	390	2,859
General and administrative expenses	276	309
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	666	3,168
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

6 Investment properties

Investment properties represent certain plots of land located in the UAE, rented out properties in the United Arab Emirates and a building in the United States of America (“USA”).

Movement in investment properties is as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	834,928	1,006,352
Additions during the period/year	242	-
Disposals	(148,610)	(33,134)
Transfer to assets held for sale (Note 13)	-	(188,800)
Increase in fair value	2,558	50,510
	<hr/>	<hr/>
Balance at the end of the period/year	689,118	834,928
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Investment properties are carried at fair value. As of 30 September 2023, the fair value of the investment properties has arrived at on the basis of valuations carried out by accredited independent valuers not related to the Group. The valuers are members of professional valuers’ associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations.

In estimating the revalued amounts of the investment properties, the highest and best use of the properties were considered, and comparable and investment valuation approaches were used. The approaches involve measuring the present value of the business resources based on the flow of prices of these resources on the free market and exchange between willing persons (seller and buyer) on such market. The valuation has been conducted as at 30 September 2023. There were no changes to the valuation techniques adopted to the investment properties during the period.

The inputs used in the valuation are not based on observable market data, and thus, the valuation techniques were considered to be Level 3 fair value measurement.

During the nine-month period ended 30 September 2023, the Group recognised rental income from letting investment properties of AED 12,845 thousand (30 September 2022: AED 16,229 thousand).

Included in investment properties, a building and a land with a fair value of AED 197,200 thousand (31 December 2022: AED 196,400 thousand) are mortgaged as a security for a loan obtained by the Group from a local bank (Note 18).

In September 2022, the Board of Directors has approved the monetization of the Group’s land bank in accordance with the Group’s business plan. The following transactions demonstrate the Group’s progress towards monetizing its land bank during the period:

- a) The Group and the third party have finalised the performance of the terms and conditions, and legal procedures as stated in the sales and purchase agreement (SPA) dated November 2022, and property development agreement for handing over the plot of land in Abu Dhabi to the third party.
- b) In 2023, the Group has completed the transfer of the title deeds and received the consideration for the sale of four plots of land located in JVC-Dubai, United Arab Emirates.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

7 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI.

Financial assets at FVOCI breakdown at the end of the reporting period comprises the following:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Unquoted equity securities	21,237	26,406
Unquoted funds	-	21,490
Quoted equity securities	591	308
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	21,828	48,204
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Movement in the balance of financial assets at FVOCI is as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	48,204	94,011
Additions	-	28,986
Disposals (i)	(27,607)	(28,529)
Reclass from financial assets at fair value through other comprehensive income (Note 9)	-	(46,736)
Net change in fair value recognised in profit or loss	1,231	472
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Balance at the end of the period/year	21,828	48,204
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i. On 3 April 2023, the Group and the other investors in a limited partnership agreed to the sale of the property owned by the limited partnership resulting to the termination of the partnership agreement. The Group received the proceeds during the period.

The Group has investment in a Bank that is also a Shareholder of the Group, amounting to AED 591 thousand (31 December 2022: AED 308 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

8 Debt investment at amortised cost

Movement in the debt investment at amortised cost is as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	-	18,363
Additions	7,859	37,641
Disposals	-	(56,004)
	<hr/>	<hr/>
Allowance for expected credit loss	-	-
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Balance at the end of the period/year	7,859	-
	<hr/> <hr/>	<hr/> <hr/>

Finance income on debt investment at amortised cost for the period ended 30 September 2023 amounted to AED 520 thousand (30 September 2022: AED 2,867 thousand). Accrued interest on debt investment at amortised cost amounted to AED 520 thousand as at 30 September 2023 (31 December 2022: AED nil).

The following table shows the movement in expected credit loss that has been recognised for debt investment at amortised cost in accordance with IFRS 9.

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	-	89
Net measurement of loss allowance	-	(89)
	<hr/>	<hr/>
Balance at the end of the period/year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

9 Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss ("FVTPL") comprise financial assets that are held for trading. The financial assets at FVTPL breakdown at the end of the reporting period comprises the following:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Quoted equity securities (i)	16,889	13,017
Unquoted funds (ii)	1,750,589	1,753,409
	<hr/> 1,767,478 <hr/>	<hr/> 1,766,426 <hr/>

- (i) Comprised of sharia compliant equity shares quoted in UAE and denominated in UAE Dirhams (AED). Part of these securities is held as a collateral for a loan obtained from a local bank (Notes 18 and 26).
- (ii) Comprised of an investment in an investment in an open-ended fund incorporated in UAE with the objective to generate return from Middle East region based instruments.

Movement in the balance of financial assets at FVTPL is as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	1,766,426	268,472
Additions (i)	65,378	1,148,101
Disposals	(12,250)	(238,643)
Reclass from financial assets at fair value through other comprehensive income (ii) (Note 7)	-	46,736
Net change in fair value recognised in profit or loss	(52,076)	541,760
	<hr/> 1,767,478 <hr/>	<hr/> 1,766,426 <hr/>

- (i) In 2022, the Company completed the acquisition of the Fund. The acquisition has been completed through a share swap transaction at an agreed swap ratio of 12.61 Eshraq shares to 1 shares of the Fund by issuing 1,385,073 thousand new shares of the Company at par. The Group has 99.46% (31 December 2022: 99.45%) investment in fund and designated at financial assets at FVTPL. The Group does not control the Fund and is independently managed by its fund manager SHUAA GMC Limited, and the Company will remain a Limited Partner in the Fund.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

9 Financial assets at fair value through profit or loss (continued)

Finance income on the repurchase agreement for the nine-month period ended 30 September 2023 amounted to AED nil (30 September 2022: AED 601 thousand). There is no accrued interest on fixed income on the repurchase agreement amounted as at 30 September 2023 (31 December 2022: AED nil).

Included in the financial assets at FVTPL, quoted securities with a fair value of AED 16,889 thousand is mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2022: AED 13,017 thousand) (Notes 18 and 26).

10 Trade and other receivables

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Trade receivables	123,602	33,916
Accrued interest	4,126	942
Prepayments	1,540	616
Other receivables	4,930	6,764
	<hr/>	<hr/>
	134,198	42,238
Less: non-current portion (Note 6)	(114,087)	(33,679)
	<hr/>	<hr/>
Current portion	20,111	8,559
	<hr/> <hr/>	<hr/> <hr/>

Net receivables from certain customers amounting to AED 90,056 thousand (31 December 2022:nil) is discounted using three-month EIBOR+ spread of 2.25%. Interest income on receivable balance amounted AED 467 thousand (30 September 2022: AED nil). Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management experience and past default history. In determining the recoverability of a receivable balance, the entities consider any change in the credit quality of the receivable balance from the date credit was initially granted up to the end of the reporting period.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

11 Cash and bank balances

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Cash on hand	44	34
Cash at bank	43,039	19,129
Term deposits	6,659	6,659
	<hr/>	<hr/>
	49,742	25,822
Less: short-term deposits with original maturity of more than three months	(6,659)	(6,659)
Less: restricted cash	(28)	(3,663)
	<hr/>	<hr/>
Cash and cash equivalents	43,055	15,500
	<hr/> <hr/>	<hr/> <hr/>

Term deposits represents deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate 4.45% - 4.54% per annum (31 December 2022: 0.20% - 4.54% per annum).

Finance income on term deposits for the nine-month ended 30 September 2023 amounted to AED 227 thousand (30 September 2022: AED 14 thousand). Accrued interest on term deposits amounted to AED 257 thousand as at 30 September 2023 (31 December 2022: AED 30 thousand).

Restricted cash includes a restricted cash placed in a local bank amounting to AED 28 thousand (31 December 2022: AED 28 thousand). During the period, the Group as requested by Securities and Commodities Authority ("SCA"), released the unclaimed dividends declared in 2012 and 2013 collectively amounting to AED 3,635 thousand to SCA's accounts.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

12 Wakala investment

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Wakala investment	11,400	-

In 2023, the Group invested AED 11,400 thousand in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. This investment carry interest rate of 8% per annum and maturity date of 25 March 2024.

Finance income on Wakala investment for the nine-month ended 30 September 2023 amounted to AED 574 thousand (30 September 2022: AED 4,330 thousand). Accrued interest on term deposits amounted to AED 472 thousand as at 30 September 2023 (31 December 2022: nil).

13 Assets held for sale

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	280,337	-
Transfer from property and equipment (Note 5)	-	91,537
Transfer from investment properties (Note 6)	-	188,800
Additions	266	-
Disposals (i)	(162,016)	-
Change in fair value (i)	(26,784)	-
Balance at the end of the period/year	91,803	280,337

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

13 Asset held for sale (continued)

In 2022, the Board of Directors has approved the plan to sell a building previously recorded under property and equipment, and apartment units previously recorded under investment properties. The Group entered into exclusive agent agreements to find a buyer and accordingly classified the properties as held for sale. The assets held for sale are measured at the lower of fair value of their previous carrying amount and fair value less costs to sell for the property and equipment, and fair value for the investment property.

In 2022, the Group carried out a review of recoverable value of the building. The recoverable value of building is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the income approach using exit yield of 7.75% and a discount rate of 9.75%.

- (i) The fair value of the apartment units has been determined using the recent sale and purchase agreements with various third-party buyers (31 December 2022: the market comparable approach (Note 6)). As at 30 September 2023, the Group has completed the transfer of the title deeds and received the consideration for the sale of the apartment units. Accordingly, the mortgages for the units were released upon the application of the proceeds of the sales to the loan (Note 18).

As of 30 September 2023, sale and purchase agreement has been signed for the building with a carrying amount of AED 91,803 thousand but the transfer of control is completed subsequent to period end. This building is mortgaged as securities for a loan obtained by the Group from a local bank (Notes 13 and 18).

14 Share capital

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
<i>Authorised, issued and paid up capital</i>		
2,820,433,097 (2022: 2,820,433,097) ordinary shares of AED 1 each	2,820,433	2,820,433

Treasury shares

On 18 August 2022, the Group obtained an approval from SCA to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and SCA regulations.

During the annual general assembly of the Board of Directors held on 28 April 2023, the Shareholders approved to buy back the Company's shares under its buyback program utilising its own cash equivalent to 4 fils per share with the total buy back amount of approximately AED 110 million subject to the approval of the SCA. SCA rejected the application on 5 June 2023 and advised that the Company to continue the ongoing share buyback program.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

14 Share capital (continued)

The movement of treasury shares is as follows:

	30 September 2023		31 December 2022	
	Units'000	AED'000	Units'000	AED'000
Balance at the beginning of the period/year	43,048	26,151	36,458	15,609
Additional shares purchased during the period/year	87,419	45,007	20,576	10,542
Reduction in shares during the period/year	-	-	(13,950)	-
	130,503	71,158	43,084	26,151

Shares discount

The acquisition of Goldilocks Class A shares in August 2022 resulted in a net increase of the capital of the Company in an amount of AED 761,790 thousand against the shares in Goldilocks by virtue of which the owners of the shares in Goldilocks received 1,385,073 thousand new shares in the capital of the Company, each proportionally to their ownership in the fund.

Share discount amounting to AED 623,283 thousand was recognised for the difference of the fair value of the shares issued by the Group to the new shareholders and fair value of the 99.2% total shares of the Fund.

15 Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Law No. 32 of 2021, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution.

No allocation to the statutory reserve has been made for the nine-month period ended 30 September 2023, as this will be effected at the year-end based on the Company's results for the year ending 31 December 2023.

16 Investments revaluation reserve

Investments revaluation reserve represents the net unrealised gains or losses that are recognised on the financial assets at fair value through other comprehensive income.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

17 Provision for employees' end of service benefits

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	1,470	1,151
Charge for the period/year	206	355
Paid during the period/year	(348)	(36)
	<hr/>	<hr/>
Balance at the end of the period/year	1,328	1,470
	<hr/> <hr/>	<hr/> <hr/>

18 Bank borrowings

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Term loan 1	48,420	110,216
Term loan 2	6,967	19,336
Term loan 3	129,742	130,756
	<hr/>	<hr/>
	185,129	260,308
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	(165,321)	(227,759)
	<hr/>	<hr/>
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	19,808	32,549
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)****18 Bank borrowings (continued)**

The term loans comprise of the following:

Term loan 1

A sharia compliant term loan facility from a local bank amounting of AED 145,000 thousand under the terms and conditions defined in the term loan agreement. The loan is repayable in quarterly instalments over a period of 12 years and carries a variable interest rate. The loan is secured by a mortgage over the building used by Nuran Marina Serviced Residences LLC (the “Subsidiary”) (Note 13), 58 apartment units at Burj Daman, Dubai (Note 13), corporate guarantee issued by the Subsidiary in favour of the lender and collections made by the Subsidiary are assigned to the lender to repay the quarterly principal repayment of the loan. The loan was obtained to repay another previous loan from the same local bank and to finance the Group’s general obligations. The loan was fully drawdown as of the last reporting date.

During the period, the Group sold the 58 apartment units and applied the sales proceeds to reduce the loan (Note 13).

As at 30 September 2023, the Group has recognised finance costs of AED 3,990 thousand (30 September 2022: AED 3,392 thousand) in relation to this facility.

Term loan 2

In 2020, the Group availed a margin facility from a local bank amounting to AED 69,000 thousand under the terms and conditions defined in the agreement to finance the working capital requirements of the Group and repay one of an existing loan. In 2022, the margin facility limit was decreased to AED 20,000 thousand. The total drawdown from the facility as at 30 September 2023 is AED 6,967 thousand (31 December 2022: AED 19,336 thousand). The facility is secured by a pledge of quoted shares held in the name of the Group (Notes 9 and 26). The facility is repayable on demand and carries a variable interest rate. As at 30 September 2023, the Group has recognised finance costs of AED 154 thousand (30 September 2022: AED 654 thousand).

Term loan 3

In 2021, the Group obtained a sharia-compliant term loan facility from a local bank amounting to AED 140,000 thousand under the terms and conditions defined in the agreement to settle the existing debt exposure of its project loan and to finance general corporate purposes. The loan is repayable in quarterly instalments over a period of 10 years and carries a variable interest rate. The loan is secured by a mortgage over the land and building of the Group located in Al Reem Island (Note 6), Abu Dhabi, and a reserved account maintained in the name of the Group with an amount equal to at least one quarterly instalment of the term loan. The loan was fully drawn as of the reporting date.

As at 30 September 2023, the Group has recognised finance costs of AED 7,156 thousand (30 September 2022: AED 3,567 thousand) in relation to this facility.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

18 Bank borrowings (continued)

Reconciliation of term loan movement to the cash flows arising from financing activities is as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	260,308	293,595
<i>Cash flows</i>		
Loan drawdown	-	283
Loan repaid	(70,866)	(33,925)
Payment of accrued interest	(5,503)	(1,020)
<i>Other non-cash item</i>		
Accrual of interest	1,190	1,375
	<hr/>	<hr/>
Balance at the ending of the period/year	185,129	260,308
	<hr/> <hr/>	<hr/> <hr/>

19 Trade and other payables

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Trade payables	6	70
Advances from customers	7,038	20,337
Retention payables	7,041	7,041
Unclaimed dividends	-	3,635
Accruals	2,105	3,290
Other payables (i) (Note 24)	6,410	19,957
	<hr/>	<hr/>
	22,600	54,330
	<hr/> <hr/>	<hr/> <hr/>

(i) Includes provision for claims and Board of Directors' remuneration.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

20 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions 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 International Accounting Standard 24. Related parties comprise shareholders, directors, key management staff and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Terms and conditions of transactions with related parties

The services to and from related parties are made at normal market prices.

Balances with these related parties generally arise from commercial transactions in the normal course of business on arm's length basis. Balances with related parties reflected in the condensed consolidated statement of financial position at the reporting date comprised:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Cash and bank balances:		
Entities under common directorship	-	13,018
	=====	=====
Due from a related party:		
Entity under common directorship	29	49
Advance to a director	605	-
	-----	-----
	634	49
	=====	=====
Loan from a bank:		
Entities under common directorship	-	135,295
	=====	=====
Interest payable:		
Entities under common directorship	-	100
	=====	=====
Other payables:		
Entities under common directorship	-	199
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

20 Related party balances and transactions (continued)

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Other receivables:		
Entities under common directorship	-	55
	<u> </u>	<u> </u>

The following balances are managed by a Fund Manager that is a related party to the Group:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Wakala investment	11,400	-
Financial assets at FVOCI	21,237	47,895
Financial assets at FVTPL	1,750,589	1,753,409
Debt investments at amortised cost	7,859	-
Interest receivables	472	14

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

20 Related party balances and transactions (continued)

Significant transactions with related parties during the period/year were as follows:

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Purchase of financial assets at FVTPL:		
Entities under common directorship	-	1,148,101
	=====	=====
Disposal of financial assets at FVTPL:		
Entities under common directorship	-	85,042
	=====	=====
Purchase of financial assets at FVTOCI:		
Entities under common directorship	-	19,000
	=====	=====
Purchase of debt investments at amortised cost:		
Entities under common directorship	7,859	36,725
	=====	=====
Net term deposits placed:		
Entity under common directorship	-	6
	=====	=====
Loan payment during the period/year:		
Entity under common directorship	-	30,541
	=====	=====
Borrowing cost during the period/year:		
Entity under common directorship	-	5,539
	=====	=====
Net fund transfer made to related parties:		
Entities under common directorship	-	35,643
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

20 Related party balances and transactions (continued)

Significant transactions with related parties during the period were as follows:

	<u>Nine-month ended 30 September</u>	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Interest expense on loan from a bank/related party:		
Entities under common directorship	-	6,262
Dividend income:		
Entities under common directorship	-	4,294
Broker fees paid to related parties:		
Shareholder	-	51
Interest income:		
Entities under common directorship	-	8,282

Key management compensation

	<u>Nine-month ended 30 September</u>	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Short term benefits	1,901	2,869
Long term end of service benefits	54	113
Pension	33	-
Board of Directors' remuneration	-	15,000
	<u>1,988</u>	<u>17,982</u>

Aside from the advances to a director, there were no loans provided to directors as of 30 September 2023 and 31 December 2022.

Other than an impairment allowance recognised/(reversed) for debt investments at amortised cost (Note 8), the Group has not recorded any impairment of receivables relating to amounts owed by related parties as of 30 September 2023 and 31 December 2022.

21 Basic and diluted (losses)/earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

21 Basic and diluted (losses)/earnings per share (continued)

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the earnings and share data used in the earnings per share calculation:

	Nine-month ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
(Loss)/ profit for the period (AED'000)	(81,440)	481,474
Weighted average number of ordinary shares outstanding (thousands)	2,723,054	1,681,236
Basic and diluted (loss)/earnings per share (AED)	(0.0299)	0.2864

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding and decrease in share capital (Note 14).

As at 30 September 2023 and 2022, the Group has not issued any instruments which would have a diluted impact on earnings per share when converted or exercised.

22 Segment reporting

The Group's operating segments are established on the basis of those components that are evaluated regularly by Board of Directors (the chief operating decision-maker or "CODM"). They monitor the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

For management purposes, at 30 September 2023 and 2022, the Group is organised into five major segments, as follows:

- Property development
- Investment properties
- Hospitality and leisure
- Investment and asset management
- Holding

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, directors' salaries, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

Information regarding these segments is presented below.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)

22 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
30 September 2023							
Revenue							
<i>Timing of revenue recognition</i>							
Over time	-	16,595	8,896	-	-	-	25,491
At a point in time	-	-	1,087	-	-	-	1,087
	-	16,595	9,983	-	-	-	26,578
Direct operating expenses	-	(3,245)	(5,332)	-	-	-	(8,577)
Depreciation	-	-	(666)	-	-	-	(666)
Gross profit	-	13,350	3,985	-	-	-	17,335
Net finance loss	-	-	-	-	(7,198)	-	(7,198)
Changes in fair value of financial assets at FVTPL	-	-	-	(52,076)	-	-	(52,076)
Dividend income	-	-	-	416	-	-	416
Total operating income	-	13,350	3,985	(51,660)	(7,198)	-	(41,523)
General and administrative expenses	-	-	(1,923)	-	(12,959)	-	(14,882)
Depreciation	-	-	-	-	(276)	-	(276)
Selling and marketing expense	-	-	(465)	-	(106)	-	(571)
Changes in fair value of investment properties	-	2,558	-	-	-	-	2,558
Changes in fair value of assets held for sale	-	-	-	-	(26,784)	-	(26,784)
Other income	-	38	-	-	-	-	38
Profit/(loss) for the period	-	15,946	1,597	(51,660)	(47,323)	-	(81,440)
At 30 September 2023							
Total assets	2,930	827,349	7,330	1,817,842	132,505	(450)	2,787,506
Total liabilities	7,893	135,847	52,603	332	13,578	(1,196)	209,057

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

23 Seasonality of results

The seasonal nature of the Group's activities only concerns the serviced apartments division, whose revenue has variability during the first and last quarters of the year.

24 Commitments

Contingencies

The Group is in legal proceedings with certain property developers. These proceedings are in various stages in the courts and based on judgment issued by the Court of First Instance on 6 July 2023, the Court ordered the Group to pay AED 3,575 thousand to the defendant as their counterclaim (Note 19).

Commitments

	30 September 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Commitments for fixed assets	15,182	14,724

25 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

25 Fair value of financial instruments (continued)

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 30 September 2023 (unaudited)					
Financial assets at FVTPL	1,767,478	16,889	-	1,750,589	1,767,478
Financial assets at FVOCI	21,828	591	-	21,237	21,828
	<u>1,789,306</u>	<u>17,480</u>	<u>-</u>	<u>1,771,826</u>	<u>1,789,306</u>
At 31 December 2022 (audited)					
Financial assets at FVTPL	1,766,426	13,017	-	1,753,409	1,766,426
Financial assets at FVOCI	48,204	308	-	47,896	48,204
	<u>1,814,630</u>	<u>13,325</u>	<u>-</u>	<u>1,801,305</u>	<u>1,814,630</u>

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Movements in the fair value of investments categorised within Level 3 is as follows:

	30 September 2023 AED'000	31 December 2022 AED'000
Balance at the beginning of the period/year	1,801,305	217,794
Additions	50,000	1,175,537
Disposals (Note 7)	(27,607)	(145,677)
Change in fair value	(51,872)	553,651
	<u>1,771,826</u>	<u>1,801,305</u>
Balance at the ending of the period/year	1,771,826	1,801,305

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of those financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2023 (continued)**

26 Fiduciary activities

The Group acts as a trustee and in other capacities that result in holding of assets listed below in a fiduciary capacity on behalf of other institutions where ownership is yet to be transferred by the Group to the beneficiary. Such assets and income arising thereon are not included in the Group's condensed consolidated financial statements.

	30 September 2023 AED'000	31 December 2022 AED'000
Quoted security (i)	18,655	36,110
Unquoted security (ii)	3,045	3,808
	<hr/> 21,700 <hr/>	<hr/> 39,918 <hr/>

- i. The quoted securities are mortgaged as a security for a loan obtained by the Group from a local bank. The Group entered into a deferred payment agreement with a Fund whereby the Group shall transfer the legal title for the shares upon payment of the obligation to the bank upon receipt of the funds from Goldilocks (Notes 9 and 18).
- ii. Pertains to an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services. The entity is currently under the liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee.

27 Events after reporting period

Sale of Assets Held for Sale

Subsequent to period end, the Group has completed the transfer of the title deeds and received the consideration for the sale of Nuran Marina Serviced Residences building ("Building") located in Dubai, United Arab Emirates. The proceeds from the sale has been applied to reduce the loan (Note 13).

28 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 9 November 2023.