

INOVEST B.S.C.

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

30 SEPTEMBER 2024 (REVIEWED)

Inovest B.S.C.

Administration and contact details as at 30 September 2024

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Yaqoub Yousef Bander

- Chairman

Hazem Abdulla El Bakry

- Vice-Chairman

Dr. Yousuf Abdulla Al Mulla

- Director

Ahmed Mohammed Al Bassam

- Director

Mohammed Abdulwahab Al Matook

- Director

Dr. Abdulaziz Fahad Al Dakheel

- Director

Abdulla Mohammed Al Abduljader

- Director

Interim Chief Executive Officer

Talal A.Aziz Al-Mulla

Board Secretary

Riyadh Mahmood Mulla Ahmed

Sharia'a Supervisory Board

Sheikh Dr. Hamad Yousef Al Mazrouei

- Chairman

Sheikh Dr. Abdulrahman Mohammad Al Baloul

- Vice-Chairman

Mohammad Abdulrahman Al Shurafa

- Member

Nomination and Remuneration Committee members

Ahmad Mohammed Al Bassam

- Chairman

Mohammed Abdulwahab Al Matook

- Vice-Chairman

Dr. Yousuf Abdulla Al Mulla

- Member

Corporate Governance, Audit and Risk Committee members

Mohammed Abdulwahab Al Matook

- Chairman

Abdulla Mohammed Al Abduljader

- Vice-Chairman

Hazem Abdulla Al Bakry

- Member

Registered head office

35th floor, East Tower

Bahrain Financial Harbour

P.O. Box 18334

Manama

Kingdom of Bahrain

Telephone no. +973 1715 5777

Bankers

Bahrain Islamic Bank B.S.C.

Ithmaar Bank B.S.C.

ASB Finance B.S.C. (closed)

Kuwait Finance House (Kuwait) K.S.C.P.

Boubyan Bank (Kuwait)

Khaleeji Bank B.S.C.

Al Baraka Islamic Bank B.S.C. (c)

Al Salam Bank, Bahrain B.S.C.

Auditor

Ernst & Young - Middle East

P.O. Box 140

10th Floor, East Tower

Bahrain World Trade Center

Manama, Kingdom of Bahrain

Share registrars

Bahrain Clear

Bahrain Financial Harbour, Harbour Gate,

Level 4, P.O.Box 3203

Manama

Kingdom of Bahrain

Kuwait Clearing Company S.A.K.

P.O. Box 22077

Safat 13081

State of Kuwait

In the name of Allah, The Beneficent, The Merciful

Sharia Supervisory Board Report on the activities of INOVEST Company B.S.C For the Nine Months Period Ended 30 September 2024.

All praise is due to Allah , Lord of the worlds, Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

To the Shareholders of INOVEST B.S.C “the Company”,

Acting as Sharia Supervisory Board "SSB" pursuant to the appointment resolution passed by the General Assembly of the Company and SSB meeting on Wednesday 13th November 2024 in State of Kuwait, we are required to provide the following report:

The SSB has reviewed the Company's principles, contracts related transactions, and applications submitted by the Company's management for the Nine months period ended 30 September 2024 , and based on the Sharia auditor presentation of the Company's activities for the abovementioned period, and comparing it with the fatwa and rulings issued.

The Company's management is responsible for ensuring that the Company conducts its business in accordance with the Islamic Shari'a Rules and principles. It is our responsibility to form an independent opinion, based on our review of the Company's operations and to report to you.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated Islamic Shari rules and principles.

In our opinion:

The contracts and transactions concluded by the Company during the Nine Months Period Ended 30 September 2024 that we have reviewed are in compliance with the Islamic Shari'a Rules and Principles.

Also, the SSB has approved the financial statements and concluded that it's prepared in an acceptable form from Islamic Sharia view. The respective report has been prepared based on the information provided by the Company.

Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

Dr. Hamad Yusuf AlMazrouie
Chairman



Dr. Abdulrahman Mohamad Al-Baloul
Vice Chairman



Dr. Mohamad Abdulrahman AlShurafa
Member



REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INOVEST B.S.C.

Introduction

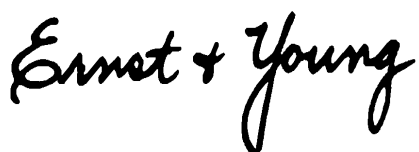
We have reviewed the accompanying interim consolidated statement of financial position as at 30 September 2024 of Inoest B.S.C. (the "Company") and its subsidiaries (together the "Group"), the related interim consolidated statements of income and other comprehensive income for the three and nine month periods then ended and the interim consolidated statements of changes in owners' equity and cash flows for the nine month period then ended and explanatory notes. The Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard 41 Interim Financial Reporting (FAS 41). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41.




13 November 2024
Manama, Kingdom of Bahrain

INOVEST B.S.C.

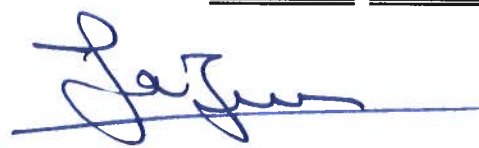
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024 (Reviewed)

		<i>Reviewed</i> 30 September 2024 <i>US\$ '000</i>	<i>Audited</i> 31 December 2023 <i>US\$ '000</i>
	<i>Note</i>		
ASSETS			
Cash and bank balances	4	11,412	17,960
Accounts receivable	5	20,130	24,885
Investments	6	10,954	9,650
Investment in joint ventures and associates	7	93,442	94,088
Investments in real estate	8	82,200	83,451
Property, plant and equipment	9	10,554	11,119
Right of use asset		279	46
Other assets	10	1,431	1,501
TOTAL ASSETS		230,402	242,700
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Accounts payable and accruals	11	67,133	68,476
Ijarah liability		268	43
Total liabilities		67,401	68,519
Owners' equity			
Share capital		122,741	120,334
Less: Treasury shares		(1,338)	(1,309)
		121,403	119,025
Reserves		7,322	7,322
Retained earnings		8,560	22,200
Equity attributable to Parent's equity shareholders		137,285	148,547
Non-controlling interests		25,716	25,634
Total owners' equity		163,001	174,181
TOTAL LIABILITIES AND OWNERS' EQUITY		230,402	242,700



Yaqoub Yousef Bandar
Chairman



Hazem Abdulla Al Bakry
Vice Chairman



Talal A. Aziz Al-Mulla
Interim Chief Executive Officer

The attached explanatory notes 1 to 22 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.
**INTERIM CONSOLIDATED STATEMENT OF INCOME AND OTHER
COMPREHENSIVE INCOME**

For the nine month period ended 30 September 2024 (Reviewed)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2024	2023	2024	2023
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
OPERATING INCOME					
Net (loss) / income from construction contracts	12	(6,139)	80	(6,991)	413
Income from investments	13	866	1,010	2,686	3,279
Fee from management and other services-net		355	1,153	1,329	2,622
Net share of (loss) / income from investment in joint ventures and associates	7	(93)	(44)	(334)	35
Other income	14	811	183	1,882	1,067
TOTAL OPERATING (LOSS) / INCOME		(4,200)	2,382	(1,428)	7,416
OPERATING EXPENSES					
Staff costs		785	860	2,730	2,783
General and administrative expenses		382	448	1,520	1,416
Property related expenses		458	531	1,285	1,402
Depreciation	9	97	83	263	237
Financing costs		-	28	-	139
Net Ijarah cost		33	27	90	88
TOTAL OPERATING EXPENSES		1,755	1,977	5,888	6,065
NET OPERATING (LOSS) / INCOME		(5,955)	405	(7,316)	1,351
Net charge of provision for expected credit loss	4, 5	(62)	(325)	(298)	(531)
Net movement in provision for case compensation		-	1,593	-	1,593
(LOSS) / PROFIT FOR THE PERIOD		(6,017)	1,673	(7,614)	2,413
OTHER COMPREHENSIVE INCOME					
Items that will not subsequently be classified to the statement of income		-	-	-	-
Total other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(6,017)	1,673	(7,614)	2,413
(Loss) / profit for the period attributable to :					
Equity shareholders of the Parent		(6,027)	1,669	(7,696)	2,230
Non-controlling interests		10	4	82	183
		(6,017)	1,673	(7,614)	2,413
BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE (US\$ cents)					
	15	(1.99)	0.55	(2.54)	0.74



Yaqoub Yousef Bandar
Chairman



Hazem Abdulla Al Bakry
Vice Chairman



Talal A. Aziz Al-Mulla
Interim Chief Executive Officer

The attached explanatory notes 1 to 22 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2024 (Reviewed)

	Note	Nine months ended 30 September	
		2024	2023
		US\$ '000	US\$ '000
OPERATING ACTIVITIES			
(Loss) / profit for the period		(7,614)	2,413
Adjustments for:			
Depreciation	9	595	514
Net charge of provision for expected credit loss	4, 5	298	531
Net movement in legal provisions		-	(1,593)
Net share of loss / (income) from investment in joint ventures and associates	7	334	(35)
Net ijarah cost		90	88
Loss on sale of investment in real estate	13	109	113
		(6,188)	2,031
Net changes in operating assets and liabilities:			
Short-term deposits (with an original maturity of more than 90 days)		1,221	1,193
Accounts receivable		4,433	1,013
Other assets		70	(2,378)
Other liabilities and accounts payable		(1,343)	(2,734)
Ijarah payment		(98)	(99)
Net cash used in operating activities		(1,905)	(974)
INVESTING ACTIVITIES			
Proceeds from sale of investment in real estate		1,142	1,153
Purchase of investment		(1,304)	180
Distributions received from joint venture and associates	7	312	529
Additional capitalisation of investment in real estate	8	-	(2,552)
Acquisition of investment in joint ventures and associates	7	-	(448)
Purchase of property, plant and equipment	9	(30)	(51)
Net cash from / (used) in investing activities		120	(1,189)
FINANCING ACTIVITIES			
Net movement in financing from a bank		-	(2,933)
Dividend paid	16	(3,566)	-
Net cash used in financing activities		(3,566)	(2,933)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
		(5,351)	(5,096)
Cash and cash equivalents at the beginning of the period		10,262	7,291
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	4,911	2,195

The attached explanatory notes 1 to 22 form part of these interim condensed consolidated financial statements.

INOVEST B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine month period ended 30 September 2024 (Reviewed)

	<i>Equity attributable to Parent's shareholders</i>							<i>Total owners' equity</i> US\$ '000	
	<i>Share capital</i> US\$ '000	<i>Treasury shares</i> US\$ '000	<i>Statutory reserve</i> US\$ '000	<i>Reserves</i>		<i>Retained earnings</i> US\$ '000	<i>Total equity</i> US\$ '000		<i>Non-controlling interest</i> US\$ '000
				<i>Fair value through equity reserve</i> US\$ '000					
At 1 January 2024	120,334	(1,309)	5,206	2,116	22,200	148,547	25,634	174,181	
Dividend paid (note 16)	-	-	-	-	(3,566)	(3,566)	-	(3,566)	
Bonus shares issued as dividend (note 16)	2,407	(29)	-	-	(2,378)	-	-	-	
(Loss) / profit for the period	-	-	-	-	(7,696)	(7,696)	82	(7,614)	
At 30 September 2024	122,741	(1,338)	5,206	2,116	8,560	137,285	25,716	163,001	

	<i>Equity attributable to Parent's shareholders</i>							<i>Total owners' equity</i> US\$ '000	
	<i>Share capital</i> US\$ '000	<i>Treasury shares</i> US\$ '000	<i>Statutory reserve</i> US\$ '000	<i>Reserves</i>		<i>Retained earnings</i> US\$ '000	<i>Total equity</i> US\$ '000		<i>Non-controlling interest</i> US\$ '000
				<i>Fair value through equity reserve</i> US\$ '000					
At 1 January 2023	120,334	(1,309)	4,743	2,039	18,029	143,836	25,422	169,258	
Profit for the period	-	-	-	-	2,230	2,230	183	2,413	
At 30 September 2023	120,334	(1,309)	4,743	2,039	20,259	146,066	25,605	171,671	

The attached explanatory notes 1 to 22 form part of these interim condensed consolidated financial statements.

As at 30 September 2024 (Reviewed)

1 INCORPORATION AND ACTIVITIES

a) Incorporation

Inovest B.S.C. (the "Company") is a public shareholding company incorporated in the Kingdom of Bahrain on 18 June 2002 and operates under Commercial Registration (CR) number 48848. The Company commenced operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is 50 years, renewable for further similar periods unless terminated earlier by law or as stated in the Memorandum and Articles of Association. The address of the Company's registered office is 35th floor, East Tower, Bahrain Financial Harbour, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company has been issued an Investment Business Firm License – Category 1 (Islamic Principles) by the Central Bank of Bahrain ("CBB"), to operate under the Islamic Sharia'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries (the "Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds.
- Establishing and managing various investment funds.
- Dealing in financial instruments in the local, regional and international markets.
- Providing information and studies related to different types of investments for others.
- Providing financial services and investment consultations to others.
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain.
- Engaging in contracting activities.
- Engaging in the management of commercial and industrial centres and residential buildings, property leasing, development and their maintenance.
- Having interest or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Company's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

The number of staff employed by the Group as at 30 September 2024 was 249 employees (31 December 2023: 543 employees).

The interim condensed consolidated financial statements for the nine month period ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 13 November 2024.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine months period ended 30 September 2024 have been prepared in accordance with Financial Accounting Standard 41 - Interim Financial Reporting. The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. These interim condensed consolidated financial statements are presented in US Dollars, which is the functional currency of the Group. All values are rounded to US Dollar thousands unless otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

2 ACCOUNTING POLICIES (continued)

2.2 Statement of compliance

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 which were prepared in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Bahrain Commercial Companies Law, Central Bank of Bahrain ("CBB") and the Financial Institutions Law and the CBB Rule Book (Volume 4). In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, including interim financial reporting, the Group uses the relevant International Financial Reporting Standards ("IFRS").

2.3 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated in full on consolidation.

The following are the principle subsidiaries of the Company, which are consolidated in these interim condensed consolidated financial statements:

<i>Name of the subsidiary</i>	Ownership 2024	<i>Ownership 2023</i>	<i>Country of incorporation</i>	<i>Year of incorporation</i>	<i>Activity</i>
Held directly by the Company					
Al Khaleej Development Company (Tameer) W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2009	Purchase, sale, management and development of properties.
Inoventures Company W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2023	Selling and buying shares and securities for company's account only.

The following are the subsidiaries held indirectly through Al Khaleej Development Company (Tameer) W.L.L:

Held indirectly by the Company					
Bahrain Investment Wharf W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2006	Development, maintenance, leasing and management of commercial and industrial centres, residential buildings and property.
Tamcon Contracting Co. W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2007	Contracting activities and real estate activities with own or leased property
Dannat Resort Development Company Limited	67.57%	67.57%	Cayman Islands	2008	Managing and Development of Real Estate Projects.
Tamcon Trading W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2009	Import, export, sale of electronic & electrical equipment, appliances, its spare parts and sale of building materials.
Panora Interiors W.L.L.	100.00%	100.00%	Kingdom of Bahrain	2015	Carpentry and joinery works.
BIW Labor Accommodation Co W.L.L.	60.21%	60.21%	Kingdom of Bahrain	2007	Buying, selling and management of properties.

As at 30 September 2024 (Reviewed)

2 ACCOUNTING POLICIES (continued)**2.4 New standards, interpretations and amendments**

These interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of following FASs as explained below.

FAS 1 "General Presentation and Disclosures in the Financial Statements" (revised) (effective 1 January 2024)

This standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all the Islamic Financial Institutions and other institutions following AAOIFI FAS's.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting, and has resulted in enhancements to the overall presentation and disclosures in the financial statements. The Group has adopted FAS 1 from the effective date of 1 January 2024 and has presented single combined interim consolidated statement of income and other comprehensive and the disclosure of interim consolidated statement of sources and use of charity fund has been relocated to the notes, further the Group has included the related applicable disclosures in these interim condensed consolidated financial statements.

Some of the significant revisions to the standard are as follows:

- a) Revised conceptual framework is now integral part of the FAS issued by AAOIFI;
- b) Definition of Quasi-equity is introduced;
- c) Definitions have been modified and improved;
- d) Concept of comprehensive income has been introduced;
- e) Institutions other than banking institutions are allowed to classify assets and liabilities as current and non-current;
- f) Disclosure of Zakah and charity have been relocated to the notes;
- g) True and fair override has been introduced;
- h) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;
- i) Disclosures of related parties, subsequent events and going concern have been improved;
- j) Improvement in reporting for foreign currency, segment reporting; and
- k) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar Islamic Financial Institutions "IFI's" and third part prescribes the authoritative status, effective date and amendments to other FAS issued by AAOIFI.

Adoption of the above standard has mainly changed the presentation of the interim condensed consolidated financial statements of the Group and the same has been prepared keeping in view such revised requirements so far as they are applicable to the interim condensed consolidated financial statements under FAS 41.

FAS 40 "Financial Reporting for Islamic Finance Windows" (effective 1 January 2024)

The standard improves upon and supersedes FAS 18 "Islamic Financial Services offered by Conventional Financial Institutions" and defines the financial reporting requirements applicable to conventional financial institutions offering financial services.

The above standard is not applicable to the Group and accordingly did not have any impact on the interim condensed consolidated financial statements of the Group for the period ended 30 September 2024.

As at 30 September 2024 (Reviewed)

2 ACCOUNTING POLICIES (continued)

2.5 New standards, amendments and interpretations issued but not yet effective

Standards, interpretations and amendments to existing standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group reasonably expects these issued standards, interpretations and amendments to existing standards to be applicable at a future date. The Group intends to adopt these standards, interpretations and amendments to existing standards, if applicable, when they become effective:

- FAS 45 Quasi - Equity (Including Investment Accounts) (effective 1 January 2026)
The standard is to establish the principles of financial reporting related to instruments classified as Quasi - Equity, such as investment accounts and similar instruments invested with Islamic financial institutions. Quasi - Equity is an element of financial statements of an institution in line with the "AAOIFI Conceptual Framework for Financial Reporting".
- FAS 46 Off - Balance - Sheet Assets Under Management (effective 1 January 2026)
The standard is to establish the principles of financial reporting related off - balance - sheet assets under management in line with with the "AAOIFI Conceptual Framework for Financial Reporting".
- FAS 47 Transfer of Assets between Investment Pools (effective 1 January 2026)
The standard is to establish the principles that apply in respect of transfer of assets between various investment pools of an Islamic financial institution.
- FAS 42 Presentation and Disclosures in the Financial Statements of Takaful Institutions (effective 1 January 2025)
This standard sets out the principles for the presentation and disclosure for the financial statements of Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholder as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.
- FAS 43 Accounting for Takaful: Recognition and Measurement (effective 1 January 2025)
This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the nine-month period ended 30 September 2024 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

4 CASH AND BANK BALANCES

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
Short-term deposits (with an original maturity of 90 days or less)	3,183	6,631
Current account balances with banks	1,717	3,622
Cash in hand	11	9
Total cash and cash equivalents	4,911	10,262
Short-term deposits (with an original maturity of more than 90 days)	6,527	7,748
Less: Provision for expected credit losses	(26)	(50)
Total cash and bank balances	11,412	17,960

Movements in the provision for expected credit loss:

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
At 1 January	50	132
Reversals during the period / year	(24)	(82)
	26	50

5 ACCOUNTS RECEIVABLE

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
Amounts due from related parties (note 17)	13,346	12,985
Trade receivables	9,994	6,032
Rent receivables	1,358	1,488
Other receivables	19,436	28,080
	44,134	48,585
Less: Provision for expected credit losses	(24,004)	(23,700)
	20,130	24,885

Amounts due from related parties are unsecured, bear no profit, have no fixed repayment terms and are authorised by the Group's management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

5 ACCOUNTS RECEIVABLE (continued)

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

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
At 1 January	23,700	23,161
Charge during the period / year	322	809
Write off during the period / year	(18)	(270)
	24,004	23,700

6 INVESTMENTS

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
Investments in equity-type instruments - real estate	7,660	7,660
Investments in non-monetary debt type instruments	3,294	1,990
	10,954	9,650

7 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
At 1 January	94,088	93,908
Acquisitions during the period / year	-	875
Share of net (loss) / profit	(334)	378
Gain on bargain purchase	-	245
Distributions during the period / year	(312)	(1,318)
	93,442	94,088

8 INVESTMENTS IN REAL ESTATE

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
At 1 January	83,451	82,045
Additions during the period / year	-	2,847
Disposals during the period / year	(1,251)	(1,441)
	82,200	83,451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

9 PROPERTY, PLANT AND EQUIPMENT

	<i>CWIP RO Plant US\$ '000</i>	<i>Buildings on leasehold land US\$ '000</i>	<i>Machinery, equipment furniture and fixtures US\$ '000</i>	<i>Computer hardware and software US\$ '000</i>	<i>Motor vehicles US\$ '000</i>	<i>Total US\$ '000</i>
Cost						
At 1 January 2024	1,726	10,124	12,827	1,751	2,322	28,750
Additions	-	-	5	25	-	30
As at 30 September 2024 (Reviewed)	1,726	10,124	12,832	1,776	2,322	28,780
Accumulated depreciation						
At 1 January 2024	-	3,447	10,417	1,663	2,104	17,631
Charge	-	134	352	42	67	595
As at 30 September 2024 (Reviewed)	-	3,581	10,769	1,705	2,171	18,226
Net book amount:						
As at 30 September 2024 (Reviewed)	1,726	6,543	2,063	71	151	10,554
At 31 December 2023	1,726	6,677	2,410	88	218	11,119

Depreciation on property, plant and equipment charged to the consolidated statement of income is as follows:

	<i>Reviewed Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Depreciation charged to contract costs (note 12)	332	277
Depreciation charged to expenses	263	237
	595	514

10 OTHER ASSETS

	<i>Reviewed 30 September 2024 US\$ '000</i>	<i>Audited 31 December 2023 US\$ '000</i>
Advances to contractors	1,141	1,250
Prepayments	290	251
	1,431	1,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

11 ACCOUNTS PAYABLE AND ACCRUALS

	<i>Reviewed</i> 30 September 2024 US\$ '000	<i>Audited</i> 31 December 2023 US\$ '000
Payable to the Government of Bahrian	50,105	50,105
Accruals and other payables	7,418	7,835
Advances from construction clients	698	2,034
Trade payables	7,368	7,024
Retentions payable	1,456	1,268
Amounts due to related parties (note 17)	88	210
	67,133	68,476

12 NET (LOSS) / INCOME FROM CONSTRUCTION CONTRACTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i> 2024 US\$ '000	<i>2023</i> <i>US\$ '000</i>
Contract income	1,289	10,402
Contract costs	(8,280)	(9,989)
	(6,991)	413

13 INCOME FROM INVESTMENTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i> 2024 US\$ '000	<i>2023</i> <i>US\$ '000</i>
Rental income	2,666	3,298
Realised losses on sale of investment in real estate	(109)	(113)
Profit on debt-type investments	129	94
	2,686	3,279

14 OTHER INCOME

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i> 2024 US\$ '000	<i>2023</i> <i>US\$ '000</i>
Profit on short-term deposits	367	366
Electricity and water services	213	480
Income from leasing equipment and others	1,302	221
	1,882	1,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

15 BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent by the weighted average number of shares outstanding during the period as follows:

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2024	<i>2023</i>
	US\$ '000	<i>US\$ '000</i>
(Loss) / income attributable to the equity shareholders of the parent for the period - US\$ '000	(7,696)	<i>2,230</i>
Weighted average number of shares outstanding at the beginning and end of the period - in thousands	303,105	<i>303,105</i>
Earnings / (loss) per share - US\$ cents	(2.54)	<i>0.74</i>

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

16 DIVIDENDS APPROVED AND PAID

Following the shareholders' approval at the Annual General Meeting held on 20 March 2024, a cash dividend of US\$ 1.2 cents per share amounting to US\$ 3,566 thousand (excluding treasury shares) was paid and bonus shares equivalent to 1 share for every 50 shares held amounting to US\$ 2,378 thousand was issued during the period ended 30 September 2024 relating to the year ended 31 December 2023 (30 September 2023: Nil).

17 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors of the Group, key management personnel, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group and Shari'a Supervisory Board members and external auditors.

Terms and conditions of transactions with related parties

The Group enters into transactions, arrangements and agreements with its related parties in the ordinary course of business at terms and conditions approved by the Board of Directors. The transactions and balances arose from the ordinary course of business of the Group. Outstanding balances at the year end are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Terms and conditions of transactions with related parties (continued)

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

	Reviewed 30 September 2024					Audited 31 December 2023				
	Key					Key				
	Associates and joint ventures	management personnel/ external auditors	Board members	Other related parties	Total	Associates and joint venture	management personnel/ external auditors	Board members	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Accounts receivable - gross	10,300	-	1	3,046	13,346	10,149	-	-	2,836	12,985
Provision for expected credit losses	(2,998)	-	-	(2,166)	(5,164)	(2,998)	-	-	(2,166)	(5,164)
Accounts receivable - net	7,302	-	1	880	8,183	7,151	-	-	670	7,821
Investment in joint ventures and associates	93,442	-	-	-	93,442	94,088	-	-	-	94,088
Other liabilities and accounts payable (note 11)	4	52	-	32	88	12	27	-	171	210

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

	Reviewed 30 September 2024					Reviewed 30 September 2023				
	Key					Key				
	Associates and joint ventures	management personnel/ external auditors	Board members	Other related parties	Total	Associates and joint venture	management personnel/ external auditors	Board members	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income										
Fee from management and other services-net	153	-	-	-	153	155	-	-	-	155
Share of net (loss) / income from investment in joint ventures and associates	(334)	-	-	-	(334)	35	-	-	-	35
	(181)	-	-	-	(181)	190	-	-	-	190
Expenses										
Staff costs	-	1,054	-	-	1,054	-	1,249	-	-	1,249
General and administrative expenses	8	67	121	39	235	8	85	123	99	315
	8	1,121	121	39	1,289	8	1,334	123	99	1,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Compensation of key management personnel is as follows:

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2024	2023
	US\$ '000	US\$ '000
Salaries and other benefits	1,054	1,249

18 SOURCES AND APPLICATION OF CHARITY

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	2024	2023
	US\$ '000	US\$ '000
Sources of charity funds		
Balance at 1 January	21	21
Contributions for charitable purposes	-	-
Total sources of charity funds available	21	21
Uses of charity funds	-	-
Undistributed charity funds at end of the period	21	21

19 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. For management purposes, the Group is organised into three major business segments.

The accounting policies of the segments are the same as those applied in the preparation of the Group's interim consolidated financial statements as set out in note 2 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

19 SEGMENTAL INFORMATION (continued)

(a) Segment information relating to the interim condensed consolidated statement of income is disclosed as follows:

	<i>30 September 2024 - Reviewed</i>				
	<i>Investment and related services US\$ '000</i>	<i>Construction Contracts US\$ '000</i>	<i>Development and sale of industrial plots US\$ '000</i>	<i>Eliminations US\$ '000</i>	<i>Total US\$ '000</i>
Net revenues from external customers	521	(6,991)	808	-	(5,662)
Inter-segment transactions	(299)	22	462	(185)	-
Income from investments	1,586	-	1,100	-	2,686
Net share of loss from investment in joint ventures and associates (note 7)	(192)	(142)	-	-	(334)
Other income	145	1,455	282	-	1,882
Total revenue	1,761	(5,656)	2,652	(185)	(1,428)
Staff costs	1,588	842	300	-	2,730
General and administrative expenses	1,132	456	98	(166)	1,520
Property related expenses	1,380	-	202	(297)	1,285
Others	160	238	1	(46)	353
Total operating expense	4,260	1,536	601	(509)	5,888
Provisions reversal / (charge)	51	(148)	(201)	-	(298)
Segment (loss) / profit	(2,448)	(7,340)	1,851	323	(7,614)
Segment assets	431,158	32,355	98,061	(331,172)	230,402
Segment liabilities	137,256	14,833	50,750	(135,438)	67,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2024 (Reviewed)

19 SEGMENTAL INFORMATION (continued)

	<i>30 September 2023 - Reviewed</i>				
	<i>Investment and related services US\$ '000</i>	<i>Construction Contracts US\$ '000</i>	<i>Development and sale of industrial plots US\$ '000</i>	<i>Eliminations US\$ '000</i>	<i>Total US\$ '000</i>
Net revenues from external customers	555	413	2,067	-	3,035
Inter-segment transactions	(61)	121	492	(552)	-
Income from investments	2,294	-	985	-	3,279
Net share of profit /(loss) from investment in joint ventures and associates (note 7)	(22)	57	-	-	35
Other income	19	438	610	-	1,067
Total revenue	2,785	1,029	4,154	(552)	7,416
Staff costs	1,550	940	293	-	2,783
General and administrative expenses	1,075	399	104	(162)	1,416
Property related expenses	1,541	-	191	(330)	1,402
Others	291	213	6	(46)	464
Total operating expense	4,457	1,552	594	(538)	6,065
Provisions charge	(160)	(359)	(12)	-	(531)
Net movement in provision for case compensation	-	1,593	-	-	1,593
Segment (loss) / profit	(1,832)	711	3,548	(14)	2,413
Segment assets	390,857	40,241	155,165	(343,563)	242,700
Segment liabilities	136,156	15,379	53,293	(136,309)	68,519

20 CONTINGENCIES AND COMMITMENTS

Credit-related commitments include commitments to extend guarantees and acceptances which are designed to meet the requirements of the Group's customers. Guarantees and acceptances commit the Group to make payments to third parties on behalf of customers in certain circumstances.

The Group has the following credit related commitments:

	Reviewed	Audited
	30 September	31 December
	2024	2023
	US\$ '000	US\$ '000
Guarantees	4,315	6,739
Guarantees relating to a joint venture	7,729	7,729

21 FIDUCIARY ASSETS

The assets managed on behalf of customers, to which the Group does not have any legal title are not included in the consolidated statement of financial position. At 30 September 2024, the carrying value of such assets is US\$ 73.22 million (31 December 2023: US\$ 73.52 million). The share of assets relating to non-controlling shareholders within the subsidiaries consolidated in the financial statements amounted to US\$ 27.09 million (31 December 2023: US\$ 27.09 million).

22 COMPARATIVE FIGURES

Certain prior period / year figures have been reclassified to confirm to the current period presentation. Such reclassifications did not affect previously reported profit or other comprehensive income, total assets, total liabilities and total equity of the Group.