

**INFRACORP B.S.C (c)**  
*(formerly known as INFRACORP WLL and prior to that as  
GFH properties WLL)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**30 September 2022**

Commercial registration	:	75109-1
Registered office	:	Flat / Shop No. 11 Building 1436, Road 4626 Block 346, Manama/ Sea Front Kingdom of Bahrain
Directors	:	Hesham Ahmed Alrayes, Chairman Salah Abdulla Mohamed Sharif Majed Abdulla Mohamed Alkhan (from 30 June 2021) Salman Ahmed Haider (from 8 June 2021) Ahmed Ali Ebrahim Saeed (from 2 March 2022) Osama Mohamed Muein Hassan (from 30 January 2022) Salem Patel (from 2 March 2022)
Auditor	:	KPMG Fakhro, Bahrain

**INFRACORP B.S.C (c)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

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# Independent auditors' report on review of condensed consolidated interim financial information

## To the Board of Directors

*INFRACORP B.S.C (c)*

*(formerly known as INFRACORP WLL and prior to that as GFH properties W.L.L. in 2021)  
Manama, Kingdom of Bahrain*

## Introduction

We have reviewed the accompanying 30 September 2022 condensed consolidated interim financial information of Infracorp BSC (c) (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2022;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated statement of other comprehensive income for the three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2022;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2022; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated 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 30 September 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

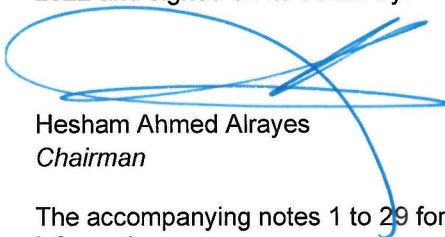
8 December 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 30 September 2022

US\$ 000's

	Note	30 September 2022 (Reviewed)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	48,022	1,285
Right of use asset		7,644	-
Investment property	9	182,533	-
Investment securities	8	114,755	-
Equity-accounted investees	10	30,263	-
<b>Total non-current assets</b>		<b>383,217</b>	<b>1,285</b>
<b>Current assets</b>			
Cash and bank balances	6	99,173	22,569
Development properties	7	847,143	-
Inventories		5,887	-
Due from related parties	12	73,010	178,099
Trade receivables and other receivables	13	120,863	443
<b>Total current assets</b>		<b>1,146,076</b>	<b>201,111</b>
<b>Total assets</b>		<b>1,529,293</b>	<b>202,396</b>
<b>EQUITY</b>			
Share capital	14	102,525	102,525
Share premium		97,502	100,002
Subordinated perpetual mudaraba	15	900,000	-
Retained earnings / (accumulated losses)		2,472	(798)
Foreign currency translation reserve		(37,164)	-
<b>Total equity attributable to shareholders of Company</b>		<b>1,065,335</b>	<b>201,729</b>
Non-controlling interests	16	138,902	-
<b>Total equity</b>		<b>1,204,237</b>	<b>201,729</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings from bank	18	14,293	-
Trade payables and other payables	17	10,906	-
Lease liability		7,635	-
<b>Total non-current liabilities</b>		<b>32,834</b>	<b>-</b>
<b>Current liabilities</b>			
Borrowings from bank	18	69,447	-
Trade payables and other payables	17	222,776	667
<b>Total current liability</b>		<b>292,223</b>	<b>667</b>
<b>Total equity and liability</b>		<b>1,529,293</b>	<b>202,396</b>

The Board of Directors approved the condensed consolidated interim financial information on 11 November 2022 and signed on its behalf by:



Hesham Ahmed Alrayes  
Chairman



Majed Abdulla Alkhan  
Board Member & CEO

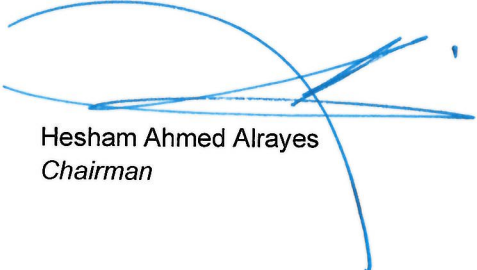
The accompanying notes 1 to 29 form an integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**for the nine months ended 30 September 2022**

US\$ 000's

	Note	Nine months ended		Three months ended	
		30 September 2022 (Reviewed)	30 September 2021 (Unreviewed)	30 September 2022 (Reviewed)	30 September 2021 (Unreviewed)
<b>Income</b>					
Development and management income	19	73,644	-	56,924	-
Operational income	19	20,069	-	4,111	-
Investment income	19	6,916	-	2,067	-
<b>Total income</b>		<b>100,629</b>	<b>-</b>	<b>63,102</b>	<b>-</b>
<b>Expenses</b>					
Direct cost of materials	20	65,657	-	50,090	-
Staff cost	21	4,129	1,101	1,708	54
Finance expenses		1,420	-	503	-
Other operating expenses	22	8,795	950	3,418	193
<b>Total expenses</b>		<b>80,001</b>	<b>2,051</b>	<b>55,719</b>	<b>247</b>
<b>Profit/(loss) for the period</b>		<b>20,628</b>	<b>(2,051)</b>	<b>7,383</b>	<b>(247)</b>
<b>Profit/(loss) attributable to</b>					
Owners of the Company		<b>21,270</b>	<b>(2,051)</b>	<b>7,720</b>	<b>(247)</b>
Non-controlling interests		<b>(642)</b>	<b>-</b>	<b>(336)</b>	<b>-</b>
		<b>20,628</b>	<b>(2,051)</b>	<b>7,384</b>	<b>(247)</b>

The Board of Directors approved the condensed consolidated interim financial information on 11 November 2022 and signed on its behalf by:



Hesham Ahmed Alrayes  
Chairman



Majed Abdulla Alkhan  
Board Member & CEO

The accompanying notes 1 to 29 form an integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**for the nine months ended 30 September 2022**

US\$ 000's

Note	Nine months ended		Three months ended	
	30 September 2022 (Reviewed)	30 September 2021 (Unreviewed)	30 September 2022 (Reviewed)	30 September 2021 (Unreviewed)
	<b>20,628</b>	(2,051)	<b>7,384</b>	(247)
	(43,566)	-	(294)	-
	<b>(22,938)</b>	<b>(2,051)</b>	<b>7,090</b>	(247)
	(15,894)	(2,051)	5,899	(247)
	(7,044)	-	1,191	-
	<b>(22,938)</b>	<b>(2,051)</b>	<b>7,090</b>	<b>(247)</b>

The accompanying notes 1 to 29 form an integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine months ended 30 September 2022

US\$ 000's

	Attributable to shareholders of the Company						Non-controlling interest	Total owner's equity
	Share capital	Share Premium	Subordinated mudaraba	Foreign Currency translation reserve	Retained earning/ Accumulated losses	Total		
<b>30 September 2022 (reviewed)</b>								
Balance at 1 January 2022	102,525	100,002	-	-	(798)	201,729	-	201,729
Profit for the period	-	-	-	-	21,270	21,270	(642)	20,628
Sukuk issuance	-	-	900,000	-	-	900,000	-	900,000
NCI arising from acquisition of business (note 24)	-	-	-	-	-	-	145,942	145,942
Foreign currency translation differences	-	-	-	(37,164)	-	(37,164)	(6,402)	(43,566)
Transaction cost relating to issuance of Subordinated Perpetual Mudaraba	-	(2,500)	-	-	-	(2,500)	-	(2,500)
Payment of Coupon on Subordinated Perpetual Mudaraba	-	-	-	-	(18,000)*	(18,000)	-	(18,000)
<b>Balance at 30 September 2022</b>	<b>102,525</b>	<b>97,502</b>	<b>900,000</b>	<b>(37,164)</b>	<b>2,472</b>	<b>1,065,335</b>	<b>138,902</b>	<b>1,204,237</b>

	Attributable to shareholders of the Company		
	Share capital	Additional contribution	Total
<b>30 September 2021 (unreviewed)</b>			
Balance at 1 January 2021	11,273	12,161	23,434
Loss for the period	-	-	(2,051)
Additional contribution during the period	-	1,550	1,550
Balance at 30 September 2021	11,273	13,711	24,984

\* This represents semi-annual payment of coupon at a rate of 4% per annum made to Subordinated Perpetual Mudaraba holders (note 23).

The accompanying notes 1 to 29 form an integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine months ended 30 September 2022**

US\$ 000's

	<b>Nine months ended 30 September 2022 (reviewed)</b>	<b>Nine months ended 30 September 2021 (unreviewed)</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) for the period</b>	<b>20,628</b>	<b>(2,051)</b>
<i>Adjustments for:</i>		
Finance income	(1,864)	-
Depreciation on Property, plant and equipment and Investment property	3,210	446
Share of loss from equity accounted investee	62	-
Income from asset swaps	(4,398)	-
Income from investment securities	(506)	-
	<b>17,132</b>	<b>(1,605)</b>
<b>Changes in operating activities:</b>		
Movement of development properties	(1,271)	-
Receivables and other assets	2,372	(28)
Due from related parties	(20,193)	1
Payables and other liabilities	16,384	281
<b>Net cash from / (used in) operating activities</b>	<b>14,424</b>	<b>(1,351)</b>
<b>INVESTING ACTIVITIES</b>		
Movement of property and equipment (net)	(683)	(446)
Cash acquired from acquisition (net)	79,117	-
Income from investment securities	506	-
Finance income received	1,240	-
Bank balance - call mudaraba account	(40,000)	-
<b>Net cash from / (used in) investing activities</b>	<b>40,180</b>	<b>(446)</b>
<b>FINANCING ACTIVITIES</b>		
Subordinated Perpetual Mudaraba Coupon paid	(18,000)	-
Additional capital contribution	-	1,550
<b>Net cash from financing activities</b>	<b>(18,000)</b>	<b>1,550</b>
<b>Net increase in cash and cash equivalents</b>	<b>36,604</b>	<b>(247)</b>
Cash and cash equivalents at period beginning	<b>22,569</b>	<b>133</b>
<b>Cash and cash equivalents at period end (Note 6)</b>	<b>59,173</b>	<b>(114)</b>

The accompanying notes 1 to 29 form an integral part of the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
for the nine months ended 30 September 2022

US\$ 000's

**1 REPORTING ENTITY**

The condensed consolidated interim financial information for the nine months ended 30 September 2022 comprise the financial information of INFRACORP B.S.C (c) (formally known as INFRACORP WLL and earlier before GFH properties WLL) ("Infracorp" or the "Company") and its subsidiaries (together referred to as "the Group").

The following are the principal subsidiaries consolidated in the condensed consolidated interim financial information.

Investee name	Country	Effective ownership interests as at 30 September 2022	Effective ownership interests as at 31 December 2021	Activities
Harbour Row 2 Real Estate W.L.L.	Kingdom of Bahrain	100%	-	Development, sale and management of real estate assets in Bahrain Financial Harbour
Harbour Row 3 Real Estate W.L.L.		100%	-	
Falcon Cement Company BSC (c) ('FCC')		51.72%	-	Manufacturing and packaging of cement
Bahrain Harbour Marines W.L.L.		100%	-	Operational of recreational water transportation facilities
Bahrain Harbour Events W.L.L.		100%	-	Organization of conventions, events, and trade shows
Energy City Navi Mumbai Investment Company & Mumbai IT & Telecom Technology Investment Company (together "India Projects")	Cayman Islands	78.66%	-	Owning land banks for mixed used development projects in India, Morocco, and Tunisia.
Tunis Bay Investment Company ('TBIC')		82.97%	-	
Morocco Gateway Investment Company ('MGIC')		90.27%	-	
US Data Center Portfolio		100%	-	
GFH Real Estate LLC & Encor Outlook Real Estate LLC	United Arab Emirates	100%	-	Mixed use development and sale of real estate assets in Dubailand, based in UAE

*The Company has other investment holding companies, SPV's and subsidiaries, which are set up to supplement the activities of the Company and its principal subsidiaries.*

INFRACORP B.S.C (c) is a closely held Bahraini shareholding Company incorporated in the Kingdom of Bahrain under commercial registration number 75109-1, on 23 May 2010. The registered address of the Company is Shop 11, Building 1436, Road 4626, Block 346, Manama / Sea Front, Bahrain.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2022**

US\$ 000's

**1 REPORTING ENTITY (continued)**

On 24 October 2021, the Company changed its name from GFH Properties W.L.L. to Infracorp W.L.L. and subsequently on 09 January 2022 to Infracorp BSC (c). The Group is principally engaged in business of real estate and infrastructure development, asset management, investment and product development, fund raising and sourcing opportunities and development rights of infrastructure assets

As part of a Group exercise of GFH Financial Group BSC ("GFH") (a wholesale Islamic bank established in the Kingdom of Bahrain under Commercial Registration No 44136 and regulated by the Central Bank of Bahrain ("CBB"), also the 100% shareholder of the Company from the date of incorporation of the Company until 15 March 2022) certain assets and businesses were transferred to Infracorp B.S.C. (c) and thereby, Infracorp was capitalised with more than US\$1 billion. Note 24 for more details of acquisition of business from GFH.

Initially, GFH and its subsidiaries had properties, certain real estate and infrastructure assets as well as certain investments in securities, equity accounted investees and subsidiaries to Infracorp for an in-kind consideration in the form of Sukuk and equity shares issued by Infracorp. Later, GFH has divested its ownership interest in Infracorp on 15 March 2022 by selling 60% of equity share out of its holdings to other shareholders resulting in loss of control on Infracorp.

As a result of the said transaction, on 09 December 2021, the authorised share capital of the Company was increased to 1 billion shares of nominal value of USD 1 each. The paid-up capital was also increased by way of addition in share capital. The issued and paid-up share capital of the Company is USD 102,525,000 divided into 102,525,000 shares each with a nominal value of USD 1 per share. The shareholders who have subscribed to paid up share capital as at the reporting were as follows:

**Name of shareholder**

GFH Financial Group BSC  
Nash'at Farhan Awad Sahawneh  
Other shareholders

<b>Shareholding</b>	
<b>30 September 2022</b>	<b>31 December 2021</b>
39%	99%
47.5%	-
13.5%	1%
<b>100.00%</b>	<b>100.00%</b>

**2 BASIS OF PREPERATION**

**a) Statement of compliance**

These condensed consolidated interim financial information have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in connection with the Group's last financial statements as at and for the year ended 31 December 2021. They do not include all the information required for a complete set of IFRS financial statements. However selected explanatory notes are included to explain events in transactions that are significant to an understanding of the changes in the Groups financial position and performance since the last annual financial statements. These condensed consolidated interim financial information are reviewed and not audited.

The interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2021. The comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted from management accounts for the nine months ended 30 September 2021 and have not been subjected to audit or review procedures.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

US\$ 000's

**2 BASIS OF PREPARATION (continued)****b) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency.

**c) New standards, amendments and interpretations effective as of 1 January 2022**

There are no new standards and interpretations for financial year beginning on or after 1 January 2022 that would be expected to have a material impact on the Company.

**d) New standards and amendments issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company does not expect the new or amended standards to have significant impact on its financial statements.

**e) Use of estimates and judgements**

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the audited financial statements as at and for the year ended 31 December 2021 except for the following:

***Russia-Ukraine conflict***

On 24 February 2022, a military conflict between Russia and Ukraine emerged (the "conflict"). Owing to this various countries and international bodies have imposed trade and financial sanctions on Russia and Belarus. Further, various organisations have discontinued their operations in Russia. This conflict has resulted in an economic downturn and increased volatility in commodity prices due to disruption of supply chain.

The management has carried out an assessment of its portfolio and has concluded that it has limited exposures to / from the impacted countries. However, indirect impact is pervasive in the market and at this stage it is difficult to quantify the full impact of this conflict since it depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. The management will continue to closely monitor impact of this evolving situation on its portfolio to assess indirect impact, if any. During the quarter ended 30 September 2022, the Group's investment portfolio has limited impact for investments carried as FVOCI and for investments carried as FVTPL due to the conflict. However, the Group does not expect to liquidate any of its market portfolio in short term.

**a) Judgements*****Classification of investments***

In the process of applying the Group's accounting policies, the board of directors of the Company decides on acquisition of an investment whether it should be classified as investments carried at fair value through profit and loss or investments carried at fair value through other comprehensive income or investments carried at amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification (note 3(c)).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

US\$ 000's

**2 BASIS OF PREPARATION (continued)**

**b) Estimations**

**(i) Impairment of exposures subject to credit risk carried at amortised cost**

Determining inputs into ECL measurement model including incorporation of forward-looking information.

**(ii) Measurement of fair value of unquoted equity investments**

The Group determines fair value of equity investments that are not quoted in active markets by using valuation techniques such as discounted cashflows, income approach and market approaches. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matter of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events such as continued operating profits and financial strengths. It is reasonably possible based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flows models have been used to estimate fair values, the future cashflows have been estimated by the board of directors of the Company based on information form and discussion with representatives of investee companies and based on the latest available audited and unaudited financial statements. The basis of valuation has been reviewed by the board of directors of the Group in terms of the appropriateness of the methodology, soundness of assumptions and correctness of calculations and have been approved by the board of directors.

Valuation of equity investments are measured at fair value through other comprehensive income which involves judgment and is normally based on one of the following:

- Valuation by independent external value for underlying properties / projects.
- Recent arms-length market transaction.
- Current fair value of another contract that is substantially similar.
- Present value of expected cash flows at current rates applicable for items with similar terms and risk characteristics; or
- Application of other valuation models.

**(iii) Impairment of investment property**

The Group conducts impairment assessment of investment property periodically using external independent property valuers to value the property. The fair value is determined based on the market value of the property using either sales comparable approach, the residual value basis, replacement cost or the market value of the property considering its current physical condition. The Group's investment properties are situated in Bahrain, UAE, Tunisia and Morocco. Given the dislocation in the property market and infrequent property transactions, it is reasonably possible, based on existing knowledge, that the current assessment of impairment could require a material adjustment to the carrying amount of these assets within the next financial year due to significant changes in assumptions underlying such assessments.

**(iv) Impairment of other non financial assets and cash generating units**

Investment in associates are subject to an impairment based on indicators of performance and market conditions. Cash generating units include the Group's investments in certain subsidiaries and equity accounted investees and investment property that generate cash flows that are largely independent from other assets and activities of the Group. For equity accounted investees with indicators of impairment, the recoverable amounts are determined based on higher of fair value less costs to sell (FVLCTS), and value in use.

The recoverable amount for the equity accounted investees was determined using a combination of income and market approaches of valuations. The objective of valuation techniques is to determine whether the recoverable amount is greater than the carrying amount.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

US\$ 000's

**2 BASIS OF PREPARATION (continued)**

**(v) Estimating net realisable value of development property**

Development property is stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses. The board of directors of the Group has forecasted the cost of completion of development property and has engaged independent valuers to estimate the residual value of the development property based on estimated market selling prices for similar properties. Net realisable value estimates are made at a specific point in time, based on market conditions and information about the expected use of development property. These estimates involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. There is no certainty about future events. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the development property.

**(vi) Consideration transferred and fair value of identifiable assets acquired, and liabilities assumed in a business combination**

The estimate in relation to consideration transferred and determination of fair value of identifiable assets acquired and liabilities assumed in a business combination are given in note 24.

**f) Basis of presentation**

The below paragraphs and tables describe the Group's significant lines of business and sources of revenue they are associated with.

Activities:

The Group's primary activities include: a) to undertake targeted development and sale of infrastructure and real estate projects for enhanced returns and managing real-estate projects and properties. b) to engaged in the manufacturing operations, holdings of real estate for rental yields and c) to manage its liquid assets and to investments in securities with the objective of earning higher returns from capital and money market opportunities.

Segments:

To undertake the above activities, the Group has organized itself in the following segment units:

Development and management	This business unit is primarily involved in origination and management of large-scale economic infrastructure projects. The business unit also covers the Group's investment in real estate and related assets.
Operational	This business unit represents the Group's involvement in operational business-like manufacturing units and fixed generating income from the real estate business.
Investment	All common costs and activities that are undertaken at the Group level, including liquidity and residual investment assets, is considered as part of the investment activities of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

US\$ 000's

2 BASIS OF PREPARATION (continued)

f) Basis of presentation (continued)

Sources of revenue:

The Group primarily earns its revenue from the following sources and presents its statement of profit or loss and other comprehensive income accordingly:

Activity/ Source	Products	Types of revenue
Development and management	- Development and sale of infrastructure and real estate projects	<i>Development and sale income</i> , from development and sale of real estate projects of the Group based on percentage of completion (POC) method.
	- managing real-estate projects and properties	<i>Fee based income</i> , management fees, performance fee, acquisition fee and exit fee which are contractual in nature
Operational	- Revenue generated from manufacturing operations	Sale of units manufactured and its associated products
	- Holdings of real estate for rental yields	<i>Rental and operating income</i> , from rental and other ancillary income from investment in real estate.
Investment	- Fixed income generated from the Group's investments and surplus liquidity	Includes dividends, gain / (loss) on sale and remeasurement of investment securities and share of profit or (loss) of equity accounted investees
	- Finance income from normal operational funds	Financing income, fees and other investment income

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the nine months ended 30 September 2022**

US\$ 000's

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's last audited financial statements as at and for the year ended 31 December 2021, except those as stated below.

**(a) Basis of consolidation*****i) Business combinations***

Business combinations prior to the relevant reporting periods have been accounted for on a 'carryover accounting basis', using book values recognized by the parent under whose common control all entities were operating prior to the reorganization.

Business combinations during the relevant reporting periods (after the beginning of the earliest period presented) are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interest in the acquiree; plus
- if the business combination achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognized immediately in the interim consolidated income statement.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated income statement.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the consolidated income statement.

***ii) Subsidiaries***

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control commences until when control ceases.

***(iii) Non-controlling interests (NCI)***

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

If less than 100% of a subsidiary is acquired, then the Group elects on a transaction by transaction basis to measure non-controlling interests either at:

- Fair value at the date of acquisition, which means that goodwill, or the gain on a bargain purchase, includes a portion attributable to ordinary non-controlling interests; or
- the holders' proportionate interest in the recognized amount of the identifiable net assets of the acquiree, which means that goodwill recognized, or the gain on a bargain purchase, relates only to the controlling interest acquired.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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US\$ 000's

3	<i>SIGNIFICANT ACCOUNTING POLICIES (continued)</i>
(a)	<i>Basis of consolidation (continued)</i>
(iii)	<i>Non-controlling interests (NCI) (continued)</i>

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**v) Loss of control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity. Any surplus or deficit arising on the loss of control is recognised in consolidated statement of profit and loss. Any interest retained in the former subsidiary, is measured at fair value when control is lost. Subsequently it is accounted for as an equity accounted investee or in accordance with the Group's accounting policy for investment securities depending on the level of influence retained.

**(vi) Equity accounted investees**

This comprises investment in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and Joint venters are accounted for under equity method. These are initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investees after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investees arising from changes in the investee's equity. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity accounted investees. Equity accounting is discontinued when an associate is classified as held for sale.

**(vii) Transactions eliminated on consolidation and equity accounting**

Intragroup balances and transactions, and any unrealised income and expenses (except for foreign currency translation gains or losses) from intragroup transactions with subsidiaries are eliminated in preparing the consolidated historical financial information. Intragroup gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in the investees. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of the subsidiaries and equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(b) Foreign currency transactions**

**(i) Functional and presentation currency**

Items included in the consolidated historical financial information are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The condensed consolidated historical financial information are presented in US dollars, which is the Group's functional and presentation currency.

**(ii) Transactions and balances**

Transactions in foreign currencies are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at the reporting date. Nonmonetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on nonmonetary items carried at their fair value, such as certain equity securities measured at fair value through equity, are included in investments fair value reserve.

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US\$ 000's

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(b) Foreign currency transactions (continued)*

*(iii) Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into US\$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated into US\$ at the exchange rates at the date of the transactions. Foreign currency differences are accumulated into foreign currency translation reserve in owners' equity, except to the extent the translation difference is allocated to NCI. When foreign operation is disposed of in its entirety such that control is lost, cumulative amount in the translation reserve is reclassified to consolidated income statement as part of the gain or loss on disposal.

**(c) Investment securities**

Investment securities currently comprise equity type and debt type instruments but exclude investment in subsidiaries and equity accounted investees (note 3 (a)).

*(i) Recognition and derecognition*

Investment securities are recognised at the trade date i.e. the date that the Group commits to purchase or sell the asset, at which date the Group becomes party to the contractual provisions of the instrument. Investment securities are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership.

*(ii) Classification and subsequent Measurement*

The investments are classified into equity type and debt type instruments. Investment in securities are classified and measured fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Classification categories are driven by business model tests and the expected cash flow characteristics of the investment. Reclassification will be permitted only on change of a business model and will be applied prospectively.

The following accounting policies apply to the subsequent measurement:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses arising from changes in fair value including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI under Fair value reserve as part of equity. On derecognition, gains and losses accumulated in Fair value reserve are reclassified to profit or loss from equity.
Equity securities at FVOCI	These assets are subsequently measured at fair value. Gains and losses are recognised in OCI under Fair value reserve as part of equity and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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US\$ 000's

3 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Investment property**

Investment property comprise land plots and buildings. Investment property is property held to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes. Investment property is measured initially at cost, including directly attributable expenses. Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and accumulated impairment allowances (if any). Land is not depreciated.

A property is transferred to investment property when, there is change in use, evidenced by:

- end of owner occupation, for a transfer from owner occupied property to investment property; or
- commencement of an operating ljarah to another party, for a transfer from a development property to investment property.

Further, an investment property is transferred to development property when, there is a change in use, evidenced by:

- commencement of own use, for a transfer from investment property to owner occupied property; or
- commencement of development with a view to sale, for a transfer from investment in real estate to development property.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the condensed consolidated statement of profit or loss and other comprehensive income in the period in which the property is derecognized.

**(e) Development properties**

Development properties are properties held for sale or development and sale in the ordinary course of business. Development properties are measured at the lower of cost and net realisable value.

**(f) Inventories**

Inventories represent raw materials and manufactured goods and are carried at the lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Cost of materials is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

Cost of manufactured products includes the purchase cost of raw materials, labour, and an appropriate portion of production overheads.

**(g) Property plant and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projection if the recognition criteria are met. All other repair and maintenance costs are recognized in the condensed consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the condensed consolidated statement of profit or loss and other comprehensive income.

The estimated useful lives of property and equipment of the industrial business assets are as follows:

Buildings and infrastructure on lease hold	15 – 30 years
Plant and Machinery	8 – 40 years
<i>Other equipment comprising:</i>	
Computers	3 – 5 years
Furniture and fixtures	5 – 8 years
Motor vehicles	4 – 5 years
Office equipment	5 years

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
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US\$ 000's

**3. SIGNIFICANT ACCOUNTING POLICIES\* (continued)**

**(g) Property plant and equipment (continued)**

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts, being the higher of the fair value less costs to sell and their value in use.

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the condensed consolidated statement of profit or loss and other comprehensive income in the year of derecognition.

The assets' residual values, useful lives and methods of depreciation are reviewed annually and adjusted prospectively if appropriate.

**(h) Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent that it is probable that future economic benefits associated with the item of revenue will flow to the Group, the revenue can be measured with reliability and specific criteria have been met for each of the Group's activities as described below:

**(i) Development and management income**

- *Development and sale of infrastructure and real estate projects*

The Group recognises revenue from contracts with customers based on a five-step model as set out below:

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

The revenue is measured at the fair value of the consideration received or receivables as per the contract with a customer. Revenue is recognized over time based on contract costs incurred to date as a percentage of total forecast cost. The related costs are recognized in profit or loss when they are incurred. Advances received are included in "contract assets/liabilities".

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(h) Revenue recognition (continued)****- Management fees**

Fee related Income is recognised when the service is provided, and income is earned. This is usually when the Group has performed all significant acts in relation to a transaction and it is highly probable that the economic benefits from the transaction will flow to the Group. Significant acts in relation to a transaction are determined based on the terms agreed in the contracts for each transaction. The assessment of whether economic benefits from a transaction will flow to the Group is determined when legally binding commitments have been obtained from underwriters and external investors for a substantial investment in the transaction.

**(ii) Operational Income****- Revenue generated from manufacturing operations**

Revenue from sale of products is recognised at a point in time when customer obtains control over goods. Customer obtains control when the goods are delivered and have been accepted by customers at their premises.

**- Rental income**

Revenue from rendering of services is recognised when services are rendered.

**(iii) Investment Income**

Interest income/expenses are recognised using the amortised cost method at the effective profit rate of the financial asset / liability.

Dividend income from investment securities is recognised when the right to receive is established. This is usually the ex-dividend date for equity securities.

Income from debt type instruments are recognised on a time-apportioned basis over the period of the contract using the effective profit method.

**(i) Employees benefits****Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

**Post-employment benefits**

Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation scheme, to which employees and employers contribute monthly on a fixed percentage of salaries basis. Contributions by the Group are recognised as an expense in statement of profit or loss when they are due.

Expatriate and certain Bahraini employees on fixed contracts are entitled to leaving indemnities payable, based on length of service and final remuneration. Provision for this unfunded commitment, has been made by calculating the notional liability had all employees left at the reporting date. Increase or decrease in the benefit obligation is recognised in the statement of profit or loss.

The Group also operates a voluntary employee saving scheme under which the Group and the employee contribute monthly on a fixed percentage of salaries basis. The scheme is managed and administered by a board of trustees who are employees of the Group. The scheme is in the nature of a defined contribution scheme and contributions by the Group are recognised as an expense in the statement of profit or loss when they are due.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

**(k) Income tax**

The Group is exposed to taxation by virtue of operations of subsidiaries in Morocco, Tunis, and India. Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Currently, the Group does not have any material current or deferred tax exposure that requires recognition in the statement of profit or loss.

**(l) Leases**

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
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US\$ 000's

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****(I) leases (continued)****Measurement**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payment made at or before the commencement date, less any lease incentives received;
- any initial direct cost incurred by the lessee; and
- estimated cost to dismantle and to remove the underlying asset, or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined based on the lease term.

Lease liability is measured as the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted based on the Group's incremental borrowing rate. Lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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**4 SEASONALITY**

Due to the inherent nature of the Group's business, the nine-month results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

**5 COMPARATIVES**

The comparative figures have been regrouped in order to confirm with the presentation for current period. Such regrouping did not affect previously reported profit for the period or total equity.

**6 CASH AND BANK BALANCES**

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Cash in hand	1	1
Bank balances – current account	39,172	2,556
Bank balances – call mudaraba account *	60,000	20,012
	<b>99,173</b>	<b>22,569</b>

**6 CASH AND BANK BALANCES (continued)**

\* Cash at banks – call mudaraba account

The Company has placed surplus funds of USD 50 million with GFH Financial Group B.S.C and USD 10 million with Khaleeji Commercial Bank at an effective profit rate ranging between 3.75% - 5.25% per annum in a call murabaha account.

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Cash and cash equivalents	59,173	22,569
Bank balances - original maturities of more than six months	40,000	-
	<b>99,173</b>	<b>22,569</b>

**7 DEVELOPMENT PROPERTIES**

This represents properties under development for sale in UAE, Bahrain, North Africa, and India.

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Building	847,143	-
	<b>847,143</b>	<b>-</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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US\$ 000's

**7 DEVELOPMENT PROPERTIES (continued)**

Movements in the development properties are as follows:

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
At 1 January	-	-
Acquisition through business combination (note 24)	888,594	-
Additions during the period – net	40,887	-
Reclass from investment property (note 9)	842	-
Cost of sale	(45,090)	-
Foreign currency translation impact for the period	(38,090)	-
<b>Closing balance</b>	<b>847,143</b>	<b>-</b>

**8 INVESTMENT SECURITIES**

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
<b>Debt-type investments</b>		
- At fair value through other comprehensive income	21,608	-
- At fair value through profit or loss	7,500	-
	<b>29,108</b>	<b>-</b>
<b>Equity type investments</b>		
At fair value through other comprehensive income		
- Perpetual instrument	3,854	-
- Equity shares (unquoted)	81,793	-
	<b>85,647</b>	<b>-</b>
	<b>114,755</b>	<b>-</b>

**9 INVESTMENT PROPERTY**

Investment property includes land plots and buildings in Bahrain, USA, UAE, Tunisia and Morocco.

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
At 1 January	-	-
Additions through business combination (note 24)	180,093	-
Sale of land*	(10,340)	-
Acquisition of land	13,895	-
Acquisition of properties	842	-
Reclass to development property (note 7)	(842)	-
Depreciation (note 22)	(1,115)	-
<b>Closing balance</b>	<b>182,533</b>	<b>-</b>

\* During the period 30<sup>th</sup> June 2022, management swapped a land in Dubai with a land in Bahrain Harbour plus additional 7 apartments located in Dubai. Income booked against this transaction was USD 4.4 m (note 19).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the nine months ended 30 September 2022**

US\$ 000's

**10 EQUITY ACCOUNTED INVESTEEES**

Equity accounted investees represents investments in the following material associates:

Name	Country of incorporation	% holding		Nature of business
		30 September 2022 (reviewed)	31 December 2021 (audited)	
Bahrain Aluminum Extrusion Company B.S.C (c) ('Balexco')	Kingdom of Bahrain	17.92%	-	Extrusion and sale of aluminum products
Lagoon Real Estate Development	Kingdom of Bahrain	22.97%	-	Real estate holding and development
Danat India Investment Company	Cayman Island	25%	-	Mixed used development projects

	30 September 2022 (reviewed)	31 December 2021 (audited)
At 1 January	-	-
Acquisition through business combination	30,325	-
Share of loss for the year, net	(62)	-
<b>Closing balance</b>	<b>30,263</b>	-

Equity accounted investees includes the Group's investment of less than 20% in Balexco. As the Group exercises significant influence over the entity by way of its presence on the board of directors, the investment is accounted for as an investment in equity accounted investee

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
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US\$ 000's

11 PROPERTY, PLANT AND EQUIPMENT

2022 (reviewed)

Gross assets  
At 1 January 2022  
Acquisition through business combination  
Additions  
Disposal

At 30 September 2022

Accumulated depreciation  
At 1 January 2022  
Acquisition through business combination  
Charge for the period  
Disposal

At 30 September 2022

Net carrying value as at 30 September 2022

	Plant and Machinery	Office furniture	Office fixtures & fittings	Computer equipment	Motor vehicles	Total
	-	389	1,933	108	-	2,430
	65,093	244	471	130	1,303	67,241
	244	88	335	18	-	685
	-	-	-	-	(25)	(25)
	<b>65,337</b>	<b>721</b>	<b>2,739</b>	<b>256</b>	<b>1,278</b>	<b>70,331</b>
	-	194	882	69	-	1,145
	17,355	240	133	116	1,251	19,095
	1,656	64	296	36	42	2,094
	-	-	-	-	(25)	(25)
	<b>19,011</b>	<b>498</b>	<b>1,311</b>	<b>221</b>	<b>1,268</b>	<b>22,310</b>
	<b>46,326</b>	<b>223</b>	<b>1,428</b>	<b>35</b>	<b>10</b>	<b>48,022</b>

2021 (audited)

Gross assets  
At 1 January 2021  
Additions  
Reclassification

At 31 December 2021

Accumulated depreciation  
At 1 January 2021  
Charge for the year

At 31 December 2021

Net carrying value as at 31 December 2021

	Office furniture	Office fixtures & fittings	Computer equipment	Capital work-in progress	Total
	386	1,309	101	458	2,254
	3	166	7	-	176
	-	458	-	(458)	-
	389	1,933	108	-	2,430
	73	347	30	-	450
	121	535	39	-	695
	194	882	69	-	1,145
	195	1,051	39	-	1,285

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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**12 DUE FROM RELATED PARTIES**

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Due from related parties* (note 23)	76,981	178,099

\*Due from related parties includes of USD 13.4 Mn which represents receivables from GFH as part of the acquisition of business by Infracorp at an effective profit rate between 2.5% and 3.5% per annum in a call murabaha account.

**13 TRADE RECEIVABLES AND OTHER RECEIVABLES**

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Trade receivables	64,705	-
Prepayment	6,919	150
Other receivables	47,657	293
	<b>119,281</b>	<b>443</b>

**14 SHARE CAPITAL**

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
<b>Authorised:</b>		
1,000,000,000 ordinary shares (2021: 1,000,000,000 shares) of USD 1 each (2021: USD 1 each)	1,000,000	1,000,000
<b>Issued, subscribed and paid up:</b>		
102,525,000 ordinary shares (2021: 102,525,000 shares) of USD 1 each (2021: USD 1 each)	102,525	102,525

**15 SUBORDINATED PERPETUAL MUDARABA**

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Subordinated perpetual mudaraba (i)	900,000	-
	<b>900,000</b>	<b>-</b>

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**15 SUBORDINATED PERPETUAL MUDARABA (continued)**

- (i) The Group issued a Subordinated perpetual mudaraba of face value of US\$ 900 million. Such capital was issued as consideration against the acquisition of business and group of assets from GFH Financial Group BSC.

*Summary of key terms and conditions are as follows:*

- Profits on these securities are discretionary for the issuer and once declared shall be distributed on a semi-annual basis subject to and in accordance with terms and conditions on the outstanding nominal value of the securities. Based on its current projections as per the offering document, Infracorp expects to have the capacity to pay coupon at a rate of 4% per annum, semi-annually and 3.5% payable on maturity (total of 7.5% per annum).
- The Subordinated perpetual mudaraba is recognized under equity in the condensed consolidated interim statement of financial position and the profits paid to rab al-maal (security holder) are accounted for as appropriation of profits when declared and distributed.
- Subordinated perpetual mudaraba is invested in a general mudarba pool of assets on a unrestricted comingled basis.
- Security holder will not have a right to claim the profits and a non-payment event will not be considered as event of default.
- In the event of non-viability, the certificates will be converted either in full or in part on a pro rata basis in accordance with the terms of the certificate which require conversion at the fair value of the Group's share at the time of such non-viability event.

**16 NON-CONTROLLING INTERESTS**

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

30 September 2022	India Projects	MGIC	TBIC	FCC	Total
<i>NCI Percentage</i>	21.34%	9.73%	17.03%	48.28%	
Non-current assets	-	1,697	4,061	53,396	59,154
Current assets	406,489	88,794	266,510	25,817	787,610
Non-current liabilities	-	843	530	31,461	32,834
Current liabilities	59,682	739	59,121	15,213	134,755
<b>Net assets</b>	<b>346,807</b>	<b>88,909</b>	<b>210,920</b>	<b>32,539</b>	<b>679,175</b>
Net assets attributable to NCI	73,993	8,701	35,920	15,710	134,323
Preacquisition NCI	1,922	9,701	-	-	11,623
OCI allocated to NCI (impact of FCTR)	(2,594)	(2,053)	(1,755)	-	(6,402)
Loss allocated to NCI	(14)	(25)	(8)	(595)	(642)
<b>Total NCI as on 30 September 2022</b>	<b>73,307</b>	<b>16,323</b>	<b>34,157</b>	<b>15,115</b>	<b>138,902</b>
Revenue	11	-	-	2,483	2,494
Loss for the period	(66)	(262)	(44)	(1,232)	(1,604)
Other comprehensive income ("OCI")	(12,158)	(21,102)	(10,306)	-	(43,566)
<b>Total comprehensive income</b>	<b>(12,224)</b>	<b>(21,364)</b>	<b>(10,350)</b>	<b>(1,232)</b>	<b>(45,170)</b>
Loss allocated to NCI	(14)	(25)	(8)	(595)	(642)
OCI allocated to NCI	(2,594)	(2,053)	(1,755)	-	(6,402)

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**17 TRADE AND OTHER PAYABLES****NON-CURRENT LIABILITIES**

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
Loan from related party*	9,246	-
Trade and other payables	1,261	-
Employee Benefits	399	
	<b>10,906</b>	<b>-</b>

**CURRENT LIABILITIES**

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
Trade payables	26,894	415
Due to related parties (note 23)	26,913	-
Accruals and other liabilities	28,208	73
Advances received	62,438	-
Other payable	78,323	179
	<b>222,776</b>	<b>667</b>

\*These comprises murabaha facilities obtained by FCC from Cement Holding Company BSC (c), a related party through GFH, to finance the construction of the new cement mill. They were repayable in equal monthly instalments with the last instalment due in May 2015. However, the Company obtained an extension and the facility amount is not repayable before 1 January 2023.

**18 BORROWINGS FROM BANK**

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (audited)
Non-Current	14,293	-
Current	69,447	-
	<b>83,740</b>	<b>-</b>

The borrowings from bank comprises of financing availed by FCC to fund project development and working capital requirements of industrial business. The financing is secured against plant and machinery of industrial business. These financing have been availed at rates varying between 2.5%-6.5% per annum. The Group is not a party to these financing contracts and has not guaranteed repayment in any form. These balances are reported in the condensed consolidated interim financial information as a result of consolidation of subsidiaries arising from the acquisition of business.

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**19 REVENUE****(i) DEVELOPMENT AND MANAGEMENT INCOME**

Management fee  
 Development and sale of properties

nine months ended	
30 September 2022 (reviewed)	30 September 2021 (unreviewed)
3,775	-
69,869	-
<b>73,644</b>	-

**(ii) OPERATIONAL INCOME**

Rental income  
 Revenue from cement operations

Nine months ended	
30 September 2022 (reviewed)	30 September 2021 (unreviewed)
6,628	-
13,441	-
<b>20,069</b>	-

**(iii) INVESTMENT INCOME**

Share of loss from equity accounted investee  
 Income from asset swaps  
 Income from investment securities  
 Finance income  
 Other income

Nine months ended	
30 September 2022 (reviewed)	30 September 2021 (unreviewed)
(62)	-
4,398	-
506	-
1,864	-
210	-
<b>6,916</b>	-

**20 DIRECT COST OF MATERIALS**

Development and sales  
 - Cost of real estate inventory sold  
 Cement operations  
 - Cost of goods sold

Nine months ended	
30 September 2022 (reviewed)	30 September 2021 (unreviewed)
54,558	-
11,099	-
<b>65,657</b>	-

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**21 STAFF COSTS**

	<b>Nine months ended</b>	
	<b>30 September 2022 (reviewed)</b>	<b>30 September 2021 (unreviewed)</b>
Salaries and short-term benefits	3,848	1,012
Social Insurance and other insurance expenses	281	89
	<b>4,129</b>	<b>1,101</b>

**22 OTHER OPERATING EXPENSES**

	<b>Nine months ended</b>	
	<b>30 September 2022 (reviewed)</b>	<b>30 September 2021 (unreviewed)</b>
Rent & Utility	598	479
Property management	257	-
Professional and consultancy fees	141	39
Marketing and brokerage	1,815	163
Maintenance	526	45
Depreciation on property and equipment (note 11)	2,095	158
Depreciation on investment property (note 9)	1,115	-
Real estate tax	412	-
IT related cost	130	5
Other expenses	1,706	61
	<b>8,795</b>	<b>950</b>

**23 RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group. A significant portion of the Group's management fees are from entities over which the Group exercises influence (assets under management). Although these entities are considered related parties, the Group administers and manages these entities on behalf of its clients, who are by and large third parties and are the economic beneficiaries of the underlying investments. The transactions with these entities are based on agreed terms.

In addition to the transfer of business and assets under note 24, the significant transactions during the period and balances as at period end included in these consolidated financial statements are as follows:

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23 *RELATED PARTIES (continued)*

## a) Balances with related parties

**30 September 2022**

	Significant shareholders / entities in which directors	Subsidiary of Significant shareholder	Total
<b>Assets</b>			
Due from related parties	73,010	-	73,010
Cash at banks – call mudaraba account	50,000	10,000	60,000
<b>Liabilities</b>			
Due to related party	26,878	-	26,878
Loan from related party	9,246	-	9,246

## 31 December 2021

	Parent Company	Entities Under common Control	Total
<b>Assets</b>			
Due from related parties	171,033	7,067	178,099
Bank balances	-	22,568	22,568

## b) Transactions with related parties

**For the period ended 30 September 2022**

	Equity accounted investee	Subsidiary of Significant shareholder	Significant Shareholders/ entities in which directors	Total
Share of loss	62	-	-	62
Development management	-	-	19,653	19,653
Payment of Coupon on Subordinated Perpetual	-	-	18,000	18,000
Investment income	-	47	1,562	1,609
Direct cost of material	-	-	12,061	12,061

**For the year ended 31 December 2021**

	Parent Company	Entities under Common control	Total
Addition in share capital – Cash received	20,000	-	20,000
Addition in share capital - In-kind	180,000	-	180,000
Revenue	3,534	-	3,534
VAT	177	-	177
Payments for expenses and others	(14,116)	7,936	(6,180)

*Transactions with key management personnel:*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation of the key management personnel was as follows:

	Nine months ended 30 September 2022	For the year ended 31 December-2021
Salaries and other short-term benefits	758	394
Post-employment benefits	24	20

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**24 ACQUISITION OF BUSINESS****i) Summary of the acquisition**

As part of the planned acquisition and expansion, during the period the Company has acquired certain businesses and assets under the acquisition agreement entered between the Company and GFH Financial Group BSC (the "Bank").

Under this arrangement, certain real estate and infrastructure assets were transferred from the Bank to the Company against an in-kind consideration financed by US\$ 200 million of equity shares and US\$ 900 million of Subordinated Mudaraba (perpetual equity) issued by the Company. Most of the transfer of operational assets and investments were effective from 1 January 2022, as per terms of arrangement with GFH.

**ii) Consideration transferred**

The following table summarises the date of fair value of each major class of consideration transferred:

	<b>Total</b>
Equity shares in the Company (i)	200,000
Subordinated perpetual mudaraba (note 15)	900,000
<b>Net consideration for acquisition</b>	<b>1,100,000</b>

- (i) The Company has issued its 100 million ordinary shares to the Bank at a value of \$2 per share including \$1 per share as premium.

**iii) Identifiable assets acquired and liabilities assumed**

The following table summarizes the amounts recognised in respect of assets acquired and liabilities assumed at the acquisition date:

	<b>Total (reviewed)</b>
<b>ASSETS</b>	
Cash and bank balances	103,518
Development properties	888,594
Inventories	6,767
Trade receivables and other receivables	174,106
Property, plant and equipment	48,147
Right of use assets	7,737
Investment property	180,093
Investment securities	114,755
Equity-accounted investees	30,325
<b>Total assets</b>	<b>1,554,042</b>
<b>LIABILITIES</b>	
Trade payables and other payables	300,570
Lease liability	7,530
<b>Total liabilities</b>	<b>308,100</b>
<b>Total non-controlling interest</b>	<b>145,942</b>
<b>Net assets transferred</b>	<b>1,100,000</b>
<b>Consideration on the date of transfer:</b>	
Equity in Infracorp	200,000
Subordinated perpetual mudaraba	900,000
	<b>1,100,000</b>

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**24 ACQUISITION OF BUSINESS (continued)**

The Company has acquired combination of businesses, non-financial assets and liquidity and its a single coordinated strategy to carve out the infrastructure real estate business of management team under the new strategy of Infracorp B.S.C. (c) While this is a common control transaction, this have been measured at fair value as the eventual structure was set up in anticipation of participation by a wide pool of strategic investors.

The transaction was structured against the issue of equity instruments and no goodwill or intangible asset has been recognized as a result of transfer.

The amounts have been reported on a provisional basis as permitted by IFRS 3 Business Combinations. If new information, obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised. Revisions to provisional acquisition accounting are required to be done on a retrospective basis.

**25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments include financial assets and financial liabilities. Financial assets of the Company include cash and bank balances, trade receivables. Financial liabilities of the Company include Term financing and Trade payable.

The Company has exposure to the following risks from its use of financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk
- d) operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of Directors of the Company has an overall responsibility for the establishment and oversight of the Company's risk management framework.

**a) Credit risk**

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. Credit risk arises principally from the Company's balances with banks, related parties' balances, and other receivables. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

*Credit risk by location:*

Geographically, the concentration of credit risk is mainly in the Kingdom of Bahrain and across the GCC Countries, India, Tunis, Morocco and North America, as all the Company's customers base and investments are based in these countries.

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25 **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (continued)

(i) *Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>30 September 2022</b> (reviewed)	<b>31 December 2021</b> (Audited)
Investment securities - debt-type investments	29,108	-
Due from related parties	73,010	178,099
Cash and bank balances	99,173	22,568
Trade receivables and other receivables	113,945	293
	<b>315,236</b>	<b>200,960</b>

(i) *Balances with Bank*

The Company limits its exposure to credit risk on balances with bank by maintaining balances with bank having good local standing. Given the overall profits of banks, the Company does not expect the bank to fail to meet its obligations. Accordingly, no impairment allowance has been recorded on balances with bank (including accrued profit on call account) as on 30 September 2022 (31 December 2021: Nil).

(ii) The Group has evaluated that due to the recent acquisition assets, there are no material past due balances as on 30 September 2022 related to trade and other receivables.

(iii) Receivable from related parties pertains to the receivable from the group companies. Transactions with related parties are conducted in the normal course of business. Credit risk on these is perceived to be minimal by the Company

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains a healthy level of cash and cash equivalents balance to meet its obligations when they fall due.

**c) Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's major financial exposure is in US Dollars and Bahraini Dinar. The Group has structural exposure to Indian Rupees, Tunisian Dinar and Moroccan Dirhams.

**d) Operational risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. The Company cannot eliminate operation risk completely, but the Company manages operational risk by delegating the responsibility for the appropriate controls, internal checks, and balances to its related parties.

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**25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**MATURITY PROFILE**

The table below shows the maturity profile of the Group's assets and unrecognised commitments on the basis of their contractual maturity. Where such contractual maturity is not available, the Group has considered expected realisation / settlement profile for assets and liabilities respectively.

<b>30 September 2022</b>	<b>Up to 3 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>No stated maturity</b>	<b>Total</b>
<b>Assets</b>					
Cash and bank balances	39,173	60,000	-	-	99,173
Developmental Properties	-	-	-	847,143	847,143
Trade Receivables and other receivables	120,863	-	-	-	120,863
Lease Liability	-	-	7,644	-	7,644
Investment Property	-	-	-	182,533	182,533
Due from Related Parties	73,010	-	-	-	73,010
Investment Securities	-	-	-	114,755	114,755
Inventories	-	-	-	5,887	5,887
Equity Accounted Investes	-	-	-	30,263	30,263
Property plant and equipment	-	-	-	48,022	48,022
<b>Total assets</b>	<b>233,046</b>	<b>60,000</b>	<b>7,644</b>	<b>1,228,603</b>	<b>1,529,293</b>
<b>Liabilities</b>					
Borrowings from bank	69,447	-	14,293	-	83,740
Trade payables and other payables	222,776	-	10,906	-	233,681
<b>Total liabilities</b>	<b>292,223</b>	<b>-</b>	<b>25,199</b>	<b>-</b>	<b>317,421</b>

<b>31 December 2021</b>	<b>Up to 3 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>No stated maturity</b>	<b>Total</b>
<b>Assets</b>					
Cash and bank balances	22,569	-	-	-	22,569
Trade Receivables and other receivables	443	-	-	-	443
Due from related parties	-	-	-	178,099	178,099
Property plant and equipment	-	-	-	1,285	1,285
<b>Total assets</b>	<b>23,012</b>	<b>-</b>	<b>-</b>	<b>179,384</b>	<b>202,396</b>
<b>Liabilities</b>					
Borrowings from bank	-	-	-	-	-
Trade payables and other payables	667	-	-	-	667
<b>Total liabilities</b>	<b>667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>

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**26 CAPITAL MANAGEMENT**

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to the other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the period ended 30 September 2022.

**27 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS****Classification**

The Company's financial instruments have been classified as "at amortised cost", "at fair value through profit or loss" and "at fair value through other comprehensive income".

**Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

**Fair value hierarchy**

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's investment in quoted equity and debt type securities are classified as level 1 or 2 whereas the unquoted equity investments are classified as level 3 under the fair value hierarchy. The fair value of the Group's financial instruments are not materially different from their carrying values as at 30 September 2022 due to the recent acquisitions at fair value by the Group.

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**28 SEGMENT REPORTING**

The Group has three distinct operating segments, Development and management , Operational segment and Investment which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different strategies for management and resource allocation within the Group. For each of the strategic business units, the Group's Board of Directors (chief operating decision makers) review internal management reports on a quarterly basis.

The following summary describes the operations in each of the Group's operating reportable segments:

- **Development and management:** Involved in Development and sale of infrastructure and real estate projects and managing real-estate projects and properties
- **Operational segment:** Revenue generated from manufacturing operations and Holdings of real estate for rental yields
- **Investment:** Fixed income generated from the Group's investments and surplus liquidity

The performance of each operating segment is measured based on segment results and are reviewed by the management committee and the Board of Directors on a quarterly basis. Segment results is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any is determined on an arm's length basis.

The Group classifies directly attributable revenue and cost relating to transactions originating from respective segments as segment revenue and segment expenses respectively. Indirect costs is allocated based on cost drivers/factors that can be identified with the segment and/ or the related activities. The internal management reports are designed to reflect revenue and cost for respective segments which are measured against the budgeted figures. The unallocated revenues, expenses, assets and liabilities related to entity-wide corporate activities and treasury activities at the Group level. Segment revenue and expenses were net-off inter segment revenue and expenses.

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**28 SEGMENT REPORTING (continued)**

	<b>Development and management</b>	<b>Operational</b>	<b>Investment</b>	<b>Total</b>
<b>30 September 2022</b>				
Segment revenue	73,644	20,069	6,916	100,629
Segment expenses (including impairment allowances)	61,949	18,052	-	80,001
Segment result	11,695	2,017	6,916	20,628
Segment assets	1,192,449	191,826	145,018	1,529,293
Segment liabilities	215,067	109,989	-	325,056
Commitments	10,008	-	-	10,008

During the previous period, a single entity level reporting is being done to the Chief operating decision maker ("CODM") and accordingly no segment reporting has been presented for the comparative period.

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**29 COMMITMENTS AND CONTINGENCIES**

The commitments contracted in the normal course of business of the Group:

	<b>30 September 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Capital commitment for infrastructure development projects	10,008	-