

INFRACORP B.S.C (c)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION
30 JUNE 2024

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 Salman Ahmed Haider Ahmed Ali Ebrahim Saeed Osama Mohamed Muein Hassan Salem Patel
Auditor	:	KPMG Fakhro, Bahrain

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

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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)
Manama, Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 June 2024 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 June 2024;
- the condensed consolidated statement of profit or loss for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed consolidated interim financial 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 June 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

27 August 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

US\$ 000's

	Note	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		54,830	55,270
Right of use asset		7,111	7,274
Investment property	8	193,774	192,043
Investment securities		131,785	102,777
Equity-accounted investees		66,919	21,563
Deferred tax asset		258	233
Total non-current assets		454,677	379,160
Current assets			
Inventories		5,146	5,706
Development properties	7	997,096	893,203
Due from related parties	15 a)	134,535	103,322
Other assets	9	44,672	38,166
Trade receivables		123,026	125,703
Cash and bank balances	6	115,727	107,188
Total current assets		1,420,202	1,273,288
Total assets		1,874,879	1,652,448
EQUITY AND LIABILITIES			
Equity			
Share capital		102,525	102,525
Share premium		96,834	96,834
Subordinated perpetual mudaraba		1,000,000	900,000
Statutory reserve		7,847	7,847
Fair value reserve		(1,654)	(1,368)
Foreign currency translation reserve		(35,227)	(29,494)
Retained earnings		21,071	12,540
Total equity attributable to shareholders of Company		1,191,396	1,088,884
Non-controlling interests		152,095	153,840
Total equity		1,343,491	1,242,724
Liabilities			
Non-current liabilities			
Borrowings from banks	11	14,606	14,445
Trade payables and other payables	12	10,428	10,408
Lease liability		8,143	8,147
Total non-current liabilities		33,177	33,000
Current liabilities			
Borrowings from banks	11	32,512	31,877
Due to related parties	15 a)	271,758	195,983
Trade and other payables	12	193,844	148,679
Lease liability		97	185
Total current liability		498,211	376,724
Total liabilities		531,388	409,724
Total equity and liability		1,874,879	1,652,448

The board of directors approved the condensed consolidated interim financial information on 27 August 2024 and signed on its behalf by:

Hesham Ahmed Alrayes
Chairman


Majed Abdulla Alkhan
Board Member & CEO

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

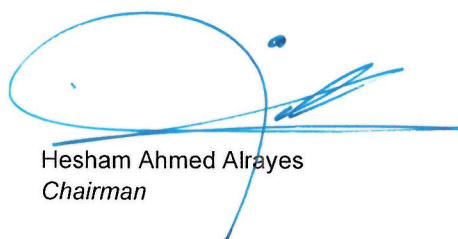


CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 June 2024

US\$ 000's

	Note	Six months ended		Three months ended	
		30 June 2024 (Reviewed)	30 June 2023 (Reviewed)	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Income					
Development and management income	13(i)	183,138	56,246	159,807	37,139
Operational income	13(ii)	5,540	6,280	3,095	3,699
Investment income	13(iii)	6,520	6,630	1,754	5,340
Total income		195,198	69,156	164,656	46,178
Expenses					
Direct cost of materials		149,706	32,157	138,644	23,895
Staff cost		3,018	3,216	1,544	1,608
Other operating expenses	14	16,128	14,329	8,346	9,302
Finance cost		1,444	876	1,033	435
Total expenses		170,296	50,578	149,567	35,240
Profit before tax		24,902	18,578	15,089	10,938
Income tax credit / (expense)		25	-	(9)	-
		24,927	18,578	15,080	10,938
Profit attributable to					
Owners of the Company		26,531	20,658	16,133	12,162
Non-controlling interests		(1,604)	(2,080)	(1,053)	(1,224)
		24,927	18,578	15,080	10,938

The board of directors approved the condensed consolidated interim financial information on 27 August 2024 and signed on its behalf by:



Hesham Ahmed Alrayes
Chairman



Majed Abdulla Alkhan
Board Member & CEO

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2024

US\$ 000's

Note	Six months ended		Three months ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Profit for the period	24,927	18,578	15,080	10,938
Other comprehensive income				
Item that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences	(5,874)	7,210	(10,915)	1,828
Debt instruments at FVOCI	(286)	62	(137)	(156)
Total comprehensive income for the period	18,767	25,850	4,028	12,610
Total comprehensive income attributable to				
Owners of the Company	20,513	26,813	6,221	13,671
Non-controlling interests	(1,745)	(963)	(2,193)	(1,061)
	18,768	25,850	4,028	12,610

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024

US\$ 000's

30 June 2024 (Reviewed)	Attributable to shareholders of the Company							Non-controlling interest	Total owner's equity	
	Share capital	Share Premium	Subordinated perpetual mudaraba	Statutory reserve	Fair value reserve	Foreign Currency translation reserve	Retained earnings			Total
Balance at 1 January 2024	102,525	96,834	900,000	7,847	(1,368)	(29,494)	12,540	1,088,884	153,840	1,242,724
Profit for the period	-	-	-	-	-	-	26,531	26,531	(1,604)	24,927
Subordinated perpetual mudaraba	-	-	100,000	-	-	-	-	100,000	-	100,000
Issuance	-	-	-	-	-	-	-	-	-	100,000
Foreign currency translation differences	-	-	-	-	-	(5,733)	-	(5,733)	(141)	(5,874)
Change in fair value reserve	-	-	-	-	(286)	-	-	(286)	-	(286)
Payment of coupon on subordinated perpetual mudaraba	-	-	-	-	-	-	(18,000)	(18,000)	-	(18,000)
Balance at 30 June 2024	102,525	96,834	1,000,000	7,847	(1,654)	(35,227)	21,071	1,191,396	152,095	1,343,491

30 June 2023 (Reviewed)	Attributable to shareholders of the Company							Non-controlling interest	Total owner's equity	
	Share capital	Share Premium	Subordinated perpetual mudaraba	Statutory reserve	Fair value reserve	Foreign Currency translation reserve	Retained earnings			Total
Balance at 1 January 2023	102,525	96,834	900,000	3,300	(1,803)	(34,149)	10,905	1,077,612	161,178	1,238,790
Profit for the period	-	-	-	-	-	-	20,658	20,658	(2,080)	18,578
NCI arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	16,288	16,288
Acquisition of NCI without change in control	-	-	-	-	-	-	(3,284)	(3,284)	(6,796)	(10,080)
Foreign currency translation differences	-	-	-	-	-	6,094	-	6,094	1,117	7,211
Change in fair value reserve	-	-	-	-	62	-	-	62	-	62
Payment of coupon on subordinated perpetual mudaraba	-	-	-	-	-	-	(18,000)	(18,000)	-	(18,000)
Balance at 30 June 2023	102,525	96,834	900,000	3,300	(1,741)	(28,055)	10,279	1,083,142	169,707	1,252,849

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2024

US\$ 000's

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
OPERATING ACTIVITIES		
Profit for the period	24,927	18,578
<i>Adjustments for:</i>		
Finance income	(1,469)	(1,588)
Depreciation	2,752	2,750
Fair value loss of bond	159	-
Share of (profit) /loss from equity accounted investee	(416)	128
Changes in operating activities:		
Development properties	118,978	10,682
Bank balances - escrow accounts	8,300	5,976
Trade receivables	(11,454)	43
Due from related parties	(109,371)	12,635
Inventory	560	746
Payables and other liabilities	8,226	(2,957)
Due to related parties	(6,205)	8,340
Other assets	(6,506)	1,972
Net cash from operating activities	28,481	57,305
INVESTING ACTIVITIES		
Acquisition of property and equipment (net)	(786)	(78)
Cash acquired from acquisition (net)	8,898	-
Acquisition in investment property	(2,520)	(31,424)
Derecognition of equity accounted investee	-	8,045
Finance income received	1,469	1,588
Net cash from / (used in) investing activities	7,061	(21,869)
FINANCING ACTIVITIES		
Payment of borrowings	(796)	(1,476)
Subordinated perpetual mudaraba coupon paid	(18,000)	(18,000)
Acquisition of NCI without change in control - net	-	(10,080)
Lease liability	93	(48)
Net cash used in financing activities	(18,703)	(29,604)
Net increase in cash and cash equivalents	16,839	5,832
Cash and cash equivalents at period beginning	25,148	14,286
Cash and cash equivalents at period end and (i)	41,987	20,118

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

(i) Cash and cash equivalents comprises of current account (refer note 6)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

1 REPORTING ENTITY

The condensed consolidated interim financial information for the six months ended 30 June 2024 comprise the financial information of INFRACORP B.S.C (c) (“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 of incorporation	Effective ownership interests as at 30 June 2024	Effective ownership interests as at 31 December 2023	Activities
Harbour Row 2 Real Estate W.L.L.	Kingdom of Bahrain	100%	100%	Development, sale and management of real estate assets in Bahrain Financial Harbour.
Harbour Row 3 Real Estate W.L.L.		100%	100%	
Residential South Real Estate Development Co. WLL (“RSRED”)		100%	-	
Falcon Cement Company BSC (c) (“FCC”)		51.72%	51.72%	Manufacturing and packaging of cement
N.S.12 W.L.L. (“N.S. 12”)		79.69%	79.69%	Mixed-use development and sale of real estate assets
Bahrain Harbour Marines W.L.L.		100%	100%	Operation of recreational water transportation facilities
Bahrain Harbour Events W.L.L.		100%	100%	Organization of conventions, events, and trade shows
Infinity 7		100%	-	Development, sale and management of real estate assets
Villamar Nest		100%	-	
LS Real Estate Company W.L.L.			60%	-
Energy City Navi Mumbai Investment Company & Mumbai IT & Telecom Technology Investment Company (together “India Projects”)	Cayman Islands	78.66%	78.66%	Owning land banks for mixed-used development projects in India, Morocco, and Tunisia.
Tunis Bay Investment Company (“TBIC”)		86.22%	82.97%	
Morocco Gateway Investment Company (“MGIC”)		90.27%	90.27%	
US Data Center Portfolio (“US Data”)		85.90%	59.18%	Portfolio of data center facilities located in high technology business parks in Virginia, USA
GFH Real Estate LLC	United Arab Emirates	100%	100%	Mixed-use development and sale of real estate assets in Dubailand, based in UAE

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**for the six months ended 30 June 2024**

US\$ 000's

1 REPORTING ENTITY (continued)

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. 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.

The shareholders who have subscribed to paid up share capital as at the reporting were as follows:

Name of shareholder	Shareholding	
	30 June 2024	31 December 2023
GFH Financial Group BSC (GFH)	39%	39%
Nash'at Farhan Awad Sahawneh	47.5%	47.5%
Other shareholders	13.5%	13.5%
	100.00%	100.00%

2 BASIS OF PREPERATION**a) Statement of compliance**

This condensed consolidated interim financial information has 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 2023. 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. This 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 2023. The comparatives for the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity have been extracted Group's reviewed accounts for the six months ended 30 June 2023.

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 2024

There are no new standards and interpretations for financial year beginning on or after 1 January 2024 that would be expected to have a material impact on the Group.

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 2025 and earlier application is permitted; however; the Group does not expect the new or amended standards to have significant impact on its financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

2 *BASIS OF PREPARATION (continued)*

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 2023.

f) Risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2023.

g) 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.

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 real estate and infrastructure 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

2 (g) BASIS OF PRESENTATION (continued)

Activity/ Source	Products	Types of revenue
Operational	<ul style="list-style-type: none"> - Revenue generated from manufacturing activities - Holdings of real estate for rental yields 	<p>Sale of units manufactured and its associated products</p> <p><i>Rental and operating income, from rental and other ancillary income from investment in real estate.</i></p>
Investment	<ul style="list-style-type: none"> Fixed income generated from the Group's investments and surplus liquidity Finance income from normal operational funds 	<p>Includes dividends, gain / (loss) on sale and remeasurement of investment securities and share of profit or (loss) of equity accounted investees</p> <p>Financing income, fees and other investment income</p>

3 MATERIAL 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 2023.

4 SEASONALITY

Due to the inherent nature of the Group's business, the six-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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Cash in hand	1	1
Current account	41,986	25,147
Escrow account	28,740	37,040
Placements - call mudaraba account	45,000	45,000
	115,727	107,188

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

7 DEVELOPMENT PROPERTIES

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	893,203	934,671
Acquisition through business combination	234,586	-
Additions during the period, net	20,021	38,449
Cost of sales	(144,838)	(84,689)
Foreign exchange translation differences	(5,876)	4,772
Closing balance	997,096	893,203

8 INVESTMENT PROPERTY

Investment property includes land plots and buildings in Bahrain, USA, UAE and North Africa.

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	192,043	189,585
Additions through business combination	-	35,146
Acquisition of land	1,724	-
Sale of land	-	(4,351)
Acquisition of properties	796	26
Depreciation	(789)	(1,578)
Adjustment in cost of asset	-	(26,785)
Closing balance	193,774	192,043

9 OTHER ASSETS

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Prepayment	14,454	22,600
Duties and taxes receivable	23,155	6,046
Advance paid to contractors and suppliers	2,128	2,229
Others	4,935	7,291
	44,672	38,166

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2024

US\$ 000's

10 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 June 2024	India Projects 21.34%	MGIC 9.73%	TBIC 17.03%	Others	Total
Non-current assets	-	1,593	4,168	96,498	102,259
Current assets	411,665	259,797	289,910	105,564	1,066,936
Non-current liabilities	-	787	-	65,699	66,486
Current liabilities	86,718	56,529	82,100	26,574	251,921
Net assets	324,947	204,074	211,978	109,789	850,788
Net assets attributable to NCI	69,329	19,862	29,210	33,694	152,095
Opening NCI	69,021	20,237	28,848	35,734	153,840
Revenue	2,790	-	-	706	3,496
Profit/loss for the period	2,350	(548)	(86)	(6,567)	(4,851)
Other comprehensive income ("OCI")	(33,774)	(3,007)	(5,954)	-	(42,735)
Total comprehensive income	(31,424)	(3,555)	(6,040)	(6,567)	(47,586)
Profit / (loss) allocated to NCI	501	(53)	(12)	(2,040)	(1,604)
OCI allocated to NCI (impact of FCTR)	(193)	(322)	374	-	(141)
Total NCI as on 30 June 2024	69,329	19,862	29,210	33,694	152,095

11 BORROWINGS

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current	14,606	14,445
Current	32,512	31,877
	47,118	46,322

The borrowings from bank comprises of financing availed by FCC and certain overseas investment properties to fund project development and working capital requirements of industrial business. The financing is secured against plant and machinery of industrial business and investment properties. These financing have been availed at rates varying between 2.5%-6.5% per annum. The Company 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.

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Advances	9,259	9,259
Trade and other payables	731	731
Employee benefits	438	418
	10,428	10,408

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

12 *TRADE AND OTHER PAYABLES (continued)*

CURRENT LIABILITIES

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Trade payables	87,067	46,615
Accrual for expenses	31,393	31,514
Advances received from customers	67,132	65,150
Taxes and duties payable	2,940	2,859
Dividend payable	943	943
Others	4,369	1,598
	193,844	148,679

13 REVENUE

(i) *DEVELOPMENT AND MANAGEMENT INCOME*

	Six months ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Management fee	9,949	17,167
Development and sale of properties	173,189	39,079
	183,138	56,246

(ii) *OPERATIONAL INCOME*

	Six months ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Revenue from cement operations	5,540	6,280
	5,540	6,280

(iii) *INVESTMENT INCOME*

	Six months ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Share of profit / (loss) from equity accounted investee	416	(128)
Interest income	1,717	2,031
Gain on bargain purchase of equity shares	3,149	2,815
Gain on sale of investment	515	-
Remeasurement gain on acquisition	-	1,321
Other income	723	591
	6,520	6,630

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six months ended 30 June 2024

US\$ 000's

14 OTHER OPERATING EXPENSES	Six months ended	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Marketing and brokerage	2,443	1,025
Rent and utilities	1,122	912
Depreciation	2,752	2,750
Operational and other miscellaneous expenses	9,811	9,642
	16,128	14,329

15 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.

The significant transactions during the period and balances as at period end included in these consolidated financial statements are as follows:

a) Balances with related parties

30 June 2024

	Significant shareholder	Subsidiary of Significant shareholder	Total
Assets			
Due from related parties	119,606	14,929	134,535
Cash at banks – call mudaraba account	-	10,782	10,782
Liabilities			
Due to related party	229,761	41,997	271,758

31 December 2023

	Significant shareholder	Subsidiary of Significant shareholder	Total
Assets			
Due from related parties	88,776	14,546	103,322
Bank balances- current account	-	10,782	10,782
Liabilities			
Due to related parties	156,438	39,545	195,983

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15 RELATED PARTIES (continued)

b) Transactions with related parties

For the period ended 30 June 2024

	Significant Shareholders/ entities in which directors are interested	Subsidiary of Significant shareholder and other related parties	Total
Development management income	637	9,312	9,949
Payment of coupon on subordinated perpetual mudaraba	(18,000)	-	(18,000)

For the period ended 30 June 2023

	Significant Shareholders/ entities in which directors are interested	Subsidiary of Significant shareholder and other related parties	Total
Development management income	16,849	318	17,167
Sale of development property	-	9,857	9,857
Payment of coupon on subordinated perpetual mudaraba	(18,000)	-	(18,000)
Investment income	947	64	1,011
Other income	-	32	32

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:

	30 June 2024	30 June 2023
Salaries and other short-term benefits	755	467
Post-employment benefits	210	67

See also note 16 and 17 .

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16 SUBORDINATED PERPETRUAL MUDARABA

During the year, the Group issued additional subordinated perpetual mudaraba of US\$ 100 million, in line with the original approved terms for a tap issuance. This tap issuance was utilised as consideration for acquisition of assets.

Summary of the acquisition

During 2024, the Group acquired 100% ownership in Residential South Real Estate Development Co. WLL ("RSRED"), Villamar Nest, and Infinity 7 for a carrying amount of USD 322.5m. The companies are principally engaged in real estate activities with owned or leased properties. The Group also acquired a non-controlling percentage of holding in LPOD and Domina Hotel. Furthermore, Infracorp acquired AlFaris Healthcare Building in Dubai, United Arab Emirates for a value of \$22.5m. All of the above acquisitions were from GFH.

Consideration transferred for the acquisition of assets is as following:

Perpetual sukuk issued mudaraba	100,000
Payable to related party	222,456
Total consideration for acquisition	322,456

17 ACQUISITION OF EQUITY ACCOUNTED INVESTEE

During the period, The Group acquired a 38.65 % ownership interest in Gulf Holding Company KSC (Holding), an equity accounted investee from GFH. The acquisition was completed for a total consideration of USD 27,055. The fair value of the identifiable net assets acquired on the acquisition date is as follows:

Non-current assets	81,183
Current assets	3,916
Non-current liabilities	(882)
Current liabilities	(6,010)
Net assets (100%)	78,207
Permanent adjustment of goodwill by the Group	-59
Net assets after permanent adjustment (100%)	78,148
Groups share of net assets after permanent adjustments (38.65%)	30,204
Consideration paid	(27,055)
Gain on acquisition of equity accounted investees	3,149

No goodwill or intangible asset has been recognised as a result of above acquisitions.

18 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 June 2024.

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19 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 June 2024 due to short term nature of such instruments.

20 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

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to entity-wide corporate activities and treasury activities at the Group level. Segment revenue and expenses were net-off inter segment revenue and expenses.

	Development and management	Operational	Investment	Total
30 June 2024				
Segment revenue	183,138	5,540	6,520	195,198
Segment expenses (including impairment allowances)	158,539	10,950	807	170,296
Segment result	24,599	(5,410)	5,713	24,902
Segment assets	1,284,588	187,958	402,333	1,874,879
Segment liabilities	333,698	45,515	152,175	531,388

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.

21 COMMITMENTS AND CONTINGENCIES

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Capital commitment for infrastructure development projects	45,182	47,030