

The National Investor Pr. J.S.C.

**Condensed consolidated interim financial information
(Unaudited)**

For the six months period ended 30 June 2022

Principal business address:

P. O. Box 47435

Abu Dhabi

United Arab Emirates

The National Investor Pr. J.S.C.
Condensed consolidated interim financial information (Unaudited)

For the six months period ended 30 June 2022

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**Independent auditor's report on review of condensed consolidated
interim financial information****To the Shareholders of The National Investor Pr. J.S.C.****Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of **The National Investor Pr. J.S.C.** (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2022 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34 ("IAS 34") *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on the 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *"Interim Financial Reporting"*.

**GRANT THORNTON****Farouk Mohamed
Registration No. 86
Abu Dhabi, United Arab Emirates
10 August 2022**

The National Investor Pr. J.S.C.

**Condensed consolidated interim statement of profit or loss
For the six months period ended 30 June 2022**

	Note	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
Fee and service income	5	11,079	12,198
Net income from investments carried at fair value through profit or loss	8	898	340
Dividend income		187	140
Share of profit of associates		78	1,242
Interest income		351	195
Other income		1,040	570
Total operating income		13,633	14,685
Staff cost	6	(1,752)	(2,405)
Operating expenses		(2,992)	(2,942)
General and administrative expenses		(5,884)	(5,219)
Depreciation		(3,588)	(4,041)
Interest expense		(450)	(822)
Total operating expenses		(14,666)	(15,429)
Loss for the period from continuing operations		(1,033)	(744)
Profit for the period from discontinued operations	19	-	9,513
(Loss)/profit for the period		(1,033)	8,769
<i>Attributable to:</i>			
Shareholders of the Company		(1,345)	8,479
Non-controlling interests		312	290
		(1,033)	8,769
Basic earnings per share (AED)	17	(0.004)	0.022

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

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of comprehensive income
For the six months period ended 30 June 2022

	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
(Loss)/profit for the period	(1,033)	8,769
Other comprehensive loss:		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Fair value loss on financial assets carried at fair value through other comprehensive income	<u>(24)</u>	<u>(1,042)</u>
Other comprehensive loss	<u>(24)</u>	<u>(1,042)</u>
Total comprehensive (loss)/income for the period	<u>(1,057)</u>	<u>7,727</u>
<i>Attributable to:</i>		
Shareholders of the Company	(1,369)	7,437
Non-controlling interests	<u>312</u>	<u>290</u>
	<u>(1,057)</u>	<u>7,727</u>


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

The National Investor Pr. J.S.C.

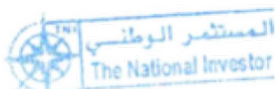
Condensed consolidated interim statement of financial position As at 30 June 2022

	Note	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
ASSETS			
Cash and cash equivalents	7	23,775	44,761
Investments carried at fair value through profit or loss	8	10,000	10,000
Investments carried at fair value through other comprehensive income	9	8,035	11,347
Amounts due from related parties	16	877	986
Investments in associates	10	56,930	56,852
Investment properties	11	130,741	128,833
Property, fixture and equipment		173,108	177,970
Other assets	12	6,017	54,628
Total assets		409,483	485,377
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	14	21,691	23,750
Other liabilities	13	7,104	12,382
Amounts due to related parties	16	48	48
Total liabilities		28,843	36,180
EQUITY			
Share capital	15	310,000	377,500
Legal reserve		62,101	62,101
Optional reserve		3,678	3,678
Fair value reserve		(15,919)	(60,784)
(Accumulated losses) / retained earnings		(27,725)	18,509
Equity attributable to the Shareholders of the Parent Company		332,135	401,004
Non-controlling interests		48,505	48,193
Total equity		380,640	449,197
Total liabilities and equity		409,483	485,377

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.


Mr. Saeed Mohamed Almasoud
Chairman


Mr. Rami Hurieh
Managing Director



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

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of changes in equity
For the six months period ended 30 June 2022

	Share capital AED'000	Legal reserve AED'000	Optional reserve AED'000	Fair value reserve AED'000	Retained earnings / (Accumulated losses) AED'000	Equity attributable to shareholders of Parent Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2021 <i>(Audited)</i>	377,500	59,042	619	(61,544)	(727)	374,890	52,013	426,903
Profit for the period	-	-	-	-	8,479	8,479	290	8,769
Transaction with owner	-	-	-	-	(4,213)	(4,213)	-	(4,213)
Other comprehensive loss	-	-	-	(1,042)	-	(1,042)	-	(1,042)
Change in non-controlling interests	-	-	-	-	-	-	(968)	(968)
Balance at 30 June 2021 <i>(Unaudited)</i>	<u>377,500</u>	<u>59,042</u>	<u>619</u>	<u>(62,586)</u>	<u>3,539</u>	<u>378,114</u>	<u>51,335</u>	<u>429,449</u>
Balance at 1 January 2022 <i>(Audited)</i>	377,500	62,101	3,678	(60,784)	18,509	401,004	48,193	449,197
Loss for the period	-	-	-	-	(1,345)	(1,345)	312	(1,033)
Other comprehensive loss	-	-	-	(24)	-	(24)	-	(24)
Return of capital to shareholders (note 15)	(67,500)	-	-	-	-	(67,500)	-	(67,500)
Reclassification of investment reserve related to investment in FVTOCI	-	-	-	44,889	(44,889)	-	-	-
Balance at 30 June 2022 <i>(Unaudited)</i>	<u>310,000</u>	<u>62,101</u>	<u>3,678</u>	<u>(15,919)</u>	<u>(27,725)</u>	<u>332,135</u>	<u>48,505</u>	<u>380,640</u>

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

The National Investor Pr. J.S.C.

Condensed consolidated interim statement of cash flows For the six months period ended 30 June 2022

	Note	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
Cash flows from operating activities			
Loss for the period		(1,033)	(744)
<i>Adjustments for:</i>			
Depreciation of property, fixture and equipment		3,588	4,037
Amortisation of intangible assets		-	4
Share of profit of associates		(78)	(1,242)
Net (gain)/loss from investments carried at fair value through profit or loss	8	(898)	(340)
Interest income		(351)	(195)
Interest expense		450	822
Provision for employees' end of service benefits		134	176
Dividend income		(187)	(140)
Gain on sale of property, fixture and equipment		(69)	-
		<u>1,556</u>	<u>2,378</u>
<i>Changes in:</i>			
Amounts due from related parties		109	163
Other assets		(1,378)	(1,342)
Other liabilities		(5,227)	(1,121)
Amounts due to related parties		-	104
Non-controlling interest		-	(968)
Employees' end of service benefits paid		(185)	(260)
Net cash used in continuing operations		<u>(5,125)</u>	<u>(1,046)</u>
Net cash from discontinued operations		<u>-</u>	<u>5,059</u>
Net cash (used in)/from operating activities		<u>(5,125)</u>	<u>4,013</u>
Cash flows from investing activities			
Additions to property, fixtures and equipment, net		(633)	(155)
Proceeds from sale of property, fixtures and equipment		69	-
Acquisition of investments carried at FVTPL	8	(2,450)	-
Proceeds from sale of investments carried at FVTPL		3,040	3,670
Proceeds from profit distribution of investment at FVTOCI		245	-
Proceeds from profit distribution of investment in associate		-	3,394
Proceeds from sale of a subsidiary		50,000	-
Proceeds from sale of investments carried at FVTOCI		3,037	-
Term deposits		-	(20,700)
Interest income received		654	555
Dividend income received		187	70
Net cash from/(used in) continuing operations		<u>54,149</u>	<u>(13,166)</u>
Net cash used in discontinued operations		<u>-</u>	<u>(1,902)</u>
Net cash from/(used in) investing activities		<u>54,149</u>	<u>(15,068)</u>
Cash flows from financing activities			
Repayment of term loans		(2,060)	(4,738)
Return of capital to equity holders of the parent	15	(67,500)	-
Interest paid		(450)	(822)
Net cash used in continuing operations		<u>(70,010)</u>	<u>(5,560)</u>
Net cash used in discontinued operations		<u>-</u>	<u>(480)</u>
Net cash used in financing activities		<u>(70,010)</u>	<u>(6,040)</u>
Net decrease in cash and cash equivalents		<u>(20,986)</u>	<u>(17,095)</u>
Cash and cash equivalents at the beginning of the period		44,761	49,055
Cash and cash equivalents at the end of the period	7	<u>23,775</u>	<u>31,960</u>

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

**Notes to the condensed consolidated interim financial information
For the six months period ended 30 June 2022**

1 Legal status and principal activities

The National Investor Pr. J.S.C. (the “Company”) is registered in Abu Dhabi, United Arab Emirates (“UAE”) and is listed on the Abu Dhabi Securities Exchange as a Private Joint Stock Company since 2014. The Company was subject to the Federal Law No. 2 of 2015 concerning commercial companies and the executive Ministry of Economy Decision No. 539 of 2017 concerning private joint stock companies which was replaced by Federal Law Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) issued on 20 September 2021 with an effective date of 2 January 2022 which entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies. In 2001, the Company received approval from the Central Bank of the UAE to conduct financial investment business as an investment company in accordance with the Central Bank’s Board of Directors’ Resolution No. 164/8/94 dated 18 April 1995 regarding the regulations for investment companies and banking and investment consultation companies. The Company was also licensed and regulated by the UAE Securities and Commodities Authority (SCA) for conducting Financial Advisory activity since 2012, Investment Management activity since 2017 and Management activity since 2018. The Company ceased all financial activities since the end of 2019 and applied for voluntary cancellation of its SCA licenses.

On 6 May 2020, SCA released its Decision 22 RT/2020 concerning the approval on voluntary cancellation of TNF’s Financial Analysis License. On 8 May 2020, the SCA issued approval for the voluntary cancelation of the management license. The Investment Management SCA license is under cancellation.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. This announcement has no impact on the consolidated financial information of the Group for the period ended 30 June 2022. Management will assess the implications of this Federal Corporate Tax in due course.

The Company and its subsidiaries (together referred as the “Group”) are managed as an integrated investment and financial services company.

The principal activities of the Group are private equity, real estate investment and provision of consultancy, economic feasibility consultancy and studies, commercial agencies and hospitality.

The registered head office of the Company is at P.O. Box 47435, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial information of the Group were authorized and approved for issue by the Board of Directors on 10 August 2022.

2 Basis of accounting

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34. “Interim Financial Reporting” issued by the International Accounting Standards Board and applicable requirements of the laws of the Federal Law Decree No. 32 of 2021.

The condensed consolidated interim financial information do not contain all statements and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021. They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the latest annual consolidated financial statements. In addition, results for the six months period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

2 Basis of accounting (continued)

The accounting policies applied by the Group in the presentation of these condensed consolidated interim financial information are consistent with those applied by the Group in its audited consolidated financial statements as at and for the year ended 31 December 2021, except for IFRSs that became effective for accounting periods beginning on or after 1 January 2022.

The condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income have been prepared to disclose the results of Group's activities from continuing operations and discontinued operations incurred in previous period presented.

The condensed consolidated interim financial information are presented in United Arab Emirates Dirham (AED) which is the functional and the presentation currency of the Group and all values are rounded to the nearest thousand dirham, except when otherwise indicated.

Impact of COVID-19 and going Concern

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the UAE. Moreover, the board of directors of The National Investor Pr.J.S.C. has taken adequate measures and immediate initiatives that contributed positively to the overall cost base of the Group.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these condensed consolidated interim financial information. Nevertheless, these developments could impact the Group's future financial results, cash flows and financial position.

3 Basis of consolidation

The accompanying condensed consolidated interim financial information comprise of condensed interim financial information of the Parent company and its subsidiaries (together referred to as the "Group"). The details of the Parent company's subsidiaries and their principal activities are as follows:

	Country of incorporation	Ownership interest % 30 June 2022	31 December 2021	Principal activity
Operating entities				
Mainland Management LLC	U.A.E.	67	67	Real estate investments
Mainland Investment LLC	U.A.E.	100	100	Real estate investments
Mafraq Hotel – a subsidiary of Mainland Investment LLC	U.A.E.	100	100	Hospitality services
Uptown Management LLC	U.A.E.	100	100	Real estate investments
Uptown Investment LLC	U.A.E.	100	100	Real estate investments
Al Jeyoun Limited	U.A.E.	100	100	Real estate investments, investments in PJSCs
Special purpose entities				
United Capital LLC	U.A.E.	100	100	Asset Management
Fidelity Invest LLC (owned by The National Investor Pr. J.S.C. One Man Company LLC)	U.A.E.	100	100	Asset Management
Al Dhafra Capital LLC	U.A.E.	100	100	Asset Management
TNI Capital Partners Limited	Cayman Islands	100	100	Private Equity Funds
TNI General Partners Limited	Cayman Islands	100	100	Private Equity Funds
Blue Chip Capital LLC*	U.A.E.	-	100	Asset Management

* During the period ended 30 June 2022, The Parent Company liquidated its subsidiary "Blue Chip Capital LLC".

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

4 Significant accounting policies

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in financial year 2022, but do not have an impact on the interim condensed consolidated financial information of the Group. The following represents standards applicable for first time as of 1 January 2022:

- Amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements
- Amendments to IAS 16 'Property, Plant and Equipment' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.
- Amendments to IAS 37 amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
- Annual improvements to IFRS Standards 2018–2020

Standards, amendments and interpretations issued but not yet effective

The following new standards/ amendments to standards which were issued up the date of issuance of these condensed consolidated interim financial information and are not yet effective for the period ended 30 June 2022 have not been applied while preparing these condensed consolidated interim financial information. The Group does not expect that the adoption of these standards / amendments will have a material impact on its condensed consolidated interim financial information:

New standards and revised IFRSs not yet effective and has not been adopted early by the Group	Effective date
Amendments to IAS 1 to address classification of liabilities as current or non-current providing a more general approach based on the contractual arrangements in place at the reporting date.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures (2011)' relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by the management.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

4 Significant accounting policies (continued)

(a) Significant accounting judgements, estimates and assumptions

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 31 December 2021.

The Group has reviewed the key sources of estimation uncertainties disclosed in the recent annual audited consolidated financial statements against the backdrop of Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the recent annual audited financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

5 Fee and service income

	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
Revenue from hotel services	11,079	11,482
Merchant banking fees	-	716
	<u>11,079</u>	<u>12,198</u>

6 Staff cost

	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
Staff cost – corporate	1,139	1,120
Staff cost – subsidiaries	613	1,285
	<u>1,752</u>	<u>2,405</u>

7 Cash and cash equivalents

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Cash in hand	65	15
Call and current accounts with banks	10,480	17,123
Term deposits	13,230	27,623
Cash and cash equivalents	23,775	44,761
Less: bank deposits with maturities over three months	-	(21,894)
	<u>23,775</u>	<u>22,867</u>

Bank deposits carry interest rates ranging from 0.00% to 2.00% (31 December 2021: 0.00% to 2.85%) per annum.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

8 Investments carried at fair value through profit or loss

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Investment in Sukuk*	<u>10,000</u>	<u>10,000</u>

Movement in investments carried at fair value through profit or loss:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Balance at the beginning of the period / year	10,000	13,690
Additions during the period / year **	2,450	-
Change in fair value during the period / year**	595	-
Disposal during the period / year **	<u>(3,045)</u>	<u>(3,690)</u>
Balance at the end of the period / year	<u>10,000</u>	<u>10,000</u>

* During the period, the Group had interest income from its investment in sukuk amounting AED 0.303 million (period ended 30 June 2021: AED 0.34 million).

** During the period, the Group subscribed to 1 million shares in an Initial Public Offering (IPO) of a listed entity and subsequently sold the shares resulting in a gain on sale of AED0.595 million.

9 Investments carried at fair value through other comprehensive income

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Listed equity securities	-	3,044
Investment in equity funds*	<u>8,035</u>	<u>8,303</u>
	<u>8,035</u>	<u>11,347</u>

Movement in investments carried at fair value through other comprehensive income

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Balance at the beginning of the period / year	11,347	11,496
Change in fair value during the period / year	(24)	-
Disposal/distribution during the period / year	<u>(3,288)</u>	<u>(149)</u>
Balance at end of the period / year	<u>8,035</u>	<u>11,347</u>

* During the period ended 30 June 2022, the Group disposed its investment in listed equity securities at the prevailing market price. The Group also received an amount of AED 0.2 million as capital distribution from one of its investments in equity funds.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

10 Investments in associates

The Group has the following investments in associates which are accounted for using the equity method.

Company Name	Country of incorporation	Ownership interest %		Principal activity
		30 June 2022	31 December 2021	
National Entertainment LLC	U.A.E.	40.00%	40.00 %	Entertainment services
Growth Capital Fund	Cayman Islands	35.71%	35.71 %	Asset management
National Catering Company LLC	U.A.E.	10.00%	10.00 %	Catering services and facility management

11 Investment properties

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Opening balance	128,833	122,290
Transferred during the period / year*	1,908	4,767
Net revaluation gain	-	1,776
	<u>130,741</u>	<u>128,833</u>

* During the period ended 30 June 2022, the Group transferred AED 1.9 million from property, fixtures and equipment to investment properties due to change in the use of the asset from business operations to property leased out to customers.

12 Other assets

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Trade receivables	8,802	8,342
Prepaid expenses	1,980	1,434
Accrued income	283	525
Due from employees	5	5
Sale consideration receivable	-	50,000
Others	831	206
	<u>11,901</u>	<u>60,512</u>
Less: allowance for expected credit loss	<u>(5,884)</u>	<u>(5,884)</u>
	<u>6,017</u>	<u>54,628</u>

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

13 Other liabilities

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Trade payables	1,760	2,232
Staff payables	-	6
End of service benefits	1,054	1,135
Accrued expenses	2,775	2,234
Bonus payable	-	5,840
Advances from tenants	1,375	376
Other payables	140	559
	<u>7,104</u>	<u>12,382</u>

14 Term loans

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Term loan 1 (note 16)	4,733	4,733
Term loans 2	16,958	19,017
	<u>21,691</u>	<u>23,750</u>

Term loan 1: Mainland Management entered into a bridge loan agreement with Finance House PJSC, a related party, on 26 March 2007, amounting to AED 17 million. During 2014, the outstanding amount was converted into additional capital contribution to Mainland Management and subsequently an amount of AED 4.7 million was lent to Mainland Management. Interest is charged at 4% per annum (31 December 2021: 4% per annum). The payment term is on demand and not based on fixed installments. No movement incurred on the principal balance of the loan during the current period as well as the previous year and only interest accrued.

Term loans 2: During May 2018, the Group acquired two loans from “Arab Bank for Investment and Foreign Trade” (Al Masraf Bank). The interest rate for both loans is EIBOR + 3% per annum or 5% per annum whichever is higher. These loans are repayable over 32 quarterly instalments starting on 2 August 2018. In May 2020, these loans have been re-scheduled in which there were deferral of two quarterly instalments for both loans and the tenor increased from 8 years to be 8 years and 6 months. The interest continued to accrue during the period of deferral. The facility is secured by demand promissory note and corporate guarantee of the group covering the total outstanding facility amount and first-degree mortgage over the land and building of Mafraq Hotel. Management negotiated the pricing terms of the loan during the third quarter of 2021 and the new revised terms are 3.5% minimum floor p/a (down from 5% p/a). The reduced interest rate was applied from October 2021 and all other terms remained the same.

15 Share capital and optional reserve

On 25 April 2022, the shareholders approved a special resolution to reduce the Group’s share capital by cancelling 67.5 million shares at a value of AED 67.5 million. The reduced balance was refunded to shareholders based on each shareholder’s ownership percentage.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

16 Related parties

Related parties represent associates, joint ventures, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The period end balances in respect of related parties included in the condensed consolidated interim information of financial position are as follows:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<i>Amounts due from related parties:</i>		
Associates	800	800
Funds under management	77	186
	<u>877</u>	<u>986</u>
<i>Amounts due to related parties:</i>		
Others	<u>48</u>	<u>48</u>
 Loan obtained from Finance House - shareholder	 <u>4,733</u>	 <u>4,733</u>

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

	Six months period ended 30 June 2022 AED'000 (Unaudited)	Six months period ended 30 June 2021 AED'000 (Unaudited)
Fees earned from related parties	<u>-</u>	<u>213</u>
Guarantees issued on behalf of the Company	<u>28,554</u>	<u>62,617</u>
Short term benefits of key management personnel (salaries, benefits and bonuses)		
Continuing operations	<u>867</u>	<u>670</u>
Discontinued operations	<u>-</u>	<u>4,008</u>
Interest expense on loan obtained from Finance House	<u>95</u>	<u>95</u>

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

17 Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of shares outstanding during the period.

	Six months period ended 30 June 2022 (Unaudited)	Six months period ended 30 June 2021 (Unaudited)
(Loss)/profit for the period (AED'000)	(1,345)	8,479
Total number of ordinary shares	310,000	377,500
Weighted average number of ordinary shares ('000)	366,250	0
(Loss)/earnings per share (AED)	(0.004)	377,500
		0.022

There were no potentially dilutive securities as at 30 June 2022 or 30 June 2021, and accordingly, diluted earnings per share are the same as basic earnings per share.

18 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Group in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers is based on three major segments as follows:

Asset Management- manages investment portfolios and funds in regional equities and offers regional and foreign investors' gateways for investment in the GCC and Arab stock markets.

Merchant Banking- provides corporate finance advisory, private placements, public offerings of equity and debt securities, mergers and acquisitions.

Principal Investments- manages and controls all cash related to the Group, and all proprietary investments of the Group including investments in associates, joint ventures, investments at fair value through profit or loss and other comprehensive income and investment properties.

Management monitors the net operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The business segments information for the period ended 30 June 2022 and the period ended 31 December 2021 are as follows:

Business segments

	Asset Management AED'000	Merchant Banking AED'000	Principal Investments AED'000	Total AED'000
30 June 2022				
Operating income	-	-	13,633	13,633
Net segment results	-	-	(1,033)	(1,033)
Segment assets	-	-	409,483	409,483
Segment liabilities	-	-	28,843	28,843

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

18 Segment information (continued)

	Asset Management AED'000	Merchant Banking AED'000	Principal Investments AED'000	Total AED'000
31 December 2021				
Operating income	-	716	29,595	30,311
Net segment results	(2,321)	(1,763)	34,384	30,300
Segment assets	-	-	485,377	485,377
Segment liabilities	-	-	36,180	36,180

Geographical segments

	UAE AED'000	KSA AED'000	Others AED'000	Total AED'000
30 June 2022				
Operating income	13,633	-	-	13,633
Net segment results	(1,033)	-	-	(1,033)
Segment assets	409,483	-	-	409,483
Segment liabilities	28,843	-	-	28,843
31 December 2021				
Operating income	30,311	-	-	30,311
Net segment results	25,523	5,145	(368)	30,300
Segment assets	485,377	-	-	485,377
Segment liabilities	36,180	-	-	36,180

19 Discontinued operations

On 21 December 2021, the Group sold 100% of its share capital of Falcon Investment LLC and its subsidiaries. Falcon Investment LLC provides real estate leasing, consulting, and real estate valuation services and its registered head office is in Dubai. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the condensed consolidated interim statement of profit or loss.

Notes to the condensed consolidated interim financial information (continued)
For the six months period ended 30 June 2022

20 Comparative information

During the current financial period, certain balances of financial information reported in the previous period have been reclassified to conform to the current period presentations; with the objective of improving the quality of information presented. The re-classifications did not have an impact on the previously reported loss for the period, total assets and total equity.

21 General

These condensed consolidated interim financial information were approved and authorized for issue by the Board of Directors on 10 August 2022.