

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2024**

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BINGHATTI HOLDING LIMITED

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Binghatti Holding Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024, comprising of the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the six month period then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards 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.

Other matter

The interim condensed consolidated financial statements for the six-month period ended 30 June 2023 were not reviewed, and our conclusion does not relate to the comparatives presented in these interim condensed consolidated financial statements, which are presented solely for comparison purposes.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



26 August 2024

Dubai, United Arab Emirates

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

		<i>Six-month period ended 30 June</i>	
	<i>Notes</i>	<i>2024 AED (Unaudited)</i>	<i>2023 AED (Unaudited)</i>
Revenue from contract with customers	3	2,185,894,309	859,890,669
Cost of sales	4	(1,254,629,897)	(446,774,813)
GROSS PROFIT		931,264,412	413,115,856
Gain on bargain purchase	5	41,336,169	-
Other income	6	29,363,684	5,989,248
Finance income		34,839,855	-
Selling, general and administrative expenses	7	(220,721,121)	(49,423,918)
Finance costs	8	(82,557,374)	(15,792,102)
PROFIT BEFORE TAX FOR THE PERIOD		733,525,625	353,889,084
Current income tax expense	25	(65,983,556)	-
PROFIT FOR THE PERIOD		667,542,069	353,889,084
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		667,542,069	353,889,084

The accompanying notes 1 to 28 form part of these interim condensed consolidated financial statements.

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	649,991,127	262,120,305
Intangible assets	10	1,185,293	1,218,678
Right of use assets	11	70,918,614	48,316,672
Total non-current assets		722,095,034	311,655,655
Current assets			
Development properties	12	2,800,487,934	1,502,864,753
Inventories	13	45,476,399	23,307,999
Trade and other receivables	14	1,823,936,437	731,742,497
Wakala deposits	15	3,300,000	-
Bank balances and cash	16	3,274,882,736	1,635,021,780
Total current assets		7,948,083,506	3,892,937,029
TOTAL ASSETS		8,670,178,540	4,204,592,684
EQUITY AND LIABILITIES			
Equity			
Share capital	17	3,675,000	3,675,000
Statutory reserve	18	10,012,641	10,012,641
Retained earnings		2,004,376,525	1,336,834,456
Total equity		2,018,064,166	1,350,522,097
Non-current liabilities			
Employees' end of service benefits	19	20,165,885	12,972,195
Long term portion of loans and borrowings	22	1,943,493,702	744,038,787
Lease liabilities	11	49,929,535	32,232,499
Total non-current liabilities		2,013,589,122	789,243,481

The accompanying notes 1 to 28 form part of these interim condensed consolidated financial statements.

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2024

		30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
	Notes		
Current liabilities			
Short term portion of loans and borrowings	22	214,545,508	321,682,418
Accounts payable and accruals	20	1,348,133,227	513,045,856
Contract liabilities	21	2,944,513,875	1,197,373,375
Due to related parties	24	44,434,880	3,200,000
Lease liabilities	11	20,914,206	17,782,946
Income tax provisions	25	65,983,556	-
Bank overdraft	16	-	11,742,511
Total current liabilities		4,638,525,252	2,064,827,106
Total liabilities		6,652,114,374	2,854,070,587
TOTAL EQUITY AND LIABILITIES		8,670,178,540	4,204,592,684

The interim condensed consolidated financial statements were approved and authorised by the Board of Directors on 26 August 2024 and were signed on its behalf by:



Shehzad Janab
Chief Financial Officer



Katralnada Hussain Al Jbori
Chief Executive Officer

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

		<i>Six-month period ended 30 June</i>	
	<i>Notes</i>	<i>2024 AED (Unaudited)</i>	<i>2023 AED (Unaudited)</i>
OPERATING ACTIVITIES			
Profit before tax for the period		733,525,625	353,889,084
Adjustments for:			
Depreciation of property, plant and equipment		27,040,693	8,697,246
Depreciation of right-of-use-assets	11	11,339,304	7,325,773
Interest on lease liabilities	8	2,465,520	1,203,492
Finance costs excluding interest on lease liabilities	8	80,091,854	14,588,610
Provision for employees' end of service benefits		6,905,261	345,542
Amortisation of intangible assets		113,806	163,242
Finance income		(34,839,855)	-
Gain on bargain purchase	5	(41,336,169)	-
		785,306,039	386,212,989
Working capital changes:			
Development properties		(1,297,623,181)	(389,623,548)
Inventories		(20,567,528)	(9,213,791)
Trade receivables and prepayments		(1,090,230,352)	334,036,304
Accounts payable and accruals		790,583,004	119,054,241
Contract liabilities		1,747,140,500	60,107,549
Due to related party		-	(266,130,960)
Construction work-in-progress		-	(32,134,887)
Cash flows from operations		914,608,482	202,307,897
Finance cost paid		(38,025,851)	(14,588,610)
Employees' end of service benefits paid		(986,466)	(501,765)
Net cash flows from operating activities		875,596,165	187,217,522
INVESTING ACTIVITIES			
Purchase of property, plant and equipment*		(320,696,926)	(30,142,030)
Acquisition of intangible assets		(80,421)	-
Acquisition of a subsidiary, net of cash acquired	5	(11,795,510)	-
Movement in restricted escrow account		(991,809,191)	362,282,058
Interest received		34,839,855	-
Changes in Wakala Deposits	15	(3,300,000)	-
Net cash flows (used in) / from investing activities		(1,292,842,193)	332,140,028
FINANCING ACTIVITIES			
Proceeds from Sukuk	22	1,083,927,103	-
Proceeds from loans and borrowings		305,050,625	303,238,204
Repayment of loans and borrowings		(296,659,723)	-
Repayment of lease liabilities		(15,277,701)	(8,456,405)
Net cash flows from financing activities		1,077,040,304	294,781,799

The accompanying notes 1 to 28 form part of these interim condensed consolidated financial statements.

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

For the six-month period ended 30 June 2024

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
NET INCREASE IN CASH AND CASH EQUIVALENTS	659,794,276	814,139,349
Cash and cash equivalents at 1 January	950,234,583	289,178,479
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,610,028,859	1,103,317,828

Non-cash transactions:

* Due to related party amounting to AED 41,234,880, includes direct purchase of property plant and equipment by a related party on behalf of the Group. This being non-cash transaction has been adjusted against the related account in the interim condensed consolidated statement of cash flows.

Binghatti Holding Limited and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	<i>Share capital AED</i>	<i>Retained earnings AED</i>	<i>Additional contribution AED</i>	<i>Statutory reserve AED</i>	<i>Total equity AED</i>
Balance at 1 January 2023 (audited)	3,675,000	783,001,317	92,604,255	10,012,641	889,293,213
Total comprehensive income for the period	-	353,889,084	-	-	353,889,084
Balance at 30 June 2023 (Unaudited)	<u>3,675,000</u>	<u>1,136,890,401</u>	<u>92,604,255</u>	<u>10,012,641</u>	<u>1,243,182,297</u>
Balance at 1 January 2024 (audited)	3,675,000	1,336,834,456	-	10,012,641	1,350,522,097
Total comprehensive income for the period	-	667,542,069	-	-	667,542,069
Balance at 30 June 2024 (Unaudited)	<u>3,675,000</u>	<u>2,004,376,525</u>	<u>-</u>	<u>10,012,641</u>	<u>2,018,064,166</u>

The accompanying notes 1 to 28 form part of these interim condensed consolidated financial statements.

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

1 BACKGROUND

1.1 CORPORATE INFORMATION

Binghatti Holding Limited (“BHL”) (the “Company” or “Parent Company”) is a limited liability company registered and incorporated in the Dubai International Financial Centre (“DIFC”). The Parent Company has the status of a company limited by shares in and under the laws promulgated by the DIFC. The shares are 100% owned by Dr. Hussain Ghati Ghaib Al Jbori, ultimate shareholder of the Company.

The principal activities of the Parent Company are to consolidate the family businesses of the Al Jbori family, create an institution through which correct family business governance can be exercised. The address of the Parent Company's registered office is P.O. Box 482010, Gate Village, Building 6, DIFC, Dubai, UAE.

The Parent Company through its subsidiaries (collectively the “Group”) are under common management and control of Parent Company.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements are prepared under the historical cost convention.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (“AED”) being the presentation and functional currency of the Group.

Certain comparative amounts have been reclassified to conform to the presentation used in these interim condensed consolidation financial statements.

2.2 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and also comply with the applicable requirements of the laws in the UAE. Accordingly, these interim condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2023. In addition, results for the six months ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies applied by the Group in the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023, except for the accounting policies relating to taxation, sukuk, business acquisition and adoption of new and amended standards.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024 as mentioned below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective from annual periods beginning on or after 1 January 2024 and must be applied retrospectively)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective for annual periods beginning on or after 1 January 2024. Earlier application is permitted, and that fact must be disclosed)
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed)

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Sukuk

The sukuk are stated at amortised cost using the effective profit rate method. Profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at fair value on the date of acquisition.

This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the interim condensed consolidated statement of profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9: Financial Instruments in the interim condensed consolidated statement of profit or loss. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible and intangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the interim condensed consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the interim condensed consolidated statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.5 CHANGES IN JUDGEMENTS AND ESTIMATION UNCERTAINTY

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

3 REVENUE FROM CONTRACT WITH CUSTOMERS

3.1 Disaggregated revenue information

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Buildings and units sales	2,160,751,862	837,892,685
Sale of food and beverage	18,630,330	19,544,190
Revenue from services	5,272,631	2,453,794
Sale of manufactured goods	1,239,486	-
	2,185,894,309	859,890,669
Period of recognition		
Revenue recognized at a point in time	19,869,816	19,624,902
Revenue recognized over time	2,166,024,493	840,265,767
	2,185,894,309	859,890,669

3.2 Contract balances

	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade receivables (note 14)	1,127,045,108	393,755,188
Contract assets (note 14)	161,298,140	40,726,198
Contract liabilities (note 21)	2,944,513,875	1,197,373,375

The Group has not recognized any revenue during the current period from performance obligations satisfied during the previous periods.

The Group bills and receives payments from customers based on the billing schedule and terms of payment agreed with the customers as mentioned in the contracts with the customers. Contract liabilities relates to payments received in advance of performance under the contract. Contract assets relates to balances that are outstanding as per the payment plan against the performance obligation satisfied under those contracts.

During the period, the Group has not recognized any charge towards the provision for expected credit losses.

4 COST OF SALES

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of building and units sales	1,234,584,885	428,679,287
Cost of sales from coffee shops and restaurants	13,606,298	16,573,401
Cost incurred in provision of services	3,904,166	1,522,125
Cost of goods manufactured	2,534,548	-
	1,254,629,897	446,774,813

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

5 BUSINESS COMBINATION

On 29 February 2024, the Group has acquired 100% of the state-of-the-art factory from Al Jomaih holding for a purchase consideration of AED 12 million. The newly acquired factory will operate in tandem with Binghatti's in-house manufacturing facilities for commercial façade and building steel structure and guided by its dedicated team of in-house engineers, interior designers and architects

The fair value of net assets acquired amounted to AED 53,336,169. The shortage of the fair value of the purchase consideration amounting to AED 41,336,169 was recognised as follows as on the date of acquisition:

	<i>Fair value on acquisition AED</i>
Assets	
Property, plant and equipment	52,979,709
Right-of-use assets	19,826,412
Cash	204,490
Trade and other receivables	1,963,588
Inventories	1,600,872
	76,575,071
Liabilities	
Trade payables	2,438,364
Lease liabilities	19,525,643
Employees' end of service benefits	1,274,895
	23,238,902
Total identifiable net assets at fair value	53,336,169
Purchase consideration transferred	(12,000,000)
Gain arising on acquisition	41,336,169

Transaction costs of AED 552,000 have been expensed and are included in selling, general and administrative expenses in the interim condensed consolidated statement of profit or loss and are part of operating cash flows in the interim condensed consolidated statement of cash flows.

During the six month period ended, the subsidiary has generated revenue of AED 1,239,486 and reported a net loss of AED 2,899,024.

6 OTHER INCOME

	<i>Six-month period ended 30 June</i>	
	<i>2024 AED (Unaudited)</i>	<i>2023 AED (Unaudited)</i>
Other income*	27,943,328	5,801,189
Scrap sales	1,365,522	138,228
Rental income	54,834	49,831
	29,363,684	5,989,248

*Other income consists of penalty, admin and facilitating fees charged to customers.

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and other benefits	76,726,694	19,184,720
Selling and marketing expenses	48,708,848	11,717,423
Government, legal and professional fees	21,806,509	6,054,213
Visa, licensing and insurance expense	20,675,055	1,858,770
Royalty expense*	9,954,417	-
Gratuity expense	7,138,063	71,042
Printing and IT related expenses	5,020,459	1,177,264
Rent expense (note 11)	4,497,534	530,613
Depreciation on right of use assets	3,548,120	841,601
Depreciation on property and equipment	3,080,835	1,782,028
Bank charges	2,127,264	735,081
Utilities expenses	975,873	1,583,374
Audit and review fees	963,081	327,050
Board remuneration	300,000	-
Pension expense	69,825	-
Others	15,128,544	3,560,739
	220,721,121	49,423,918

* Royalty expenses incurred for premium projects amounting to AED 9,954,417 in the current period (30 June 2023: AED Nil).

8 FINANCE COSTS

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on borrowings	44,434,920	14,588,610
Sukuk profit expense	35,656,934	-
Interest on lease liabilities (note 11)	2,465,520	1,203,492
	82,557,374	15,792,102

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Capital Work-in-progress* AED</i>	<i>Land and Building AED</i>	<i>Furniture AED</i>	<i>Fixtures fittings and equipment AED</i>	<i>Crockery items AED</i>	<i>Vehicles AED</i>	<i>Leasehold improvements AED</i>	<i>Total AED</i>
Cost:								
At 1 January 2024 (<i>Audited</i>)	-	206,382,039	4,263,117	103,829,008	1,891,381	24,634,256	12,426,222	353,426,023
Acquisition of a subsidiary (Note 5)	-	13,800,000	146,834	38,741,308	-	291,567	-	52,979,709
Addition	32,786,850	274,899,200	142,045	45,273,124	-	7,539,239	1,291,348	361,931,806
At 30 June 2024 (<i>Unaudited</i>)	32,786,850	495,081,239	4,551,996	187,843,440	1,891,381	32,465,062	13,717,570	768,337,538
Depreciation:								
At 1 January 2024 (<i>Audited</i>)	-	8,585,792	2,444,517	55,419,095	1,784,556	11,256,637	11,815,121	91,305,718
Charge for the period	-	1,999,484	651,054	20,411,498	18,861	3,690,900	268,896	27,040,693
At 30 June 2024 (<i>Unaudited</i>)	-	10,585,276	3,095,571	75,830,593	1,803,417	14,947,537	12,084,017	118,346,411
Net carrying amount:								
At 30 June 2024 (<i>Unaudited</i>)	32,786,850	484,495,963	1,456,425	112,012,847	87,964	17,517,525	1,633,553	649,991,127

*Capital work-in-progress mainly represented construction of a new head office on plot no (# 845 & # 827) at Manara Dubai and construction in KSA and China offices. The construction of the building is expected to be completed by 2025.

Depreciation charged to:

	<i>2024 AED (Unaudited)</i>	<i>2023 AED (Audited)</i>
Cost of Sales	23,959,858	20,638,346
General and Admin expenses	3,080,835	5,270,721
	27,040,693	25,909,067

During the period ended 30 June 2024 and 31 December 2023, the Group had obtained a loan from a bank of AED: 87.5 million to finance the purchase of vacant plots (# 845 & # 827) at Manara Dubai valued at AED 125 million, secured by the following:

- 1) Mortgage over land located on plot # 827 in Al Manara Dubai for AED 105 million.
- 2) Assignment of all contractors all risk Islamic insurance policy (Takaful) in favour of the bank upon the start of construction.

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9 PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Capital Work-in-progress AED</i>	<i>Land and Building AED</i>	<i>Furniture AED</i>	<i>Fixtures fittings and equipment AED</i>	<i>Crockery items AED</i>	<i>Vehicles AED</i>	<i>Leasehold improvements AED</i>	<i>Total AED</i>
Cost:								
At 1 January 2023 (<i>Audited</i>)	12,404,954	31,108,333	2,621,473	52,564,854	1,829,389	16,817,719	12,390,412	129,737,134
Addition	-	162,868,752	1,641,644	51,264,154	61,992	7,816,537	35,810	223,688,889
Transfer during the year	(12,404,954)	12,404,954	-	-	-	-	-	-
At 31 December 2023 (<i>Audited</i>)	-	206,382,039	4,263,117	103,829,008	1,891,381	24,634,256	12,426,222	353,426,023
Depreciation:								
At 1 January 2023	-	6,808,333	1,678,278	38,327,469	1,772,371	5,878,879	10,931,321	65,396,651
Charge for the year	-	1,777,459	766,239	17,091,626	12,185	5,377,758	883,800	25,909,067
At 31 December 2023 (<i>Audited</i>)	-	8,585,792	2,444,517	55,419,095	1,784,556	11,256,637	11,815,121	91,305,718
Net carrying amount:								
At 31 December 2023 (<i>Audited</i>)	-	197,796,247	1,818,600	48,409,913	106,825	13,377,619	611,101	262,120,305

Capital work-in-progress represented construction of a new factory building on plot no 382, Dubai Industrial City. The construction of the building has been completed in 2023.

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10 INTANGIBLE ASSETS

Intangible assets represent trademark registration of the following brands: (a) Cupaghawa; (b) Aghatti; (c) Milkster; (d) Fruitastic; and (e) Raubi.

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cost:		
At 1 January	2,357,180	2,352,894
Additions	80,421	4,286
Balance as at end of the period/ year	2,437,601	2,357,180
Accumulated amortisation:		
At 1 January	1,138,502	870,977
Charge for the period	113,806	267,525
Balance as at end of the period/ year	1,252,308	1,138,502
Net carrying value:		
Balance as at end of the period/ year	1,185,293	1,218,678

Intangible assets are amortised on a straight line over a period of 10 years.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right of Use Assets

	Lease of buildings AED	Factory building and lands AED	Restaurants / cafes AED	Total AED
At 1 January 2024 (Audited)	25,327,559	19,121,558	3,867,555	48,316,672
Modification	-	-	4,620,289	4,620,289
Additions	5,230,656	24,090,301	-	29,320,957
Depreciation	(6,624,553)	(2,218,383)	(2,496,368)	(11,339,304)
At 30 June 2024 (Unaudited)	23,933,662	40,993,476	5,991,476	70,918,614
	Lease of buildings AED	Factory building AED	Restaurants / Cafes AED	Total AED
At 1 January 2023 (Audited)	-	28,540,599	10,581,710	39,122,309
Modification	-	(6,416,467)	-	(6,416,467)
Additions	33,660,185	-	-	33,660,185
Depreciation	(8,332,626)	(3,002,574)	(6,714,155)	(18,049,355)
At 31 December 2023 (Audited)	25,327,559	19,121,558	3,867,555	48,316,672

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For the six-month period ended 30 June 2024

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease Liabilities

	<i>Lease of Buildings AED</i>	<i>Factory building and lands AED</i>	<i>Restaurants / Cafes AED</i>	<i>Total AED</i>
At 1 January 2024 (Audited)	24,046,590	22,490,422	3,478,433	50,015,445
Additions	5,230,656	24,090,301	-	29,320,957
Adjustment at the time of acquisition	-	(300,769)	-	(300,769)
Modification	-	-	4,620,289	4,620,289
Accretion of interest	869,920	1,354,556	241,044	2,465,520
Payments	(8,953,106)	(3,459,806)	(2,864,789)	(15,277,701)
At 30 June 2024 (Unaudited)	21,194,093	44,174,704	5,474,977	70,843,741

	<i>Lease of buildings AED</i>	<i>Factory building AED</i>	<i>Restaurants / Cafes AED</i>	<i>Total AED</i>
At 1 January 2023 (Audited)	-	29,081,852	9,736,962	38,818,814
Modification	-	(6,416,467)	-	(6,416,467)
Additions	33,660,185	-	-	33,660,185
Accretion of interest	413,468	1,683,295	925,219	3,021,982
Payments	(4,642,057)	(7,243,264)	(7,183,748)	(19,069,069)
At 31 December 2023 (Audited)	29,431,596	17,105,416	3,478,433	50,015,445

Set out below is classification of lease liabilities:

	<i>Lease of buildings AED</i>	<i>Factory building and lands AED</i>	<i>Restaurant / Cafe AED</i>	<i>Total AED</i>
2024 (Unaudited)				
Non-current	8,960,660	39,048,175	1,920,700	49,929,535
Current	12,233,433	5,126,529	3,554,244	20,914,206
	21,194,060	44,174,704	5,474,944	70,843,741

	<i>Lease of buildings AED</i>	<i>Factory building and lands AED</i>	<i>Restaurant / Cafe AED</i>	<i>Total AED</i>
2023 (Audited)				
Non-current	17,493,092	14,346,350	393,056	32,232,498
Current	11,938,504	2,759,066	3,085,377	17,782,947
	29,431,596	17,105,416	3,478,433	50,015,445

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For the six-month period ended 30 June 2024

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The following are the amounts recognised in the interim condensed consolidated statement of profit or loss:

	<i>Six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation expense of right-of-use assets	11,339,304	10,912,883
Interest expense on lease liabilities (note 8)	2,465,520	1,203,492
Expenses relating to short term leases and variable lease payments (note 7)	4,497,534	530,613
	18,302,358	12,646,988

12 DEVELOPMENT PROPERTIES

Movement in development properties is as follows:

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning	1,502,864,753	679,748,693
Add: Costs incurred during the period/ year	2,392,811,278	1,530,951,954
Less: Costs transferred to cost of sales during the period/ year	(1,095,188,097)	(707,835,894)
Balance at the end of the period/ year	2,800,487,934	1,502,864,753

Development properties include land parcels for development projects amounting to AED 2,612,181,737 (2023: AED 625,355,501). These land parcels are carried at cost. These land parcels are partially mortgaged against loans taken amounting to AED 764,626,951 (2023: 735,126,951) (Refer note 22).

13 INVENTORIES

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Raw materials	42,954,639	14,647,225
Work in-progress	1,661,497	-
Supplies	798,467	562,423
Consumables	61,796	30,139
Finished goods	-	8,068,212
	45,476,399	23,307,999

During the period inventory amounting to AED 38,899,113 (2023: 51,316,650) has been charged to cost of sales on account of materials used for the manufacture of aluminum and glass works.

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For the six-month period ended 30 June 2024

14 TRADE AND OTHE RECEIVABLES

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade receivables	1,127,045,108	393,755,188
Contract assets	161,298,140	40,726,198
Deferred expenses *	201,316,127	104,496,516
Advances	259,293,388	118,721,794
Prepaid expenses	9,532,461	12,981,366
VAT receivables	29,392,638	40,899,794
Refundable deposits	17,302,276	14,700,486
Other receivables	18,756,299	5,461,155
	<u>1,823,936,437</u>	<u>731,742,497</u>

The Group has not recognised any expected credit losses on trade receivables. This is because the Group receives advance payments in the form of post-dated cheques on all projects and title deeds to the properties are not released until the full amount has been recovered.

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

* This represents sales commission paid to sales agents and staff, which will be recognised "in cost of sales" over the period of time when benefits relating to the transactions will flow to the Group in proportion to the recognition of the revenue.

15 WAKALA DEPOSITS

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Wakala deposits	598,600,000	-
(Less): Wakala deposits – original maturity less than 3 months	(595,300,000)	-
	<u>3,300,000</u>	<u>-</u>

Wakala deposits were placed with a financial institution in the UAE with an original maturity period between 1 week - 12 months and bearing interest at commercial rates. During the six-month period ended 30 June 2024 (Unaudited), the Group has earned an interest income amounting to AED 13,011,800 from Wakala deposits (December 2023: Nil).

Wakala deposits amounting to AED 3,300,000 is pledged against bank guarantee given to Ministry of Housing (KSA) (Note 23).

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16 BANK BALANCES AND CASH

	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Cash at bank	57,956,515	5,233,430
Escrow account*	2,621,102,853	1,628,442,235
Wakala deposits	595,300,000	-
Cash in hand	523,368	1,346,115
	<u>3,274,882,736</u>	<u>1,635,021,780</u>
Less: Balance held in escrow account*	(1,664,853,877)	(673,044,686)
Less: Bank overdrafts	-	(11,742,511)
	<u>1,610,028,859</u>	<u>950,234,583</u>
Cash and cash equivalents for the purpose of interim condensed consolidated financial statement of cash flows	<u>1,610,028,859</u>	<u>950,234,583</u>

* Balance held in escrow account represents advance collections from customers that are held with banks authorised by the Real Estate Regulatory Authority ("RERA"), Dubai, United Arab Emirates. The use of this balance is subject to the development progress of the specific projects by the Group to which such amounts relate. The advance collection relates to projects completed less than 30% has been considered as restricted cash for the purposes of cash and cash equivalents in cashflows statement.

17 SHARE CAPITAL

	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
<i>Authorised capital:</i> USD 100,000,000 (1 USD: AED 3.675)	<u>367,500,000</u>	<u>367,500,000</u>
<i>Issued and fully paid:</i> USD 1,000,000 represented by 100 shares	<u>3,675,000</u>	<u>3,675,000</u>

18 STATUTORY RESERVE

This represents the legal reserve held per U.A.E legislation in Granada Europe Eng. Const. LLC comprising AED 10,000,000 (2023: AED 10,000,000) and Masaken Luxury Services LLC AED 12,641 (2023: AED 12,641).

19 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the interim condensed consolidated statement of financial position are as follows:

	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Provision as at beginning	12,972,195	8,063,440
Acquisition of a subsidiary (Note 5)	1,274,895	-
Provision during the period/ year	6,905,261	6,071,052
End of service benefits paid	(986,466)	(1,162,297)
	<u>20,165,885</u>	<u>12,972,195</u>
Balance as at end of the period/ year	<u>20,165,885</u>	<u>12,972,195</u>

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20 ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade payables	446,509,277	296,232,145
Payable for units registration	160,906,333	105,751,490
Accrued expenses and other payables	740,717,617	111,062,221
	1,348,133,227	513,045,856

21 CONTRACT LIABILITIES

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Deferred liabilities	2,231,570,444	1,087,329,338
Advance from investors	712,943,431	109,712,037
Advance rent collection	-	332,000
	2,944,513,875	1,197,373,375

22 LOANS AND BORROWINGS

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Letter of credit Murabaha (22.1)	75,746,454	70,201,461
Vehicle loans (22.2)	10,395,845	11,692,793
Mortgage loan (22.3)	852,126,951	735,126,951
Working Capital Facility (22.4)	87,142,857	200,000,000
Sukuk payable (22.5)	1,083,927,103	-
Loan from others (22.6)	48,700,000	48,700,000
	2,158,039,210	1,065,721,205
Less: due within one year	(214,545,508)	(321,682,418)
Due after one year	1,943,493,702	744,038,787

22.1) The facility Letter of credit Murabaha is secured by the following:

- 1) Undertaking to deposit rental income of one plot owned by the Shareholder with the bank and undertaking not to release this plot registered in the name of the bank, until the full and final settlement of all the liabilities.
- 2) Debit authority letter from the shareholder to recover any shortfall in instalment amounts from his personal account with the bank.
- 3) Personal guarantee from the shareholder.
- 4) Mortgage over light vehicles for AED 155,271 (2023: AED 254,101).

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22 LOANS AND BORROWINGS (continued)

At 30 June 2024, the facility is repayable through monthly/bullet payment and carries minimum interest at 2.5% or EIBOR plus 2.25% to 3% per annum (2023: 2.5% or EIBOR plus 2.5% to 3% per annum).

22.2) Vehicle loans were used to acquire vehicles and are subject to interest rate of 4% per annum payable in 60 monthly instalments. These are secured by mortgage of vehicles.

22.3a) As at 31 December 2023, the Group had an outstanding loan amount of AED 735 million secured by the following:

- 1) Debit authority letter from the shareholder to recover any shortfall in instalment amounts from his personal account with the bank.
- 2) Personal guarantee from the shareholder.
- 3) Mortgage over land located on plot # 83 (Municipality no. 346-6814), plot # 319 (Municipality no. 345-387), plot # 298 (Municipality no. 345-734) & plot # 272 (Municipality no. 346-507) located in Downtown and Business Bay Community and plot no (# 845 & # 827) at Manara Dubai for AED 735 million (31 December 2023: AED 735 million).

22.3b) During the period, the Group has obtained a loan from a bank of AED 117 million to finance the purchase of vacant plots (14 & 15) at Science Park, secured by the following:

- 1) Mortgage over land located on plot 14&15 in Science Park, Dubai.
- 2) Corporate guarantee of AED 117 million from M/S Argenti Properties Investment Limited
- 3) Corporate guarantee of AED 192 million from M/S Binghatti Holding Limited and Binghatti Properties Investment Limited

At 30 June 2024, the facility was repayable through monthly/bullet payment after by June 2025 from the date of loan and carries interest at 3 Months EIBOR plus 2.25% payable quarterly.

22.4) As at 31 December 2023, the Group had an outstanding working capital facility of AED 200 million. During the six-month period ended, the Group has repaid AED 143 million and secured additional working capital facility of AED 30 million.

22.5) On 29 February 2024, the Issuer has issued the Sukuk certificates amounting to USD 300 million (AED 1,102 million). The Sukuk is listed on NASDAQ Dubai and London Stock Exchange and is due for repayment in 2027. Sukuk carries a profit distribution at the rate of 9.625% per annum to be paid semi-annually.

The gross proceeds from the Sukuk subscription were AED 1,102,200,000. The net proceeds has been recorded as Sukuk payable amounting to AED 1,083,927,103 after deducting Sukuk transaction costs amounting to AED 18,272,897 from the gross proceeds that were directly attributable to issuance of such Sukuk bonds.

22.6) The loan amounting to AED 48,700,000 payable to Dr. Othman Abdullah O Alswayeh. The loan is unsecured and callable by the lender at any time and is repayable on or before 31 January 2025.

23 CONTINGENCIES AND COMMITMENTS

As at 30 June 2024, the Group has capital commitments for the projects under construction amounting AED 3,940,700,675 (2023: AED 2,222,430,809) to complete the construction of the work in progress under development. Additionally, bank guarantees amounting to AED 3,300,000 are issued to the Ministry of Housing (KSA) during the current period in normal course of business.

During the six-month period ended, corporate guarantee of AED 117 million from M/S Argenti Properties Investment Limited Corporate guarantee of AED 192 million from M/S Binghatti Holding Limited and Binghatti Properties Investment Limited are provided in the normal course of business. Further, there is an ongoing annual commitment of AED 5,000,000 annual charity contribution in Shaikh Mohamed Bin Rashed 1 billion meal project.

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24 RELATED PARTY TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Group, affiliated companies where the shareholders of the Group have ownership interests, 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.

Balances with related parties included in the interim condensed consolidated statement of financial position and in the notes are as follows:

	30 June 2024 (Unaudited) Payables AED	31 December 2023 (Audited) Payables AED
Advances from key management personnel	3,200,000	3,200,000
Due to Shareholder**	41,234,880	-
	44,434,880	3,200,000

**Due to Shareholder represent payment of first installment made by the Shareholder for the purchase of the land plot in palm area.

Compensation of key management personnel

The key management personnel, represented by the shareholder, chairman, chief executive officer, chief financial officer, chief operating officer, chief legal officer, chief sales officer, chief procurement officer and director, have received short term benefits for the period amounting to AED 13,403,852 (2023: 7,824,000). The Board remuneration incurred for the six-month period ended 30 June 2024 is AED 300,000 (30 June 2023: nil).

25 CURRENT INCOME TAX AND DEFERRED TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the financial statements for the period beginning from 1 January 2024.

	Six-month period ended 30 June	
	2024 AED (Unaudited)	2023 AED (Unaudited)
Current income tax		
Current income tax expense	65,983,556	-

At 30 June 2024, there were no amounts recognised directly to equity or in other comprehensive income.

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25 CURRENT INCOME TAX AND DEFERRED TAX (continued)

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, no temporary differences were identified where the deferred tax should have been accounted for.

26 SUBSEQUENT EVENTS

Bond issue

Following the close of the reporting period, the Group successfully tapped the existing Sukuk on July 16, 2024 valued at USD 200 million to be consolidated and form a single series with the USD 300 million @9.625%, Trust certificates due by 2027, which have been listed on both the Nasdaq Dubai and the London Stock Exchange.

27 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

Business segments

For management purposes, the Group is organized into three major segments, namely, real estate (Develop, Construction, joinery and Industry and Maintenance), hospitality (develop and maintain in house F&B brands). Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 Operating Segments.

	<i>Period ended 30 June 2024 (Unaudited)</i>			
	<i>Real Estate & Related AED</i>	<i>Hospitality AED</i>	<i>Corporate AED</i>	<i>Total AED</i>
Revenue	2,167,263,979	18,630,330	-	2,185,894,309
Result				
Profit/(loss)	731,410,607	476,199	(64,344,736)	667,542,070
Other segment information				
Capital expenditure	83,210,697	6,659	278,714,450	361,931,806
Depreciation	25,924,046	338,403	778,244	27,040,693
Assets & liabilities				
Segment assets				
Right-of- use assets	64,927,138	5,991,476	-	70,918,614
Other segmental assets	5,581,983,338	18,700,444	2,998,576,144	8,599,259,926
Total assets	5,646,910,476	24,691,920	2,998,576,144	8,670,178,540
Total liabilities	3,404,341,594	23,289,011	3,224,483,769	6,652,114,374

Binghatti Holding Limited and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

27 SEGMENT INFORMATION (continued)

	<i>Period ended 30 June 2023 (Unaudited)</i>			
	<i>Real Estate & Related AED</i>	<i>Hospitality AED</i>	<i>Corporate AED</i>	<i>TOTAL AED</i>
Revenue	840,346,479	19,544,190	-	859,890,669
Result				
Profit/(loss)	370,006,993	(1,000,033)	(15,117,876)	353,889,084
Other segment information				
Capital expenditure	16,585,826	154,386	1,622,759	18,362,971
Depreciation	6,943,409	1,361,720	392,116	8,697,245
Assets & liabilities				
Segment assets				
Right-of- use assets	48,111,740	5,728,552	-	53,840,292
Other segmental assets	1,762,814,876	17,072,318	1,067,113,029	2,847,000,223
Total assets	<u>1,810,926,616</u>	<u>22,800,870</u>	<u>1,067,113,029</u>	<u>2,900,840,515</u>
Total liabilities	<u>654,635,028</u>	<u>19,900,130</u>	<u>983,123,059</u>	<u>1,657,658,217</u>

28 COMPARITIVE INFORMATION

Certain corresponding figures for previous year have been reclassified in order to conform to the presentation for the current period. Such reclassifications do not affect previously reported profit or shareholder's equity. These changes summarized below have been made to improve the quality of information presented:

Statement of Financial Position:

	<i>Year ended 31 December 2023</i>		
	<i>Previously reported AED</i>	<i>Reclassification AED</i>	<i>Reported now AED</i>
Trade and other receivables	786,619,718	(54,877,221)	731,742,497
Accounts payable and accrual	<u>(567,923,077)</u>	<u>54,877,221</u>	<u>(513,045,856)</u>