

# **Gulf Navigation Holding PJSC**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

# **Gulf Navigation Holding PJSC**

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GULF NAVIGATION HOLDING PJSC**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Navigation Holding PJSC (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2022, comprising of the interim condensed consolidated statement of financial position as at 30 June 2022, and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

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

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note 2 to the interim condensed consolidated financial statements, concerning the Group’s ability to continue as a going concern. The Group, excluding liabilities no longer required written back of AED 9,709 thousand, incurred a loss of AED 12,161 thousand during the six-month period ended 30 June 2022 (six-month period ended 30 June 2021: AED 12,654 thousand, excluding income from insurance claim of AED 85,759 thousand and liabilities no longer required written back of AED 6,489 thousand) and, as of that date, the Group’s current liabilities exceeded its current assets by AED 280,688 thousand (31 December 2021: AED 127,874 thousand).

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF  
GULF NAVIGATION HOLDING PJSC (continued)**

***Material Uncertainty Related to Going Concern (continued)***

While the Board of Directors are considering all options to reinforce the capital structure of the Group and are in active discussions with its lenders, the timing and realisation of a number of key assumptions within the forecasts are not within management's control and require the successful negotiations with the Group's lenders.

As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 to the interim condensed consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

For Ernst & Young



Signed by:  
Ashraf Abu-Sharkh  
Partner  
Registration No.: 690

12 August 2022

Dubai, United Arab Emirates

**Interim condensed consolidated statement of financial position  
as at 30 June 2022**

	Notes	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels, property and equipment	5	606,383	626,884
Rights-of-use assets		-	192
Goodwill	6	143,463	143,463
<b>Total non-current assets</b>		<b>749,846</b>	<b>770,539</b>
<b>Current assets</b>			
Inventories		6,146	8,258
Trade and other receivables	7	31,820	30,965
Cash and bank balances		26,356	24,675
<b>Total current assets</b>		<b>64,322</b>	<b>63,898</b>
<b>TOTAL ASSETS</b>		<b>814,168</b>	<b>834,437</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	1,019,209	1,019,209
Treasury shares	20	(335)	-
Statutory reserve		19,747	19,747
Accumulated losses		(671,440)	(668,909)
Other reserves		(2,724)	(2,724)
<b>Equity attributable to owners of the Company</b>		<b>364,457</b>	<b>367,323</b>
Non-controlling interests		10,227	10,148
<b>Total equity</b>		<b>374,684</b>	<b>377,471</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		1,224	1,177
Interest payable on borrowings	8	10,946	10,946
Borrowings	10	-	171,686
Islamic non-convertible sukuk	19	82,304	81,385
<b>Total non-current liabilities</b>		<b>94,474</b>	<b>265,194</b>
<b>Current liabilities</b>			
Trade and other payables	8	119,205	123,196
Lease liabilities	9	-	192
Borrowings	10	214,967	57,546
Loan from related parties	11	10,838	10,838
<b>Total current liabilities</b>		<b>345,010</b>	<b>191,772</b>
<b>Total liabilities</b>		<b>439,484</b>	<b>456,966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>814,168</b>	<b>834,437</b>

The interim condensed consolidated financial statements were approved by the Board of Directors on 12 August 2022 and signed on its behalf by:



**Dr. Abdul Rahman Al Afeefi**  
Director



**Ahmad "M.F." A. Al Kilani**  
Director



**Ali Abouda**  
Chief Financial Officer

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

**Interim condensed consolidated statement of comprehensive income  
for the six-month period ended 30 June 2022**

	Notes	Six month period ended 30 June		Three month period ended 30 June	
		2022	2021	2022	2021
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Operating revenue	12	72,345	62,426	37,277	31,238
Operating costs	13	<u>(60,134)</u>	<u>(46,879)</u>	<u>(32,023)</u>	<u>(21,897)</u>
<b>Gross profit</b>		<b>12,211</b>	15,547	<b>5,254</b>	9,341
Other income		10	795	10	128
Income from insurance claim	5(c)	-	85,759	-	2,822
General and administration expenses	14	<u>(7,744)</u>	<u>(8,276)</u>	<u>(3,201)</u>	<u>(2,918)</u>
Liabilities no longer required written back		<b>9,709</b>	6,489	<b>1,189</b>	308
<b>Operating profit for the period</b>		<b>14,186</b>	100,314	<b>3,252</b>	9,681
Finance costs	16	<u>(15,723)</u>	<u>(19,805)</u>	<u>(7,068)</u>	<u>(9,099)</u>
<b>(Loss) / profit before income tax</b>		<b>(1,537)</b>	80,509	<b>(3,816)</b>	582
Income tax		<u>(915)</u>	<u>(915)</u>	<u>(457)</u>	<u>(457)</u>
<b>(Loss) / profit for the period</b>		<b>(2,452)</b>	79,594	<b>(4,273)</b>	125
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive (loss) / income for the period</b>		<b><u>(2,452)</u></b>	<b><u>79,594</u></b>	<b><u>(4,273)</u></b>	<b><u>125</u></b>
Attributable to:					
Owners of the Company		<u>(2,531)</u>	80,106	<u>(4,189)</u>	(26)
Non-controlling interests		<u>79</u>	<u>(512)</u>	<u>(84)</u>	<u>151</u>
		<b><u>(2,452)</u></b>	<b><u>79,594</u></b>	<b><u>(4,273)</u></b>	<b><u>125</u></b>
<b>Earnings per share attributable to owners of the Company</b>					
Basic and diluted (AED)	18	<b><u>(0.0025)</u></b>	<u>0.0786</u>	<b><u>(0.0041)</u></b>	<u>(0.00003)</u>

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

**Interim condensed consolidated statement of changes in equity  
for the six-month period ended 30 June 2022**

	Attributable to Owners of the Company						Non- controlling interests AED'000	Total AED'000
	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Accumulated losses AED'000	Other reserves AED'000	Total AED'000		
Balance at 1 January 2021 (audited)	1,019,209	-	19,747	(724,124)	(2,724)	312,108	11,376	323,484
Total comprehensive income / (loss) for the period (unaudited)	-	-	-	80,106	-	80,106	(512)	79,594
Balance at 30 June 2021 (unaudited)	<u>1,019,209</u>	<u>-</u>	<u>19,747</u>	<u>(644,018)</u>	<u>(2,724)</u>	<u>392,214</u>	<u>10,864</u>	<u>403,078</u>
Balance at 1 January 2022 (audited)	1,019,209	-	19,747	(668,909)	(2,724)	367,323	10,148	377,471
Purchase of treasury shares (note 20)	-	(335)	-	-	-	(335)	-	(335)
Total comprehensive (loss) / income for the period (unaudited)	-	-	-	(2,531)	-	(2,531)	79	(2,452)
<b>Balance at 30 June 2022 (unaudited)</b>	<b><u>1,019,209</u></b>	<b><u>(335)</u></b>	<b><u>19,747</u></b>	<b><u>(671,440)</u></b>	<b><u>(2,724)</u></b>	<b><u>364,457</u></b>	<b><u>10,227</u></b>	<b><u>374,684</u></b>

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

**Interim condensed consolidated statement of cash flows  
for the six-month period ended 30 June 2022**

	Notes	<i>Six-month period ended</i>	
		30 June 2022 AED'000 (Unaudited)	30 June 2021 AED'000 (Unaudited)
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the period before tax		(1,537)	80,509
<i>Adjustments for:</i>			
Depreciation of vessels, property and equipment	5	20,503	19,080
Depreciation of rights-of-use assets		192	191
Provision for employees' end of service benefits		82	54
Liabilities no longer required written back		(9,709)	(6,489)
Finance costs	16	15,723	19,805
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>25,254</b>	<b>113,150</b>
Inventories		2,112	(36)
Due to a related party		-	(144)
Trade and other receivables		(855)	5,409
Trade and other payables		1,207	(558)
<b>Cash generated from operations</b>		<b>27,718</b>	<b>117,821</b>
Employees' end of service indemnity paid		(35)	(159)
<b>Net cash generated from operating activities</b>		<b>27,683</b>	<b>117,662</b>
<b>Cash flows from investing activities</b>			
Purchase of vessels, property and equipment	5	-	(17,190)
<b>Cash used in investing activities</b>		<b>-</b>	<b>(17,190)</b>
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		(335)	-
Arrangement fee paid		(453)	(1,350)
Proceeds from short-term borrowing	10(i)2	10,065	-
Payment of principal portion of lease liability		(192)	(230)
Repayment of borrowings	10(a)	(25,932)	(73,808)
Repayment of loan obtained from a related party		-	(6,000)
Interest paid		(9,155)	(10,791)
Net movement in restricted cash		1	447
<b>Net cash used in financing activities</b>		<b>(26,001)</b>	<b>(91,732)</b>
<b>Net increase in cash and cash equivalents during the period</b>		<b>1,682</b>	<b>8,740</b>
Cash and cash equivalents at the beginning of the period		9,740	7,235
<b>Cash and cash equivalents at the end of the period</b>		<b>11,422</b>	<b>15,975</b>
Restricted cash		14,934	14,209
<b>Total cash and bank balances</b>		<b>26,356</b>	<b>30,184</b>

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



**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022****1. Legal status and activities**

Gulf Navigation Holding PJSC (“the Company”) is a Public Joint Stock Company incorporated on 30 October 2006 as per the Resolution of the Ministry of Economy No. 425 of 2006 and in accordance with UAE Federal Law No. (2) of 2015. The Company is listed on the Dubai Financial Market. The Company is primarily engaged in sea transport of oil and petroleum products and similar commodities, ship charter, shipping lines of freight and passenger transportation, sea freight and passenger charters, shipping services, sea shipping lines agents, clearing and forwarding services, cargo loading and unloading services, cargo packaging, sea cargo services and ship management operations through its subsidiaries as listed below. The Company operates from the 39<sup>th</sup> Floor, API Trio Tower, Al Barsha, Dubai, United Arab Emirates (“UAE”). The Company and its following directly or indirectly owned subsidiaries are together referred to as the “Group” in interim condensed consolidated financial statements. There has been no change in the Group structure during the six-month period ended 30 June 2022.

**2. Basis of preparation and accounting policies****Basis of preparation**

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2022 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*” and the applicable requirements of the laws in the U.A.E. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with Group’s annual consolidated financial statements as at 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

Results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

**Basis of consolidation**

The interim condensed consolidated financial statements at and for the six-month period ended 30 June 2022, comprises results of the Company and its subsidiaries. The interim condensed consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company transactions, profits and balances are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022****2. Basis of preparation and accounting policies (continued)****Going concern**

The Group, excluding liabilities no longer required written back of AED 9,709 thousand, incurred a loss of AED 12,161 thousand during the six-month period ended 30 June 2022 (six-month period ended 30 June 2021: AED 12,654 thousand, excluding income from insurance claim of AED 85,759 thousand and liabilities no longer required written back of AED 6,489 thousand) and, as of that date, the Group's current liabilities exceeded its current assets by AED 280,688 thousand (31 December 2021: AED 127,874 thousand).

As at 30 June 2022, the Group's accumulated losses exceed 50% of its issued share capital and as such in accordance with Article 302 of the UAE Federal Law No (2) of 2015, the Company called a General Assembly on 29 April 2021 to vote on either dissolving the Company or to continue its activity with an appropriate restructuring plan. A special resolution has been passed by the General Assembly to approve the continuity of operations for the Company in accordance with Article 302 of the UAE Federal Law No (2) of 2015.

The management of the Group has prepared a cash flow forecast for a period of not less than twelve months from the date of these interim condensed consolidated financial statements and have a reasonable expectation that the Group will have adequate resources to continue its operational existence for the foreseeable future.

The cash flow forecast is based on following key assumption:

- The Group expected to receive AED 226,920,000 of fund from the refinancing of the mortgage on the vessels.

Whilst the shareholders have resolved to continue the operations of the Group in the General Meeting held on 29 April 2021 as required by Article 302 of the Federal Law No (2) of 2015, the timing and realisation of the above matters are not within management's control.

Following the Board of Directors Decision No. (32/R. T) of 2019 to restructure and convert the major debts of the Group into equity by way of issuing a mandatorily convertible Sukuk, the Group has obtained the necessary approval from the Securities & Commodities Authority ("SCA"), its regulatory body, to proceed with the plan. Further, the Group has also obtained the approval to the appointment of the evaluator and the evaluation has been already completed and the report presented to the Board of Directors. Consequently, a General Assembly Meeting was held on 31 January 2022, and it was resolved to approve the issuance of Mandatory Convertible Bonds for a value up to AED 150,000,000 (One hundred and fifty million UAE Dirhams) ("New Bonds") by way of a private placement. It was also resolved to approve the increase of the share capital of the Company by AED 450,000,000 distributed among 450,000,000 shares for the purposes of converting the New Bonds into shares in the Company.

**Changes in accounting policy and disclosures**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements is 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 which are as follows. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022****2. Basis of preparation and accounting policies (continued)****Functional and presentation currency**

Items included in the interim condensed consolidated financial statements of each of the Group's subsidiaries and joint ventures (together, "entities") are measured using the currency of the primary economic environment in which the entities operate ("the functional currency"). Since most of the transactions of the entities are denominated in US Dollar ("USD") or currencies pegged to the USD, the functional currency of the entities is USD. However, the interim condensed consolidated financial statements of the Group is presented in United Arab Emirates Dirhams ("AED"), which is the presentation currency of the Group. Amounts in US Dollars have been translated into United Arab Emirates Dirhams at the rate of USD 1: AED 3.66 as there is a constant peg between USD and AED.

**Significant accounting policies**

The Group has consistently applied the accounting policies and methods of computation used in the preparation of the last published annual consolidated financial statements for the year ended 31 December 2021.

**Financial risk management**

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements at and for the year ended 31 December 2021.

**3. Critical accounting estimates and judgements**

The preparation of these interim condensed consolidated financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2021.

**4. Operating segments****Business segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group's Executive Committee who make strategic decisions. The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022****4. Operating segments (continued)****Business segments (continued)**

The Group comprises the following main business segments:

- *Vessel owning and chartering*: Chartering of vessels to customers;
- *Ship management*: Technical management of vessels;
- *Marine products sales and distribution*: Trading of goods such as supplies, chemicals and gases required for ships;
- *Shipping and technical services*: Providing shipping services to ships calling at ports; and providing workshop services for boats
- *Other*: Includes management of all divisions and administrative activities.

Vessel owning and chartering, ship management, marine products sales and distribution and shipping and technical services meet criteria required by IFRS 8 *Operating Segments* and reported as separate operating segments. Other business segment does not meet the quantitative thresholds required by IFRS 8, and the results of its operations are included in the 'Other' column.

**Geographical segments**

The Group's Executive Committee does not consider the geographical distribution of the Group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segments' results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess their performance, and for which discrete financial information is available.

Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)

4. Operating segments (continued)

For the six-month period ended 30 June 2022 (Unaudited)

	Vessel owning and chartering AED'000	Ship management AED'000	Marine product sales and distribution AED'000	Shipping and technical services AED'000	Other AED'000	Inter segment elimination AED'000	Total AED'000
Operating revenue	64,226	472	-	8,119	-	(472)	72,345
Operating costs	(54,592)	-	-	(6,014)	-	472	(60,134)
Other income	6	-	-	4	384	(384)	10
General and administrative expenses	(234)	(951)	(1)	(1,683)	(5,259)	384	(7,744)
Liabilities no longer required written back	9,709	-	-	-	-	-	9,709
Finance costs	(10,694)	-	-	-	(5,029)	-	(15,723)
Income tax	-	-	-	-	(915)	-	(915)
<b>Reportable segment profit /(loss)</b>	<b>8,421</b>	<b>(479)</b>	<b>(1)</b>	<b>426</b>	<b>(10,819)</b>	<b>-</b>	<b>(2,452)</b>
<i>At 30 June 2022 (unaudited)</i>							
<b>Reportable segment assets</b>	<b>888,596</b>	<b>23,631</b>	<b>3,214</b>	<b>14,572</b>	<b>1,559,803</b>	<b>(1,675,648)</b>	<b>814,168</b>
<b>Reportable segment liabilities</b>	<b>(775,367)</b>	<b>(28,261)</b>	<b>(3,958)</b>	<b>(8,818)</b>	<b>(844,517)</b>	<b>1,221,437</b>	<b>(439,484)</b>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**4. Operating segments (continued)**

For the six-month period ended 30 June 2021 (Unaudited)

	Vessel owning and chartering AED'000	Ship management AED'000	Marine product sales and distribution AED'000	Shipping and technical services AED'000	Other AED'000	Inter segment elimination AED'000	Total AED'000
Operating revenue	59,396	521	20	3,010	-	(521)	62,426
Operating costs	(45,786)	-	(4)	(1,610)	-	521	(46,879)
Other income	638	-	25	-	516	(384)	795
Income from insurance claim	85,759	-	-	-	-	-	85,759
General and administrative expenses	(182)	(1,110)	(51)	(3,881)	(3,436)	384	(8,276)
Liabilities no longer required written back	-	-	-	-	6,489	-	6,489
Finance costs	(13,449)	-	-	-	(6,356)	-	(19,805)
Income tax	-	-	-	-	(915)	-	(915)
Reportable segment profit/(loss)	<u>86,376</u>	<u>(589)</u>	<u>(10)</u>	<u>(2,481)</u>	<u>(3,702)</u>	<u>-</u>	<u>79,594</u>
<i>At 31 December 2021 (audited)</i>							
Reportable segment assets	<u>904,242</u>	<u>23,315</u>	<u>3,234</u>	<u>14,350</u>	<u>1,555,520</u>	<u>(1,666,224)</u>	<u>834,437</u>
Reportable segment liabilities	<u>(794,785)</u>	<u>(27,466)</u>	<u>(3,956)</u>	<u>(9,083)</u>	<u>(833,985)</u>	<u>1,212,309</u>	<u>(456,966)</u>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**4. Operating segments (continued)**

**For the three-month period ended 30 June 2022 (Unaudited)**

	<b>Vessel owning and chartering AED'000</b>	<b>Ship management AED'000</b>	<b>Marine product sales and distribution AED'000</b>	<b>Shipping and technical services AED'000</b>	<b>Other AED'000</b>	<b>Inter segment elimination AED'000</b>	<b>Total AED'000</b>
Operating revenue	33,481	236	-	3,796	-	(236)	37,277
Operating costs	(29,386)	-	-	(2,873)	-	236	(32,023)
Other income	6	-	-	4	192	(192)	10
General and administrative expenses	(48)	(493)	-	(840)	(2,012)	192	(3,201)
Liabilities no longer required written back	1,189	-	-	-	-	-	1,189
Finance costs	(5,228)	-	-	-	(1,840)	-	(7,068)
Income tax	-	-	-	-	(457)	-	(457)
<b>Reportable segment profit/(loss) for three-month period ended 30 June 2022</b>	<b>14</b>	<b>(257)</b>	<b>-</b>	<b>87</b>	<b>(4,117)</b>	<b>-</b>	<b>(4,273)</b>





**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**5. Vessels, property and equipment**

- (a) During the period, the Group did not purchase any vessels, property and equipment (six-month period ended 30 June 2021: AED 17,190 thousand). Depreciation recorded for the period amounts to AED 20,503 thousand (six-month period ended 30 June 2021: AED 19,080 thousand)
- (b) Vessels with a net carrying value of AED 601,911 thousand (31 December 2021: AED 569,915 thousand) are mortgaged as security for bank borrowings [Note 10(c), Note 10(d), Note 10(g), and Note 10(h)] and short-term loan [Note 10(i).2].
- (c) On 2 September 2020, one of the livestock vessel's (Gulf Livestock 1) of the Group, sank off in Japanese waters. On board were 43 individuals comprising 39 crew of Filipino nationality, and four Charterers' representatives - 2 New Zealand and 2 Australian citizens. Gulf Livestock 1 was carrying cattle destined to join the Chinese dairy farming and breeding programme. As a result of this incident the Group has written off the carrying value of the vessel amounting to AED 197,541 thousand during the year ended 31 December 2020. The Group filed an insurance claim amounting to AED 82,350 thousand to recover the sum insured of the vessel. During the year ended 31 December 2021, the Group received the full amount of AED 82,350 thousand from the insurance provider.

On 20 November 2019, one of the livestock vessel (Gulf Livestock 1) of the group suffered damage to main engine due to overheating of no 8 crankpin whilst manoeuvring after leaving Panjang port. The Group filed an insurance claim for the repairs cost amounting to AED 2,822 thousand and received the full amount of AED 2,822 thousand from the insurance provider during the year then ended 31 December 2021.

The amount disclosed as "Income from insurance claim" in the interim condensed consolidated statement of comprehensive income includes the two above claims of AED 82,350 thousand and AED 2,822 thousand, and other miscellaneous insurance claims of AED 587 thousand.

- (d) Management had performed a detailed impairment assessment as at 31 December 2021. Based on its assessment, the Group have not recorded any provision for impairment on vessels during the year ended 31 December 2021. The provision for impairment was calculated by comparing the carrying value of vessels and its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

*Sensitivity analysis*

As at 31 December 2021, if the discount rate used was 0.5% higher, with all other variables held constant, there will be no impairment (2020: if the discount rate used was 0.5% higher, with all other variables held constant, there will be no impairment).

- (e) Depreciation expense has been allocated as follows:

	<b>30 June 2022 AED'000</b>	31 December 2021 AED'000
Operating costs (Note 13)	<b>20,280</b>	18,744
General and administrative expenses	<b>223</b>	336
	<b>20,503</b>	19,080

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**6. Goodwill**

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
Cost	<b>219,912</b>	219,912
Less: Accumulated impairment loss	<b>(76,449)</b>	(76,449)
	<b>143,463</b>	143,463

- (a) The goodwill of AED 135,999 thousand and AED 83,913 thousand that arose at the time of the initial public offer (IPO) and acquisition of livestock vessels in 2018 respectively have been allocated to the vessel owning and charter segment of the business.
- (b) Management reviews the business performance based on the type of business. Management has identified the vessel owning and chartering division, marine products sales and distribution division and agency division as its main type of businesses. Goodwill is monitored by management at the operating segment level.

*Sensitivity analysis*

Management had performed a detailed impairment assessment as at 31 December 2021. Based on its assessment, no impairment loss was recognised in the Group's consolidated financial statements for the year ended 31 December 2021. As at 31 December 2021, if the discount rate used was 0.5% higher, with all other variables held constant, there will be impairment loss of AED 9,341 thousand on goodwill.

**7. Trade and other receivables**

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
Trade receivables	<b>14,024</b>	13,545
Less: loss allowance	<b>(5,480)</b>	(5,480)
	<b>8,544</b>	8,065
Receivable on dilution of investment in a subsidiary [Note 7(a)]	<b>14,640</b>	14,640
Advances to suppliers	<b>1,299</b>	1,055
Prepayments	<b>1,664</b>	1,673
Other receivables	<b>5,673</b>	5,532
	<b>31,820</b>	30,965

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**7. Trade and other receivables (continued)**

- (a) In 2017, the Group sold 40% of the Group's shareholding in Gulf Navigation Polimar Maritime LLC (previously known as Gulf Navigation Maritime LLC) (a subsidiary) effective from 1 January 2017 in exchange for cash and in-kind consideration totalling to AED 18,666 thousand. In accordance with *IFRS 10: Consolidated Financial Statements*, the net gain of AED 3,245 thousand on the sale of the interest in Gulf Navigation Polimar Maritime LLC was credited in equity. As of 30 June 2022, the Group has received AED 4,026 thousand out of the total sales consideration of AED 18,666 thousand and the residual balance of AED 14,640 thousand is outstanding.

Moreover, the Group is currently in discussions with the minority shareholder in terms of the latter's future involvement in the Group's subsidiary. A final agreement is expected to be agreed after the end of the reporting period.

**8. Trade and other payables**

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
<b>Non-current</b>		
Interest payable on borrowings [Note 10(e)]	<b>10,946</b>	10,946
<b>Current</b>		
Trade payables	<b>26,224</b>	25,245
Dividend payable	<b>10,543</b>	10,544
Advance from customers	<b>11,509</b>	12,849
Consideration payable on acquisition of a business [Note 8(a)]	<b>12,000</b>	20,000
Interest payable on borrowings	<b>21,623</b>	18,031
Tax accrual	<b>3,588</b>	2,673
Provisions and other payables	<b>33,718</b>	33,854
	<b>119,205</b>	123,196
	<b>130,151</b>	134,142

- (a) During 2018, the Group obtained control of Gulf Navigation Livestock Carrier Ltd. Inc, a wholly owned subsidiary of Aksab Investments LLC, which is registered in the Republic of Panama, for a purchase consideration of AED 420,000 thousand. Out of AED 420,000 thousand, an amount of AED 12,000 thousand was payable on 30 June 2022 (31 December 2021: AED 20,000 thousand). Management is currently negotiating for conversion of this amount into equity of the Group. During the period, the Group received a waiver of AED 8,000 thousand from Aksab Investment LLC which is included within 'Liabilities no longer required written back' in the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2022.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**9. Lease liabilities**

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
Amounts payable under leases:		
Within one year	-	192
	<u>-</u>	<u>192</u>
Less: Finance charges applicable to future years	-	-
	<u>-</u>	<u>-</u>
Present value of lease obligations	-	192
	<u>-</u>	<u>192</u>
Within one year	-	192
	<u>-</u>	<u>192</u>
Less: Current portion	-	(192)
	<u>-</u>	<u>(192)</u>
Non-current portion	-	-
	<u>-</u>	<u>-</u>

As of 30 June 2022, the lease liabilities pertaining to right-of-use assets is nil. (31 December 2021: AED 192 thousand).

**10. Borrowings**

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
<b>Current</b>		
Term loan	204,298	56,715
Short term loan	10,669	831
	<u>214,967</u>	<u>57,546</u>
<b>Non-current</b>		
Term loan	-	171,686
	<u>-</u>	<u>171,686</u>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**10. Borrowings (continued)**

(a) The movement of borrowings is summarised as below:

	<i>Term-loan I AED'000</i>	<i>Term-loan II AED'000</i>	<i>Term-loan III AED'000</i>	<i>Term-loan IV AED'000</i>	<i>Term-loan V AED'000</i>	<i>Term-loan VI AED'000</i>	<i>Total AED'000</i>
Balance at 1 January 2022	-	22,109	10,563	-	148,760	46,969	228,401
Add: amortisation of arrangement fee	-	-	-	-	338	609	947
Less: repaid during the period	-	-	-	-	(19,980)	(5,952)	(25,932)
Add: amortisation of discounted value	-	601	281	-	-	-	882
<b>Balance at 30 June 2022 (Unaudited)</b>	<b>-</b>	<b>22,710</b>	<b>10,844</b>	<b>-</b>	<b>129,118</b>	<b>41,626</b>	<b>204,298</b>
Less: current portion	-	(22,710)	(10,844)	-	(129,118)	(41,626)	(204,298)
<b>Non-current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance at 1 January 2021	-	57,789	27,411	45,994	193,786	-	324,980
Less: arrangement fee paid	-	-	-	-	(1,350)	(1,951)	(3,301)
Add: amortisation of arrangement fee	-	238	-	326	4,957	329	5,850
Add: availed during the year	-	-	-	-	-	52,155	52,155
Less: repaid during the year	-	(34,035)	(15,965)	(46,320)	(48,633)	(3,564)	(148,517)
Less: discounting of a financial liability to its present value	-	(2,222)	(1,042)	-	-	-	(3,264)
Add: amortisation of discounted value	-	339	159	-	-	-	498
Balance at 31 December 2021 (Audited)	-	22,109	10,563	-	148,760	46,969	228,401
Less: current portion	-	(4,748)	(2,227)	-	(40,441)	(9,299)	(56,715)
Non-current portion	-	17,361	8,336	-	108,319	37,670	171,686

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)****10. Borrowings (continued)****(b) Term loan I**

The term-loan of AED 676,331 thousand was availed by the Group to acquire chemical tankers costing AED 795,684 thousand. This loan carries interest at LIBOR plus margin and is payable in 39 quarterly instalments commencing from 1 August 2008. Final repayment of AED 253,681 thousand was made during the year ended 31 December 2019. The restructured loan has been presented as term loan V.

**(c) Term loan II**

Term loan of AED 74,238 thousand (net of arrangement fees) was availed to the support acquisition of chemical tankers from GST. This loan carries interest at EIBOR plus margin and is payable in 20 quarterly instalments commencing from 21 September 2017 and a final payment of AED 32,500 thousand on 21 March 2023. During the year ended 31 December 2021, the Group successfully refinanced this loan along with Term Loan III. The restructured loan has been presented as term loan VI.

**(d) Term loan III**

Term loan of AED 30,000 thousand was availed by the Group to support acquisition and conversion of an oil stimulation vessel. This loan carries interest at EIBOR plus margin and is payable in 27 equal quarterly instalments commencing from 7 December 2018 with final payment on 7 September 2025. During the year ended 31 December 2021, the Group successfully refinanced this loan along with Term Loan II. The restructured loan has been presented as term loan VI.

**(e) Restructuring of Term loan II and III**

The Group entered into a debt restructuring agreement with the lender dated 17 June 2021 and subsequently amended on 10 August 2021. Based on such agreement, the outstanding amount payable to the bank as at 31 August 2021 was AED 96,385 thousand, which included AED 85,439 thousand towards principal and AED 10,946 thousand towards accrued interest. The terms of settlement are as under:

- The Group is now required to pay a total value of AED 75,000 thousand (subsequently amended to AED 76,000 thousand) against the existing outstanding amount of AED 96,385 thousand for settlement of Term loans II and III.
- Repayment schedule of AED 76,000 thousand is as follows:
  - AED 55,000 thousand payable on 15 July 2021 (subsequently amended to AED 50,000 thousand payable on 25 August 2021);
  - AED 7,500 thousand each payable on 1 June 2022 and 1 June 2023 respectively (subsequently amended to AED 8,500 thousand); and
  - AED 5,000 thousand payable on 1 June 2024 (subsequently amended to AED 9,000 thousand).
- Mortgage and assignment of earnings on vessels Gulf Mishref and Allianz Warrior towards these loans is to be released.
- In case of any default in the future, the bank has a right to claim all the outstanding liability plus all contractual interest and charges as per the original terms and conditions of Term Loans II and III.

Accordingly, once all the payments are made as per the settlement agreement, the Group will derecognise the liability of AED 20,385 thousand (AED 9,439 thousand towards principal and AED 10,946 towards accrued interest).

The first instalment of AED 50,000 thousand has been paid in September 2021 by the lender of Term Loan V on behalf of the Group.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**10. Borrowings (continued)**

**(e) Restructuring of Term loan II and III (continued)**

The settlement agreement is silent on the applicability of interest on the remaining loan of AED 26,000 thousand. Based on discussions with the lenders, management believes that the loan is interest-free. Accordingly, management has discounted the restructured liability using the effective interest rate of 8% leading to recognition of finance income of AED 3,265 thousand.

All other terms and conditions of Term loans II and III remain unchanged.

The Group has defaulted the repayment of term loans on 1 June 2022 amounting to AED 8,500 thousand, and hence, the entire amount of the term loans of AED 17,798 thousand were classified as current liability in the statement of financial position.

**(f) Term loan IV**

Term loan of AED 59,377 thousand (net of arrangement fees) was availed to the support acquisition of livestock vessels. This loan carries interest at EIBOR plus margin and is payable in 16 quarterly instalments commencing from 29 May 2019 with a final payment 29 November 2023. On 18 March 2020, the bank agreed to revise the facility letter and defer the instalments. As per the revised facility letter, the repayments shall begin from 27 May 2020 with final payment on 27 November 2023. As 31 December 2021, the Group repaid the loan in entirety from the proceeds of insurance claim received on one of the livestock vessels [Note 5(c)].

**(g) Term loan V**

On 19 July 2019, the Group entered into a refinancing arrangement “the Agreement” to refinance Term Loan I. The liability is payable on a monthly basis at the rate of AED 43,920 per day for the first 12 months and AED 139,446 per day for the period of 4 years and a final repayment of AED 128,638 thousand on 19 July 2024 and it carries effective interest rate at 9.42% per annum.

The management of Group has completed an assessment and have concluded that the Agreement does not qualify as a ‘sale transaction’ as defined by IFRS 15: Revenue from Contracts with Customers as the management has a mandatory purchase option to buy back the vessels at the end of the lease term. Accordingly, management has treated this transaction as a financing arrangement whereby previous liabilities have been settled and new liabilities have been recognised.

The significant covenant for the above financing arrangement is maintaining the leverage ratio on quarterly basis on the payment date starting three (3) months after the first drawdown and also prior to the exercise of a purchase option as depicted below:

Months	0-12	13-24	25-36	37-48	49-60
Maximum Leverage Ratio	80.00%	72.50%	65.00%	57.50%	50.00%

In addition to above, following covenants are also applicable:

- the unrestricted cash shall not be less than 6.5% of net debt;
- the current assets at all times exceed the current liabilities; and
- the leverage ratio shall be less than 70%.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)****10. Borrowings (continued)****(g) Term loan V (continued)**

On 27 April 2021, the Group entered into an amendment with the bank with revised terms of repayment (“the Amendment”). The liability is payable on a monthly basis at the rate of AED 128,466 per day for a period of two years starting from 1 May 2021 with a final repayment of AED 109,434 thousand on 30 April 2023.

In addition to above, following covenants are also amended as follows:

- consolidated maximum leverage ratio of 75% on year 1 and 65% on year 2 (at vessel owning company level);
- consolidated minimum liquidity of USD 1 million (at vessel owning company level);
- the unrestricted cash shall be no less than the lower of USD 2 million, and 5% of net debt (at group level); and
- the leverage ratio shall be less than 80% (at group level).

The above borrowings are secured by the mortgage of four chemical tankers with a net book value of AED 441,309 thousand.

The above term loan is classified as current liabilities due to scheduled final repayment on 30 April 2023. Subsequent to the period ended 30 June 2022, the Group successfully refinanced the above loan for 5 years hence, a major portion of the amount will be reclassified as non-current liabilities thereafter.

**(h) Term loan VI**

On 23 September 2021, the Group entered into a refinancing arrangement “the Agreement” to refinance Term Loan II and III. The liability is payable on a monthly basis at the rate of AED 42,822 per day for the first 12 months and AED 21,374 per day for thereafter until 30 April 2023 with a final repayment of AED 37,112 thousand on 30 April 2023.

The management of Group has completed an assessment and have concluded that the Agreement does not qualify as a ‘sale transaction’ as defined by IFRS 15: Revenue from Contracts with Customers as the management has a mandatory purchase option to buy back the vessels at the end of the lease term. Accordingly, management has treated this transaction as a financing arrangement whereby previous liabilities have been settled and new liabilities have been recognised.

The significant covenant for the above financing arrangement are below:

- Consolidated Minimum Liquidity of USD 200,000
- Maximum Leverage Ratio of 70% on year 1 and 60% on year 2

The above borrowings are secured by the mortgage of vessels one chemical tanker and one well stimulation vessel with a net book value of AED 111,814 thousand.

The above term loan is classified as current liabilities due to scheduled final repayment on 30 April 2023. Subsequent to the period ended 30 June 2022, the Group successfully refinanced the above loan for 5 years hence, a major portion of the amount will be reclassified as non-current liabilities thereafter.



**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**10. Borrowings (continued)**

**(i) Short term loan**

1. On 7 January 2019, the Group obtained a short term murabaha facility of AED 7,346 thousand carrying fixed interest rate. During the year ended 31 December 2020, the Group repaid the principal outstanding of AED 7,346 thousand. The remaining amount represents interest payable on this facility.
2. On 20 January 2022, the Group secured a working capital loan from a third party for an amount of USD 2.75 million (equivalent AED 10.07 million). The loan carries an interest of 12% p.a. and is repayable after one year. This loan is secured by the mortgage of one livestock vessel with a net book value of AED 51,340 thousand. The Group paid AED 453 thousand of arrangement fee which is adjusted from the principal amount and is being unwound over the period of the loan.

**11. Related party transactions and balances**

- (a) The Group, in the normal course of business carries out transactions with other business enterprises that fall within the definition of a related party contained in IAS 24. These transactions are carried out at mutually agreed rates.

Related parties include the major shareholders, directors, key management personnel of the Group, and their related entities that have control, joint control or significant influence over the Group. Pricing policies and terms of these transactions are approved by the Group's management.

- (b) The outstanding balances from related parties are given below:

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
Major shareholders (disclosed as current liability)	<b>10,838</b>	10,838

The loan obtained from the major shareholders was utilised to finance dry docking of chemical tankers. During the year ended 31 December 2021, shareholder loan to the extent of AED 6,000 thousand (2021: AED 40,409 thousand) has been settled. The outstanding balance as of 30 June 2022 is interest free.

***Key management remuneration***

	<b>Six month period ended 30 June</b>		<b>Three month period ended 30 June</b>	
	<b>2022 AED'000 (Unaudited)</b>	2021 AED'000 (Unaudited)	<b>2022 AED'000 (Unaudited)</b>	2021 AED'000 (Unaudited)
Salaries, benefits and directors' fees	<b>1,457</b>	651	<b>351</b>	298

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**12. Operating revenue**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Vessel owning and chartering	<b>64,226</b>	59,396	<b>33,481</b>	29,639
Shipping services	<b>8,119</b>	3,010	<b>3,796</b>	1,595
Marine product sales and distribution	-	20	-	4
	<b><u>72,345</u></b>	<u>62,426</u>	<b><u>37,277</u></b>	<u>31,238</u>

**13. Operating costs**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
<i>Vessel owning and chartering:</i>				
Ship running- vessels	<b>30,626</b>	23,909	<b>17,476</b>	10,247
Vessel depreciation	<b>12,461</b>	12,503	<b>6,264</b>	6,272
Amortisation of dry docking costs	<b>7,819</b>	6,241	<b>3,909</b>	3,185
Ship running- crew boats	<b>2,688</b>	2,246	<b>1,395</b>	1,161
Ship repairs	<b>525</b>	366	<b>105</b>	195
Shipping services	<b>6,015</b>	1,609	<b>2,874</b>	837
Marine product sales and distribution	-	5	-	-
	<b><u>60,134</u></b>	<u>46,879</u>	<b><u>32,023</u></b>	<u>21,897</u>

**14. General and administrative expenses**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Staff costs (Note 15)	<b>3,667</b>	3,516	<b>1,868</b>	1,754
Professional fees	<b>712</b>	739	<b>233</b>	316
Provision for claims (see note below)	-	2,270	-	-
Other administrative expenses	<b>3,365</b>	1,751	<b>1,100</b>	848
	<b><u>7,744</u></b>	<u>8,276</u>	<b><u>3,201</u></b>	<u>2,918</u>

Provision for claims includes provision for costs payable to the Port of Fujairah towards charges relating to a third-party vessel to which the Group was providing certain services. The vessel was arrested by the Port authorities in the year 2017 and auctioned off in March 2019. The sale proceeds from the vessel were received by the Port authorities in February 2021 and were not adequate to cover the charges payable by the vessel to the Port authorities. Further, the vessel owner declared bankruptcy, and as such, the charges are required to be borne by the Group. Consequently, a provision of AED 2,270 thousand has been recognised in the current period to bear such costs.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**15. Staff costs**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Salaries and wages	3,345	3,196	1,717	1,570
Employees' end of service benefits	82	54	48	32
Other benefits	240	266	103	152
	<u>3,667</u>	<u>3,516</u>	<u>1,868</u>	<u>1,754</u>

**16. Finance costs**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Finance costs on				
- Term loans	9,742	13,083	4,750	5,840
- Short-term loans	770	-	419	-
- Islamic non-convertible sukuk	4,772	6,256	1,721	3,159
- Other loans	-	100	-	100
Other charges	439	366	178	-
	<u>15,723</u>	<u>19,805</u>	<u>7,068</u>	<u>9,099</u>

**17. Share capital**

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<i>Authorised:</i>		
1,019,209,250 shares (2021: 1,019,209,250 shares) of AED 1 each	<u>1,019,209</u>	<u>1,019,209</u>
<i>Issued and fully paid up:</i>		
1,019,209,250 shares (2021: 1,019,209,250 shares) of AED 1 each	<u>1,019,209</u>	<u>1,019,209</u>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**18. Earnings per share**

	Six month period ended 30 June		Three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
(Loss) / profit for the period attributable to owners of the company	<u>(2,531)</u>	<u>80,106</u>	<u>(4,189)</u>	<u>(26)</u>
Number of shares	<b>1,019,209,250</b>	1,019,209,250	<b>1,019,209,250</b>	1,019,209,250
Basic and diluted earnings per share	<u><b>(AED 0.0025)</b></u>	<u>AED 0.0786</u>	<u><b>(AED 0.0041)</b></u>	<u>(AED 0.00003)</u>

**19. Islamic non-convertible sukuk**

On 16 January 2020, the Board of Directors passed a resolution to issue Islamic non-convertible sukuk amounting to AED 125,000 thousand by way of a private placement. The Group has obtained approval on 12 March 2020 and on 29 March 2020 from the regulatory authority and shareholders in a general meeting respectively to issue the Islamic non-convertible sukuk with the following terms:

- Security: Non-convertible Islamic sukuk
- Type of sukuk – in compliance with Islamic Shari'a
- Value of sukuk – AED 125,000 thousand
- Number of sukuk – 125,000,000
- Issuance price per sukuk: AED 1 per sukuk
- Profit rate - 12% per annum payable semi-annually
- Final dissolution/due date: 5 years from the sukuk issuance date

During the period ended 31 December 2020, Islamic non-convertible sukuk amounting to USD 23,927 thousand equivalent to AED 87,572 thousand has been subscribed and cash has been received. Cost of issuance of Islamic non-convertible sukuk amounting to AED 9,915 thousand was set off from the principal amount and is being unwound over the period of the Sukuk.

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Balance at 1 January	<b>81,385</b>	79,546
Amortisation of the arrangement fee	<b>919</b>	1,839
	<u><b>82,304</b></u>	<u>81,385</u>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2022 (continued)**

**20. Treasury shares**

On 28 April 2022, during the annual general assembly, the shareholders of the Group approved the recommendation of the Board of Directors to buy back the Company's shares, not exceeding 10% of its total shares, for the purpose of disposing them in accordance with the decision issued by the Securities & Commodities Authority ("SCA") in this regard, while authorising the Group's Board of Directors to:

- Implement the decision of the general assembly during the period approved by SCA.
- Reduce the capital of the Company in the event of not meeting the period specified by SCA to dispose of the purchased shares by cancelling those shares with the amendment of the Company's capital in the Articles of Association.

During the period ended 30 June 2022, the Group purchased total of accumulated 1,150,000 shares costing AED 335 thousand. As of the date of authorisation of this interim condensed consolidated financial statement, these shares are not yet cancelled.

**21. Operating leases as lessor**

The Group leases its marine vessels under operating leases (time charters). The lease rental is usually negotiated to reflect market rentals upon entering into/renewal of the charter. Future minimum lease rentals receivable under the non-cancellable operating leases (excluding those owned by the joint venture) are as follows:

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
Not later than one year	<b>98,912</b>	107,037
Between one year and five years	<b>35,578</b>	81,112
	<b><u>134,490</u></b>	<u>188,149</u>

**22. Subsequent event**

On 02 June 2022, the Group has entered into a vessel refinancing agreement with a leasing company based in China to refinance term-loan V and VI for the amount of AED 226,920,000. Subsequent to the period ended 30 June 2022, the refinancing transaction have been finalized and the term-loan V and VI have been fully settled and close.