

**Nass Corporation BSC**  
**CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL INFORMATION**

**30 June 2022**

**Nass Corporation BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the six months ended 30 June 2022**

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**GENERAL INFORMATION**

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Commercial registration	60037
Head office	P.O. Box 669, Manama Kingdom of Bahrain
Chairman	Mr. Sameer Abdulla Nass
Deputy Chairman	Mr. Sami Abdulla Nass
Director	Mr. Adel Abdulla Nass
Director	Mr. Ghazi Abdulla Nass
Director	Mr. Fawzi Abdulla Nass
Director	Mr. Bashar Sameer Nass
Director	Mr. Jamal A Al Hazeem
Director	Mr. Hisham Al Saie
Director	Mr. Hemant Joshi
Director	Mr. Abdulla Nooruddin
Bankers	HSBC Bank Middle East Bank of Bahrain and Kuwait Ahli United Bank Standard Chartered Bank BNP Paribas Bahrain Islamic Bank State Bank of India Arab Bank Kuwait Finance House Al Salam Bank
Chief Executive Officer	Mr. Shawqi Al Hashimi
Company Secretary	Mr. Srinath Prabhu
Corporate Governance Officer	Mr. Ramesh Panigrahi
Auditors	KPMG Fakhro



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

## To the Board of Directors

*Nass Corporation BSC  
Manama, Kingdom of Bahrain*

### Introduction

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

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

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

11 August 2022

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

Bahraini Dinars '000

	Note	30 June 2022 (reviewed)	31 December 2021 (audited)
<b>ASSETS</b>			
Property, plant and equipment		24,807	25,675
Right-of-use assets		4,311	5,301
Equity accounted investees		972	1,017
<b>Total non-current assets</b>		<b>30,090</b>	<b>31,993</b>
Inventories		8,341	7,569
Trade and other receivables	7	50,553	51,228
Contract assets	8	21,173	22,692
Due from related parties	9	2,049	1,201
Deposits with banks		352	1,070
Cash and bank balances		12,579	16,579
<b>Total current assets</b>		<b>95,047</b>	<b>100,339</b>
<b>Total assets</b>		<b>125,137</b>	<b>132,332</b>
<b>EQUITY</b>			
Share capital		22,000	22,000
Treasury shares		(1,597)	(1,597)
Statutory reserve		8,767	8,767
Retained earnings		7,293	6,737
Donations and charity reserve		42	48
<b>Equity attributable to owners of the Company</b>		<b>36,505</b>	<b>35,955</b>
Non-controlling interest		1,712	1,843
<b>Total equity</b>		<b>38,217</b>	<b>37,798</b>
<b>Liabilities</b>			
Lease liabilities		3,511	4,024
Bank loans		4,643	6,032
Employee benefits		7,210	7,047
<b>Total non-current liabilities</b>		<b>15,364</b>	<b>17,103</b>
Trade and other payables	10	31,590	33,726
Lease liabilities		1,083	1,499
Contract liabilities		8,771	12,724
Employee benefits		3,276	3,631
Due to related parties	9	7,328	8,150
Bills payable		5,097	2,041
Bank loans		3,112	2,695
Bank overdrafts		11,299	12,965
<b>Total current liabilities</b>		<b>71,556</b>	<b>77,431</b>
<b>Total liabilities</b>		<b>86,920</b>	<b>94,534</b>
<b>Total equity and liabilities</b>		<b>125,137</b>	<b>132,332</b>

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

  
 Sameer Abdulla Nass  
 Chairman

  
 Sami Abdulla Nass  
 Deputy Chairman

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

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

**for the six months ended 30 June 2022**

Bahraini Dinars'000

	Note	Six months ended 30 June		Three months ended 30 June	
		2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
Revenue	11	62,044	43,889	30,791	21,566
Cost of sales		(56,350)	(41,861)	(28,004)	(20,641)
<b>Gross profit</b>		<b>5,694</b>	<b>2,028</b>	<b>2,787</b>	<b>925</b>
Other operating income, net		425	601	169	275
Government assistance		-	222	-	222
General and administrative expenses	12	(4,891)	(5,506)	(2,361)	(2,805)
Impairment allowance on trade and other receivables and contract assets, net		(148)	(4,534)	(253)	(4,480)
Finance income		41	32	19	25
Finance costs		(546)	(559)	(276)	(272)
Share of (loss)/ profit of equity- accounted investees, net		(45)	7	(19)	(8)
<b>Profit/ (loss) for the period</b>		<b>530</b>	<b>(7,709)</b>	<b>66</b>	<b>(6,118)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>530</b>	<b>(7,709)</b>	<b>66</b>	<b>(6,118)</b>
<b>Attributable to:</b>					
Shareholders of the Company		556	(7,798)	88	(6,136)
Non-controlling interest		(26)	89	(22)	18
		<b>530</b>	<b>(7,709)</b>	<b>66</b>	<b>(6,118)</b>
<b>Earnings per share</b>					
Basic earnings per share (Fils)		<b>2.59</b>	<b>(36.26)</b>	<b>0.41</b>	<b>(28.53)</b>

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

2022 (reviewed)	Attributable to shareholders of the Company					Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve			
At 1 January 2022	22,000	(1,597)	8,767	6,737	48	35,955	1,843	37,798
Profit/ (loss) and total comprehensive income for the period	-	-	-	556	-	556	(26)	530
Dividend declared for 2021	-	-	-	-	-	-	(105)	(105)
Utilization of donation and charity reserve	-	-	-	-	(6)	(6)	-	(6)
At 30 June 2022	22,000	(1,597)	8,767	7,293	42	36,605	1,712	38,217
2021 (reviewed)	Attributable to shareholders of the Company					Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Retained earnings	Donations and charity reserve			
At 1 January 2021	22,000	(1,597)	8,767	24,701	56	53,927	2,379	56,306
(Loss)/ profit and total comprehensive income for the period	-	-	-	(7,798)	-	(7,798)	89	(7,709)
Dividend declared for 2020	-	-	-	-	-	-	(718)	(718)
Utilization of donation and charity reserve	-	-	-	-	(8)	(8)	-	(8)
At 30 June 2021	22,000	(1,597)	8,767	16,903	48	46,121	1,750	47,871

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

	Six months ended 30 June 2022 (reviewed)	Six months ended 30 June 2021 (reviewed)
<b>Cash flows from operating activities</b>		
Profit/ (loss) for the period before non-controlling interest	530	(7,709)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	2,019	2,709
Depreciation on right-of-use assets	828	957
Charge/ (reversal) for impairment of trade and other receivables, net	165	(408)
(Reversal)/ charge for impairment of contract assets	(64)	4,844
Gain on disposal of property, plant and equipment	(241)	(426)
Share of loss/(profit) from equity accounted investments, net	45	(7)
Employee benefits	1,442	1,796
<i>Changes in:</i>		
Inventories	(772)	(190)
Trade and other receivables	510	13,972
Contract assets	1,583	347
Due from related parties	(848)	666
Trade and other payables	(2,338)	(7,319)
Contract liabilities	(3,953)	(385)
Employee benefits paid	(1,634)	(1,940)
Due to related parties	(822)	(1,020)
Bills payable	3,056	238
<b>Net cash (used in)/ generated from operating activities</b>	<b>(494)</b>	<b>6,125</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,165)	(1,920)
Proceeds from sale of property, plant and equipment	255	489
Dividend from equity accounted investee	-	540
Movement on deposits with banks	718	(402)
Maturity proceeds of other assets	-	283
<b>Net cash used in investing activities</b>	<b>(192)</b>	<b>(1,010)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	420	405
Repayment of bank loans	(1,392)	(1,143)
Payment of lease liabilities	(592)	(912)
Dividends paid to non-controlling shareholders	(78)	(319)
Donations paid	(6)	(8)
<b>Net cash used in financing activities</b>	<b>(1,648)</b>	<b>(1,977)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(2,334)</b>	<b>3,138</b>
Cash and cash equivalents at 1 January	3,614	(4,954)
<b>Cash and cash equivalents at 30 June</b>	<b>1,280</b>	<b>(1,816)</b>
<i>Represented by:</i>		
Cash and bank balances	10,070	7,716
Short term bank deposits maturing within 90 days	2,509	3,606
Bank overdrafts	(11,299)	(13,138)
	<b>1,280</b>	<b>(1,816)</b>

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the six months ended 30 June 2022**

Bahraini Dinars '000

**1. REPORTING ENTITY**

Nass Corporation B.S.C. (the "Company") is a public shareholding Company listed on the Bahrain Bourse incorporated and registered in Bahrain on 9 March 2006 under commercial registration number 60037.

The Company and its subsidiaries (together the "Group") are mainly engaged in civil engineering, mechanical and electrical contracting, manufacture and supply of manpower to related contracting activities. It is also involved in the sale of ready mixed concrete, ice blocks, spare parts, foodstuff, and general trading and undertakes contracts relating to precast concrete and water supply.

The condensed consolidated interim financial information ("interim financial information") as at and for the six-month period ended 30 June 2022 includes the results of the Company and its subsidiaries (together referred to as the "Group").

**2. BASIS OF PREPARATION****a) Statement of compliance**

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 – '*Interim Financial Reporting*', which allows the condensed consolidated interim financial information to be prepared in condensed form. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

*Comparative information*

The condensed consolidated interim financial information is reviewed, not audited. The corresponding figures for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2021 and the corresponding figures for the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the Group's 30 June 2021 reviewed condensed consolidated interim financial information.

**b) Judgments and estimates**

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

In preparing the condensed consolidated interim financial information, 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 applied to the consolidated financial statements of the Group for the year ended 31 December 2021 (refer note 15).

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation for accounting estimates applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the last audited consolidated financial statements of the Group for the year ended 31 December 2021, except for the adoption of relevant new standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022** Bahraini Dinars '000

**4. FINANCIAL RISK MANAGEMENT**

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

**5. SEASONALITY OF OPERATIONS**

Due to the nature of the Group's operations, the results reported in the condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

**6. APPROPRIATIONS**

Appropriations for the current year if any, will be made at the year end. At the Annual General Meeting (AGM) for the year 2021 held on 30 March 2022, no appropriations were made.

**7. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Trade receivables	33,240	36,928
Retention receivables	23,026	19,881
Advances to suppliers and sub-contractors	3,516	3,155
Prepaid expenses	351	297
Other receivables	1,711	2,093
	<b>61,844</b>	<b>62,354</b>
Allowance for impairment losses	(11,291)	(11,126)
	<b>50,553</b>	<b>51,228</b>

Movement on impairment allowance is as follows:

	<b>2022 (reviewed)</b>	<b>2021 (audited)</b>
At beginning of the period	11,126	9,140
Charge for the period, net	165	3,031
Write off during the period	-	(1,045)
<b>At end of the period</b>	<b>11,291</b>	<b>11,126</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022** Bahraini Dinars '000

**8. CONTRACT ASSETS**

	<b>30 June 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Cost incurred plus attributable profits on contracts-in-progress	292,790	264,569
Progress billings made towards contracts-in-progress	(270,831)	(241,027)
	<b>21,959</b>	<b>23,542</b>
Allowance for impairment losses	(786)	(850)
	<b>21,173</b>	<b>22,692</b>

Movement on impairment allowance is as follows:

	<b>2022 (reviewed)</b>	<b>2021 (audited)</b>
At beginning of the period	850	1,082
Reversal for the period, net	(64)	(147)
Write off during the period	-	(85)
<b>At end of the period</b>	<b>786</b>	<b>850</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the six months ended 30 June 2022**

Bahraini Dinars '000

**9. RELATED PARTY TRANSACTIONS**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Related party	Sales/ revenues		Purchase and operating expenses		Amount due from		Amount due to	
	Six months ended				30 June 2022 (reviewed)	31 December 2021 (audited)	30 June 2022 (reviewed)	31 December 2021 (audited)
	30 June 2022 (reviewed)	30 June 2021 (reviewed)	30 June 2022 (reviewed)	30 June 2021 (reviewed)				
A.A. Nass & Sons WLL and its related parties	990	564	3,886	4,907	1,689	1,079	7,017	7,887
Joint ventures	288	2	-	4	360	122	311	263
<b>Total</b>	<b>1,278</b>	<b>566</b>	<b>3,886</b>	<b>4,911</b>	<b>2,049</b>	<b>1,201</b>	<b>7,328</b>	<b>8,150</b>

\*Amount due from A.A. Nass & Sons WLL and its related parties is net of impairment of BD 2,554 (31 December 2021: BD 2,555).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Divisional Managers, the General Managers and their compensation is as follows:

	Six months ended 30 June	
	2022 (reviewed)	2021 (reviewed)
Short-term benefits	1,521	1,439
Termination benefits	25	22
	<b>1,546</b>	<b>1,461</b>

The short-term compensation includes management fee of BD 780 (2021: BD 780) paid to A. A. Nass & Sons Co. W.L.L. by the Group, board committee attendance fees of BD 102 (2021: BD 99) and provision for directors' remuneration of BD 46 (2021: BD 46).

Directors' interest in the shares of the Company was as follows:

	30 June 2022 (reviewed)	31 December 2021 (audited)
Total number of shares held by Directors*	94,150,000	94,150,000
As a percentage of the total number of shares outstanding	43.78	43.78

\* The shares held by Directors are in their individual capacity.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

**10. TRADE AND OTHER PAYABLES**

	<b>30 June 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Trade accounts payables	10,543	10,156
Accrued expenses	13,366	16,343
Unclaimed dividends	50	50
Retention payables	6,078	5,361
Other payables	1,553	1,816
	<b>31,590</b>	<b>33,726</b>

**11. REVENUE**

	<b>Six months ended 30 June</b>	
	<b>2022 (reviewed)</b>	<b>2021 (reviewed)</b>
Contract income	38,617	27,561
Sales of goods	18,110	13,486
Hire income	5,317	2,842
	<b>62,044</b>	<b>43,889</b>

**12. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Six months ended 30 June</b>	
	<b>2022 (reviewed)</b>	<b>2021 (reviewed)</b>
Salaries of administrative staff	2,708	2,873
Management fees	780	780
Depreciation and amortisation	358	448
Vehicle expenses	196	180
Professional fees	194	241
Directors' sitting fee and remuneration	148	145
Commission paid	86	84
COVID-19 related expenses	85	260
Communication	69	74
Rent, electricity and water	48	72
Other expenses	219	349
	<b>4,891</b>	<b>5,506</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

**13. OPERATING SEGMENTS**

The Group is organised into two operating divisions - Construction and Allied Activities and Trading Activities.

The construction and allied activities are civil engineering works, mechanical fabrication and maintenance contracts, scaffolding and formwork, readymix concrete, precast, floor and roof slabs, electrical and instrumentation contracting.

The trading activities are supply of washed sand, sweet water, import and wholesaler of frozen foods, agents for equipment and material manufacturers.

	Construction and allied activities		Trading activities		Eliminations		Consolidated	
	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)	2022 (reviewed)	2021 (reviewed)
	<b>Six months ended 30 June</b>							
Revenue								
External sales	53,502	38,024	8,542	5,865	-	-	62,044	43,889
Inter-segment sales	4,800	4,587	1,413	1,905	(6,213)	(6,492)	-	-
<b>Total revenue</b>	<b>58,302</b>	<b>42,611</b>	<b>9,955</b>	<b>7,770</b>	<b>(6,213)</b>	<b>(6,492)</b>	<b>62,044</b>	<b>43,889</b>
Segment result	1,036	(6,969)	154	(392)	-	(8)	1,190	(7,369)
Other gains and losses	392	553	29	87	-	-	421	640
Unallocated corporate expenses	-	-	-	-	-	-	(1,081)	(980)
<b>Profit/ (loss) for the period</b>							<b>530</b>	<b>(7,709)</b>

**Other information**

	Construction & allied activities		Trading activities		Consolidated	
	30 June 2022 (reviewed)	31 December 2021 (audited)	30 June 2022 (reviewed)	31 December 2021 (audited)	30 June 2022 (reviewed)	31 December 2021 (audited)
Capital expenditure	763	6,066	402	1,471	1,165	7,537
Depreciation and impairment on property, plant and equipment and amortisation of right-of-use assets	2,482	1,848	365	1,623	2,847	3,471
<b>Total assets</b>	<b>108,295</b>	<b>116,331</b>	<b>16,842</b>	<b>16,001</b>	<b>125,137</b>	<b>132,332</b>
<b>Total liabilities</b>	<b>78,810</b>	<b>86,859</b>	<b>8,110</b>	<b>7,675</b>	<b>86,920</b>	<b>94,534</b>
<b>Total net assets</b>	<b>29,485</b>	<b>29,472</b>	<b>8,732</b>	<b>8,326</b>	<b>38,217</b>	<b>37,798</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

**14. COMMITMENTS AND CONTINGENCIES**

	<b>30 June 2022 (reviewed)</b>	<b>31 December 2021 (audited)</b>
Guarantees	78,743	82,107
Letters of credit	4,713	1,097
Capital commitments	530	328

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 78,743 (31 December 2021: BD 82,107) for the various divisions and subsidiaries of the Group.

**15. IMPACT OF EXTERNAL EVENTS - COVID-19 AND RUSSIAN-UKRAINIAN CONFLICT***Impact of the COVID-19*

There has been no significant direct impact on the business and financial position of the Group arising from the ongoing effects of disruption caused by COVID-19. However, potential for indirect exposures continue to exist.

*Impact of Russian-Ukrainian conflict*

During the period, a conflict between Russia-Ukraine has triggered a global economic disruption and has, amongst other things, led to increased volatility in financial markets and commodity prices due to disruption of supply chain which may affect a broad range of entities across different jurisdictions and industries.

The management has carried out an assessment and has concluded that the Group has indirect exposures from the impacted countries in relation to its ongoing long-term construction projects. The increased commodities prices and the disruption of supply chain have had an impact on direct cost of the ongoing projects and will expectedly continue to do so in the future. At this stage it is difficult to quantify the full impact of this conflict since it depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

Nevertheless, in preparing this condensed consolidated interim financial information, management has made judgments in applying the Group's accounting policies and sources of estimation that are subject to uncertainty and estimated the potential impact of the conflict with relation to the commodity price increases and supply chain disruptions. These are considered to represent management's best assessment based on available or observable information and its impact has been incorporated in this condensed consolidated interim financial information.

The management and the board of directors has been closely monitoring the impact of the conflict on the Group's operations and its financial position and will continue to do so in the future. Based on their current assessment, the board of directors is of the view that the Group will continue as a going concern entity for the next 12 months from the date of this condensed consolidated interim financial information.