

**QInvest LLC.**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED**  
**31 MARCH 2023**

## **QInvest LLC**

### **Interim Condensed Consolidated Financial Statements** **For the three-month period ended 31 March 2023**

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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QINVEST LLC.

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of QInvest LLC. ("QInvest" or the "Bank") and its subsidiaries (together referred to as the "Group") as at 31 March 2023, which comprise the interim consolidated statement of financial position as at 31 March 2023, and the related interim consolidated statement of income, interim consolidated statement of changes in equity, interim consolidated statement of changes in restricted investment accounts and the interim consolidated statement of cash flows for the three-month period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Financial Centre Regulatory Authority ("QFCRA"). 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 the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim condensed financial statements 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 FAS issued by AAOIFI as modified by the QFCRA.

  
Ernst & Young

Date: 18 April 2023  
Doha  
State of Qatar




QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

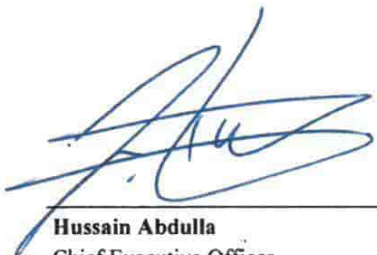
As at 31 March 2023

	31 March 2023 QAR '000	31 December 2022 QAR '000
<b>Assets</b>		
Cash and bank balances	102,277	111,623
Placements with banks	209,835	521,837
Financing assets	483,953	463,536
Investment securities	2,788,011	2,761,766
Investments in real estate	924,302	922,058
Investment in associates	-	63,399
Other assets	320,629	339,911
<b>Total assets</b>	<b>4,829,007</b>	<b>5,184,130</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Placements from financial institutions	184,104	461,406
Financing liabilities	2,750,322	2,795,964
Other liabilities	192,683	208,455
<b>Total liabilities</b>	<b>3,127,109</b>	<b>3,465,825</b>
<b>Equity</b>		
Share capital	1,961,720	1,961,720
Share premium	7,800	7,800
Other reserves	(158,700)	(144,900)
Accumulated losses	(116,559)	(113,952)
<b>Equity attributable to the shareholders of the Bank</b>	<b>1,694,261</b>	<b>1,710,668</b>
Non-controlling interests	7,637	7,637
<b>Total equity</b>	<b>1,701,898</b>	<b>1,718,305</b>
<b>Total liabilities and equity</b>	<b>4,829,007</b>	<b>5,184,130</b>
<b>Off-balance sheet items</b>		
Restricted investment accounts	365,707	380,191

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 April 2023 and were signed on its behalf by:

  
**Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani**  
Chairman

  
**Hussein Fakherddine**  
Chief Executive Officer

  
**Hussain Abdulla**  
Chief Executive Officer

Supplementary information to the interim condensed consolidated financial statements, not subject to review

**ERNST & YOUNG**  
Doha - Qatar

18 APR 2023  
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## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2023

	<i>Three-month period ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>
	<i>QAR '000</i>	<i>QAR '000</i>
Fee and commission income, net	6,683	5,930
Net gain from financing assets	19,270	5,151
Net gain from investments	33,899	39,825
Share of results of associates	-	1,176
Other income / (losses)	2,770	(1,491)
<b>Total operating revenue</b>	<b>62,622</b>	<b>50,591</b>
Staff costs	(23,183)	(21,090)
General and administrative expenses	(6,417)	(5,598)
Depreciation and amortisation	(1,016)	(1,052)
<b>Total operating expenses</b>	<b>(30,616)</b>	<b>(27,740)</b>
<b>Operating profit</b>	<b>32,006</b>	<b>22,851</b>
Finance expenses	(32,552)	(20,485)
Impairment and credit losses	-	(48)
Profit from disposal of assets held for sale	-	11,248
<b>(Loss) / profit before tax</b>	<b>(546)</b>	<b>13,566</b>
Income tax	1,245	(2,100)
<b>Profit for the period</b>	<b>699</b>	<b>11,466</b>
<b>Attributable to:</b>		
<b>Shareholders of the bank</b>	<b>699</b>	<b>9,988</b>
Non-controlling interests	-	1,478
	<b>699</b>	<b>11,466</b>

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QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 31 March 2023

	Notes	31 March 2023 (Reviewed) US\$ '000	31 December 2022 (Audited) US\$ '000
<b>Assets</b>			
Cash and bank balances		28,098	30,666
Placements with banks		57,647	143,362
Financing assets		132,954	127,345
Investment securities	4	765,937	758,727
Investments in real estate		253,929	253,313
Investment in associates		-	17,417
Other assets		88,085	93,381
<b>Total assets</b>		<b>1,326,650</b>	<b>1,424,211</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Placements from financial institutions		50,578	126,760
Financing liabilities	5	755,583	768,122
Other liabilities		52,935	57,267
<b>Total liabilities</b>		<b>859,096</b>	<b>952,149</b>
<b>Equity</b>			
Share capital		538,934	538,934
Share premium		2,143	2,143
Other reserves	10	(43,599)	(39,808)
Accumulated losses		(32,022)	(31,305)
<b>Equity attributable to the shareholders of the Bank</b>		<b>465,456</b>	<b>469,964</b>
Non-controlling interests		2,098	2,098
<b>Total equity</b>		<b>467,554</b>	<b>472,062</b>
<b>Total liabilities and equity</b>		<b>1,326,650</b>	<b>1,424,211</b>
<b>Off-balance sheet items</b>			
Restricted investment accounts		100,469	104,448

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 April 2023 and were signed on its behalf by:

  
**Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani**  
Chairman

  
**Hussein Fakherddine**  
Chief Executive Officer

  
**Hussain Abdulla**  
Chief Executive Officer

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

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## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three-month period ended 31 March 2023

	Notes	<i>Three-month period ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2023</i>	<i>2022</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>US\$ '000</i>	<i>US\$ '000</i>
Fee and commission income, net		1,836	1,629
Net income from financing assets	7	5,294	1,415
Net gain from investments	8	9,313	10,941
Share of results of associates		-	323
Other income / (losses)		761	(409)
<b>Total operating revenue</b>		<b>17,204</b>	<b>13,899</b>
Staff costs		(6,369)	(5,794)
General and administrative expenses		(1,763)	(1,538)
Depreciation and amortisation		(279)	(289)
<b>Total operating expenses</b>		<b>(8,411)</b>	<b>(7,621)</b>
<b>Operating profit</b>		<b>8,793</b>	<b>6,278</b>
Finance expenses		(8,943)	(5,628)
Impairments and credit losses		-	(13)
Profit from disposal of assets held for sale	13	-	3,090
<b>(Loss) / profit before tax</b>		<b>(150)</b>	<b>3,727</b>
Income tax		342	(577)
<b>Profit for the period</b>		<b>192</b>	<b>3,150</b>
<b>Attributable to:</b>			
<b>Shareholders of the bank</b>		<b>192</b>	<b>2,744</b>
Non-controlling interests		-	406
		<b>192</b>	<b>3,150</b>

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# QInvest LLC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2023

	Attributable to the shareholders of the Bank					Non-controlling interest US\$ '000	Total equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total equity US\$ '000		
As at 1 January 2023 (Audited)	538,934	2,143	(39,808)	(31,305)	469,964	2,098	472,062
Profit for the period	-	-	-	192	192	-	192
Net realised loss on fair value through equity investments	-	-	909	(909)	-	-	-
Net loss on changes on fair value of fair value through equity investments	-	-	1,779	-	1,779	-	1,779
Effective portion of changes in fair value of hedges	-	-	(8,062)	-	(8,062)	-	(8,062)
Foreign currency translation differences of foreign operations	-	-	1,583	-	1,583	-	1,583
<b>As at 31 March 2023 (Reviewed)</b>	<b>538,934</b>	<b>2,143</b>	<b>(43,599)</b>	<b>(32,022)</b>	<b>465,456</b>	<b>2,098</b>	<b>467,554</b>

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the shareholders of the Bank				
	Share capital US\$ '000	Share premium US\$ '000	Other reserves US\$ '000	Accumulated losses US\$ '000	Total equity US\$ '000
As at 1 January 2022 (Audited)	538,934	2,143	(16,074)	(41,433)	483,570
Profit for the period	-	-	-	2,744	2,744
Net realised loss on fair value through equity investments	-	-	4,874	(4,874)	-
Net loss on changes on fair value of fair value through equity investments	-	-	(30,741)	-	(30,741)
Share of reserves of equity accounted associates	-	-	(44)	-	(44)
Effective portion of changes in fair value of hedges	-	-	25,518	-	25,518
Net movement in non-controlling interest	-	-	-	-	-
Foreign currency translation differences of foreign operations	-	-	(6,312)	-	(6,312)
As at 31 March 2022 (Reviewed)	538,934	2,143	(22,779)	(43,563)	474,735
				560	475,295

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QInvest LLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the three-month period ended 31 March 2023

	<i>Balance at 1 January 2023 (Audited) US\$ '000</i>	<i>Movements during the period</i>				<i>Balance at 31 March 2023 (Reviewed) US\$ '000</i>
		<i>Investments US\$ '000</i>	<i>Revaluation gain US\$ '000</i>	<i>Realised income US\$ '000</i>	<i>Agency fees US\$ '000</i>	<i>Administration expenses US\$ '000</i>
<b>Restricted investment accounts</b>	<b>104,448</b>	<b>(4,862)</b>	<b>817</b>	<b>79</b>	<b>(13)</b>	<b>100,469</b>
	<i>Balance at 1 January 2022 (Audited) US\$ '000</i>	<i>Movements during the period</i>				<i>Balance at 31 March 2022 (Reviewed) US\$ '000</i>
		<i>Repayments US\$ '000</i>	<i>Revaluation loss US\$ '000</i>	<i>Realised income US\$ '000</i>	<i>Agency fees US\$ '000</i>	<i>Administration expenses US\$ '000</i>
<b>Restricted investment accounts</b>	<b>479,738</b>	<b>3,210</b>	<b>21,515</b>	<b>10,043</b>	<b>(537)</b>	<b>513,947</b>

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## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2023

	Notes	<i>Three-month period ended</i>	
		<i>31 March 2023 (Reviewed) US\$ '000</i>	<i>31 March 2022 (Reviewed) US\$ '000</i>
<b>Operating activities</b>			
(Loss) / profit before tax		(150)	3,727
<i>Adjustments:</i>			
Share of results of associates		-	(323)
Disposal of investment in an associate		(5,424)	-
Net unrealised foreign exchange losses		29	23
Profit from disposal of assets held for sale	13	-	(3,090)
Depreciation and amortization		279	289
Loss / (gain) on fair value through income statement investments		6,493	(2,906)
Net fair value changes on financing assets	7	(1,317)	2,161
Fair value loss on investment in real estate		655	-
Net allowance on impairment of credit losses		-	13
Employees' end of service benefits		390	534
<b>Net operating gain before changes in operating assets and liabilities</b>		<b>955</b>	<b>428</b>
Change in restricted bank balances		-	(192,582)
Change in other assets		(7,907)	(3,489)
Change in other liabilities		(3,902)	5,070
<b>Cash flows used in operating activities</b>		<b>(10,854)</b>	<b>(190,573)</b>
Employees' end of service benefits paid		(90)	(58)
<b>Net cash flows used in operating activities</b>		<b>(10,944)</b>	<b>(190,631)</b>
<b>Investing activities</b>			
Purchase of investment securities		(3,939)	(167,293)
Proceeds from disposal of investment securities		10,594	150,126
Proceeds from disposal of assets held for sale		-	25,331
Net movement in financing assets		(315)	-
Proceeds from disposal of investment in associate		5,579	-
Net movement in investment in associates		-	549
Additions to investment properties		(634)	-
Purchase of equipment and intangible assets		(9)	(10)
<b>Net cash flows from investing activities</b>		<b>11,276</b>	<b>8,703</b>
<b>Financing activities</b>			
Net movement in financing liabilities		(12,539)	326,921
Net movement in placements from financial institutions		(4,304)	(1,621)
Unclaimed dividend payments		-	(5)
Payment to non-controlling interests		-	(3,166)
<b>Net cash flows (used in) / from financing activities</b>		<b>(16,843)</b>	<b>322,129</b>
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(16,511)</b>	<b>140,201</b>
Cash and cash equivalents at 1 January		91,929	90,419
<b>Cash and cash equivalents at 31 March</b>	9	<b>75,418</b>	<b>230,620</b>

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

## 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

QInvest LLC (“QInvest” or “the Bank”), and its subsidiaries (together referred to as the “Group”), is an Islamic investment bank, which has been established as a limited liability company in the Qatar Financial Centre. The Bank was authorised by the Qatar Financial Centre Regulatory Authority (“QFCRA”) on 30 April 2007, under approval number 00048. It’s registered office is at 39th Floor, Tornado Tower, Street No. 213, Majlis Al Tawoon Street, Zone 60, West Bay, Doha, State of Qatar.

The Bank is authorised by the Qatar Financial Centre Regulatory Authority (the “QFCRA”) to conduct the following regulated activities:

- Deposit taking;
- Dealing in investments;
- Arranging deals in investments;
- Providing credit facilities;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund

The authorisation applies to regulated activities undertaken in or from the Qatar Financial Center, subject to certain restriction and conditions relating to retail customers and in relation to specified products. The Bank’s activities are regulated by the QFCRA and are supervised by a Sharia’a Supervisory Board. These interim condensed consolidated financial statements of the Group as at and for the three-month period ended 31 March 2023 were authorised for issue by the Board of Directors on 11 April 2023.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Basis of preparation

These interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2023 have been prepared in accordance with the Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by the Qatar Financial Centre Regulatory Authority (“QFCRA”). In accordance with the requirement of AAOIFI, for matters where AAOIFI does not have an accounting standard or guidance, the Group seeks guidance from the International Financial Reporting Standards (the IFRSs). Accordingly, the interim condensed consolidated financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

The Group has complied with the Islamic Sharia’a Rules and Principles as determined by the Sharia’a Supervisory Board of the Bank and the applicable provisions of the QFCRA rules.

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial investments classified as investments at fair value through equity, investments at fair value through income statement, financing assets and other debt instruments classified as fair value through income statement, derivative financial instruments and investments in real estate that have been measured at fair value.

These interim condensed consolidated financial statements are presented in US Dollars thousands (“US\$ ‘000”), except where otherwise stated, which is Group’s presentation and functional currency. The management of the Group has decided to present the interim consolidated statement of financial position and interim consolidated statement of income in Qatari Riyals as well. Those two statements are disclosed at the beginning of these interim condensed consolidated financial statements as supplementary information and do not form part of the reviewed interim condensed consolidated financial statements.

### Significant accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.



**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)****New standards adopted by the Group**

The following new standards adopted by the Group in preparation of these interim condensed consolidated financial statements. The adaptation of the below standard does not have significant impact on the interim condensed consolidated financial statements.

**FAS 39 - Financial Reporting for Zakah**

The objective of this standard is to establish principles of financial reporting by Zakah Waqfs institutions attributable to different stakeholders of an Islamic financial institution. This standard shall be applicable to an institution with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be generally applicable individually to each institution (or entity) within a group, this standard shall be applicable on all consolidated and separate / stand-alone financial statements of an institution.

The application of FAS 39 did not have a material impact on these interim condensed consolidated financial statements.

**Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt the below standards, if applicable, when they become effective.

<i>Topic</i>	<i>Effective date</i>
FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements	1 January 2024
FAS 40 - Financial Reporting for Islamic Finance Windows	1 January 2024

**FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements**

AAOIFI has issued the revised FAS 1 in 2021. The revised FAS 1 supersedes the previous FAS 1- General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements.

This standard shall be effective for the financial periods beginning on or after 1 January 2024 with early adoption permitted. The Group is currently assessing the impact of the new standard to the interim condensed consolidated financial statements.

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)****Significant accounting policies (continued)****Basis of consolidation**

The Group's principal subsidiaries as at 31 March 2023 are as below:

<i>Name</i>	<i>Principal Business Activity</i>	<i>Country of Incorporation</i>	<i>% Effective shareholding</i>	
			<i>31 March 2023</i>	<i>31 December 2022</i>
QInvest Portfoy Yonetimi A.S.	Asset Management	Turkey	100%	100%
Verdi Luxembourg S.a.r.l.	Investment in real estate	Luxembourg	100%	100%
Q Liquidity Limited	Placements	Cayman Islands	100%	100%
QInvest Holding Mauritius	Investment holding company	Mauritius	100%	100%
QInvest IBFin L.L.C	To provide financing facility	State of Qatar (QFC)	100%	100%
QInvest Euro PE QFC L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Q Tomahawk L.L.C	Investment holding company	Cayman Islands	100%	100%
QInvest Refin L.L.C	To provide financing facility	State of Qatar (QFC)	100%	100%
Q Alloy S.a.r.l	To provide financing facility	Luxemburg	100%	100%
Q Magnolia L.L.C	Investment in real estate	Cayman Island	100%	100%
BOH L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Alloy Holdco L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
QInvest RE-Equity L.L.C	Investment holding company	State of Qatar (QFC)	100%	100%
Admiral Holdco L.L.C	Holding company	State of Qatar (QFC)	100%	100%
Admiral Operations Limited	Vessel operating company	Cayman Islands	75%	75%
Q Medallion L.L.C.	Holding Company	State of Qatar (QFC)	85%	85%
Q Real Co L.L.C.	Special Purpose Company	State of Qatar (QFC)	100%	100%

**3 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the interim condensed consolidated financial statements for the year ended 31 December 2022.

**4 INVESTMENT SECURITIES**

	<i>31 March 2023 (Reviewed) US\$ '000</i>	<i>31 December 2022 (Audited) US\$ '000</i>
<b>Equity</b>		
Fair value through income statement	318,134	325,095
Fair value through equity	421,403	407,202
	<u>739,537</u>	<u>732,297</u>
<b>Sukuk and other debt instruments</b>		
Fair value through income statement	2,779	2,981
Amortised cost	41,155	40,983
Less: Expected credit losses	(17,534)	(17,534)
	<u>23,621</u>	<u>23,449</u>
	<u>765,937</u>	<u>758,727</u>

*Note:*

- (i) The Group has custodied investment securities amounting to US\$ 371 million as at 31 March 2023 (2022: US\$ 341 million) with the financial institutions that provided profit bearing financial liabilities to the subsidiaries of the Group.



**5 FINANCING LIABILITIES**

Financing liabilities consist of Murabaha financing facilities availed by QInvest amounting to US\$ 473 million (2022: US\$ 475 million) and other financing facilities obtained by the Group entities amounting to US\$ 282 million (2022: US\$ 293 million). Financing liabilities availed by the Group entities are non-recourse to QInvest and have recourse limited to respective entity's assets.

**6 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES****Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2023:

	<i>Fair value US\$'000</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1) US\$'000</i>	<i>Significant observable inputs (Level 2) US\$'000</i>	<i>Significant unobservable inputs (Level 3) US\$'000</i>
<b>Assets</b>				
Fair value through income statement investments	320,913	2,533	3,409	314,971
Fair value through income statement financing assets	132,954	-	-	132,954
Fair value through equity investments	421,403	138,777	201,105	81,521
Derivative instruments	37,653	-	37,653	-
Investment in real estates	253,929	-	-	253,929
<b>Total</b>	<b>1,166,852</b>	<b>141,310</b>	<b>242,167</b>	<b>783,375</b>
<b>Liabilities</b>				
Derivative instruments	6,745	-	6,745	-

**6 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (CONTINUED)****Fair value hierarchy (continued)**

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

	<i>Fair value</i> <i>US\$ '000</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1) US\$ '000</i>	<i>Significant observable inputs (Level 2) US\$ '000</i>	<i>Significant unobservable inputs (Level 3) US\$ '000</i>
<b>Assets</b>				
Fair value through income statement investments	328,076	2,742	3,415	321,919
Fair value through income statement financing assets	127,345	-	-	127,345
Fair value through equity investments	407,202	121,310	204,120	81,772
Derivative instruments	44,889	-	44,889	-
Investment in real estates	253,313	-	-	253,313
<b>Total</b>	<b>1,160,825</b>	<b>124,052</b>	<b>252,424</b>	<b>784,349</b>
<b>Liabilities</b>				
Derivative instruments	7,030	-	7,030	-

During the three-month period ended 31 March 2023, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2022.

**7 NET INCOME FROM FINANCING ASSETS**

	<i>Three-month period ended</i>	
	<i>31 March 2023 (Reviewed) US\$ '000</i>	<i>31 March 2022 (Reviewed) US\$ '000</i>
Income from financing assets	3,977	3,576
Net fair value changes on financing assets	1,317	(2,161)
	<b>5,294</b>	<b>1,415</b>

**8 NET GAIN FROM INVESTMENTS**

	<i>Note</i>	<i>Three-month period ended</i>	
		<i>31 March 2023 (Reviewed) US\$ '000</i>	<i>31 March 2022 (Reviewed) US\$ '000</i>
Net income from financial investments	8.1	6,166	9,327
Net income from investments in real estates		3,147	1,614
		<b>9,313</b>	<b>10,941</b>

**8 NET GAIN FROM INVESTMENTS (CONTINUED)****8.1 Net income from financial investments**

	<i>Three-month period ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Net income from investments carried at fair value through income statement	(5,753)	3,927
Income from investments carried at fair value through equity	5,806	5,363
Net gain from disposal of investment in associate (i)	5,423	-
Net income from investments carried at amortized cost	353	37
Net gain from derivative financial instruments	337	-
	<b>6,166</b>	<b>9,327</b>

*Note:*

- i. Subsequent to the listing of the associate and the resultant decrease in ownership stake, the Group has lost its significant influence over the entity and the remaining investment amounting to US\$ 16.4 million was accounted for as a financial asset measured at fair value through equity. The Group recognized a net gain of US\$ 5.4 million with respect to the transaction during the period including gain on deemed disposal.

**9 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following balances with original maturity of less than three months.

	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Cash and bank balances	28,098	285,448
Short-term placements	57,647	137,754
	<b>85,745</b>	<b>423,202</b>
Less: short-term placements (original maturity of more than three months)	(10,327)	-
Restricted bank balances*	-	(192,582)
<b>Cash and cash equivalents</b>	<b>75,418</b>	<b>230,620</b>

\*The restricted bank balances include the manager's cheques issued for the acquisition of a residential property and two parcels of lands in April 2022.

**10 OTHER RESERVES**

Other reserves comprise of following:

**10.1 Foreign currency translation reserve**

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the interim condensed financial statements of foreign operations.

**10 OTHER RESERVES (CONTINUED)****10.2 Fair value reserve**

The fair value reserve includes the cumulative net change in the fair value through equity investments, until the investment is derecognized.

**10.3 Hedging reserves**

The hedging reserves are used to record gains or losses on derivatives that are designated and qualify as net investment in foreign operations hedges and cash flow hedges that are recognised in the reserves. Amounts are reclassified to income statement when the associated hedged transaction affects income statement.

**11 CONTINGENT LIABILITIES AND COMMITMENTS**

	<i>31 March 2023 (Reviewed) US\$'000</i>	<i>31 December 2022 (Audited) US\$'000</i>
Investment commitments	<u>119,492</u>	<u>121,426</u>
Forward foreign exchange contracts	<u>161,422</u>	<u>161,557</u>
Profit rate swaps and other derivatives	<u>612,000</u>	<u>562,000</u>
Other contingent liabilities	<u>21,143</u>	<u>22,540</u>
Unutilised financing commitments	<u>353</u>	<u>-</u>

**12 RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group.

The following table provides the total amount of transactions that have been entered into with related parties during the three-month periods ended 31 March 2023 and 31 March 2022, as well as balances with related parties as at 31 March 2023 and 31 December 2022:

	<i>31 March 2023 (Reviewed) US\$'000</i>	<i>31 December 2022 (Audited) US\$'000</i>
<b>Interim condensed statement of financial position:</b>		
Placements and bank balances	48,265	37,885
Other assets	95	118
<b>Off-balance sheet items:</b>		
Forward foreign exchange contracts outstanding	61,314	70,543
Restricted investment accounts	10,219	15,686

**12 RELATED PARTIES (CONTINUED)**

	<i>Three-month period ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>US\$'000</i>	<i>US\$'000</i>
<b>Interim condensed statement of income:</b>		
Fee and commission income	-	72
Placement income	520	46
<b>Compensation of key management personnel:</b>		
Salaries and other benefits	893	1,007

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

**13 ASSETS AND LIABILITIES HELD FOR SALE**

In 2022, the Group disposed of the repossessed collaterals classified as non-current assets held for sale for a consideration of US\$ 25.3 million. Consequently, a net total gain of US\$ 3.09 million was recognised in the interim condensed consolidated statement of income for the period ended 31 March 2022. As a part of this transaction, Non-controlling interest amounting to US\$3.2 million has been settled during the period.

**14 IMPACT OF RUSSIA-UKRAINE CONFLICT**

The evolving Russia-Ukraine situation does not impact QInvest LLC directly, as it has no operating presence in those countries; exposures to both countries are negligible and no meaningful additional risk provisioning is currently anticipated in this context. Indirect effects, such as financial market volatility, sanctions-related knock-on effects investors and joint venture partners cannot be disregarded but no material impact is expected as of the reporting date.

**15 SUBSEQUENT EVENTS**

No subsequent events were reported after the reporting period.