UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S
REPORT FOR THE YEAR ENDED
DECEMBER 31, 2017

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

Shareholders
Umm Al Qaiwain General Investments Company P.S.C.
Umm Al Qaiwain - United Arab Emirates.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Umm Al Qaiwain General Investments Company P.S.C. ("the Company")**, which comprise the statement of financial position as at December 31, 2017, and the statement of profit or loss and statement of other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended and notes to the financial statements and summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed on the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

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ص.ب: ٤٠٣ - رأس الخيمة - الإمارات العربية المتحدة

Land:

The Company owns land at its work place and in Al Meena area in Umm Al Qaiwain which is stated at fair value. Any increase in the value is recognized within the land valuation reserve in the statement of financial position and the land is registered in the name of Umm Al Qaiwain Cement Industries Company (the Company's name previously).
The land has been considered as an important audit matter for its materiality and the audit procedures are as follows:

1) The management was informed to register the land in the name of Umm Al Qaiwain General Investments Company. The procedures are still ongoing and the areas will not be different after registration according to the company's disclosures.
2) An evaluation was obtained from independent evaluators.
3) The difference between the carrying value and the value after the revaluation has been verified.
4) The difference is recognized in shareholders' equity under land valuation reserve.

Investments in Securities

The Company possesses investments in securities comprised of quoted investments carried at fair value through other comprehensive income (FVTOCI). The valuation of these investments is arrived at by reference to the quoted bid prices in an active market.

Investments at fair value through other comprehensive income (FVTOCI) are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value reserve.

We consider the above investments at fair value through other comprehensive income (FVTOCI) a key audit matter due to the materiality of investments and inconsistency and fluctuation in quoted bid prices in an active market and the following are the audit procedures that we performed:

- We obtained the list of all quoted investments carried at FVTOCI and tested it for accuracy.
- We verified the fair market values of all quoted investments with quoted active bid prices in the stock exchange in which they are listed.
- We verified changes in fair value reserve of investments carried at FVTOCI and accumulated in the cumulative changes in fair value reserve.
- We also assessed the adequacy of the Company's disclosures in the financial statements for the re-measurement of quoted investments carried at FVTOCI and its related changes in fair value.

Other Information

Management is responsible for the other information. Other information consists of information included in the Company's Report of 2017, other than the financial statements and our auditors' report thereon. We obtained the report of the Board of Directors, prior to the date of our auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read and other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association, UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors and Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (continued ...)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by UAE Federal Law No. (2) of 2015 we report that:

1. We have obtained all the information and explanation we considered necessary for our audit.
2. The financial statements comply, in all material respect with the applicable provisions of UAE Federal Law No. (2) of 2015 and the Articles of Association of the Company.
3. The Company has maintained proper books of accounts.
4. The financial information included in the Directors' report is consistent with the books of account of the Company.
5. Transactions and term with related parties disclosed in Note 21.
6. Investments and shares purchased by the Company during the current year disclosed in Note 5.
7. The Social Contribution made during the year disclosed in Note 26.
8. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended December 31, 2017 any of the applicable provisions of UAE Federal Law No. (2) of 2015 or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

For **TALAL ABU-GHAZALEH & CO. INTERNATIONAL**

TALAT ZABEN
LICENSED AUDITOR NO. 68
Ras Al Khaimah
February 24, 2018

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

EXHIBIT A

ASSETS	Notes	2017 AED	2016 AED
Non-current assets			
Land	4	330,925,540	159,932,441
Investments at fair value through other comprehensive income (FVTOCI)	5 (a)	374,436,666	391,322,031
Total non-current assets		705,362,206	551,254,472
Current assets			
Investment at fair value through profit and loss (FVTPL)	5 (b)	76,858,287	88,062,514
Other receivables	6	151,972	2,773,891
Cash and banks	7	20,997,149	3,517,824
Total current assets		98,007,408	94,354,229
Assets held-for-sale (discontinued operations)	11 (a)	--	2,531,286
TOTAL ASSETS		803,369,614	648,139,987
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital	8 (a)	363,000,000	363,000,000
Legal reserve	8 (b)	33,223,018	31,502,072
Investment revaluation reserve – FVTOCI	8 (c)	36,342,998	61,329,952
Land valuation reserve		297,085,855	126,092,756
Retained earnings		33,788,091	27,598,447
Total shareholders' equity – Exhibit C		763,439,962	609,523,227
Non-current liabilities			
End of service benefits obligation	9	716,174	871,624
Current liabilities			
Accounts payable and other payables	10	37,993,951	33,423,623
Advance payment received from sale of assets held-for-sale	11 (b)	--	3,000,000
Bank overdraft		1,219,527	1,321,513
Total current liabilities		39,213,478	37,745,136
Total liabilities		39,929,652	38,616,760
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		803,369,614	648,139,987

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SALEM ABDUALLAH SALEM AL HOSANI CHAIRMAN	AHMED MOHAMMED RAHMAH ALSHAMSI DEPUTY CHAIRMAN

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B - 1

	Notes	2017 AED	2016 AED
Profit from investment in shares	15	**20,562,325**	26,259,828
Changes in fair value of investment at FVTPL	5	**(1,539,840)**	7,730,057
Administrative expenses	16	**(3,655,108)**	(2,971,365)
Loss on foreign exchange		**(12,540)**	(986,782)
Other income	17	**70,823**	19,963
Finance costs		**(150,575)**	(213,487)
Profit from continuing operations		**15,275,085**	**29,838,214**
Discontinued operations			
Loss from discontinued operation	18	**(190,764)**	(830,337)
Profit from assets held for sale (discontinued operations)	19	**2,125,141**	--
Net profit / (loss) from discontinued operations		**1,934,377**	**(830,337)**
Profit for the year – Exhibit B - 2		**17,209,462**	**29,007,877**
Basic earnings per share	**20**	**0.047**	**0.080**
Basic earnings per share – Continuing operations	**20**	**0.042**	**0.082**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SALEM ABDUALLAH SALEM AL HOSANI
CHAIRMAN

AHMED MOHAMMED RAHMAH ALSHAMSI
DEPUTY CHAIRMAN

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B – 2

	Notes	2017 AED	2016 AED
Profit for the year – Exhibit B – 1		**17,209,462**	29,007,877
Other comprehensive income			
Changes in fair value of investments at FVTOCI	**5**	**(10,107,723)**	(42,765,414)
Profit from sale of investments at FVTOCI		**2,231,897**	543,609
Land evaluation surplus – Exhibit C		**170,993,099**	--
Total		**163,117,273**	(42,221,805)
Total comprehensive profit / (loss) for the year – Exhibit C		**180,326,735**	**(13,213,928)**
		=========	=========

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C

Description	Capital AED	Legal reserve AED	Investment revaluation reserve - FVTOCI AED	Land valuation reserve AED	Retained earnings AED	Total AED
Shareholders' equity at December 31, 2015	363,000,000	28,601,284	105,043,115	126,092,756	--	622,737,155
Profit for the year 2016 – Exhibit B – 1	--	--	--	--	29,007,877	29,007,877
Other comprehensive loss	--	--	(42,765,414)	--	543,609	(42,221,805)
Total comprehensive loss for the year – Exhibit B – 2	**--**	**--**	**(42,765,414)**	--	**29,551,486**	**(13,213,928)**
Transfer to retained earnings on sale of investment at FVTOCI	--	--	(947,749)	--	947,749	--
Transferred to legal reserve	--	2,900,788	--	--	(2,900,788)	--
Shareholders' equity at December 31, 2016 – Exhibit A	**363,000,000**	**31,502,072**	**61,329,952**	**126,092,756**	**27,598,447**	**609,523,227**
Profit for the year 2017 – Exhibit B – 1	--	**--**	**--**	**--**	**17,209,462**	**17,209,462**
Other comprehensive loss	--	**--**	**(10,107,723)**	**--**	**2,231,897**	**(7,875,826)**
Land revaluation surplus – Note 4	--	--	--	**170,993,099**	--	**170,993,099**
Total comprehensive income for the year – Exhibit B – 2	**--**	--	**(10,107,723)**	**170,993,099**	**19,441,359**	**180,326,735**
Dividends	**--**	**--**	**--**	**--**	**(25,410,000)**	**(25,410,000)**
Transfer to retained earnings on sale of investment at FVTOCI	**--**	**--**	**(14,879,231)**	**--**	**14,879,231**	**--**
Director's remuneration	**--**	**--**	**--**	**--**	**(1,000,000)**	**(1,000,000)**
Transferred to legal reserve	**--**	**1,720,946**	**--**	**--**	**(1,720,946)**	**--**
Shareholders' equity at December 31, 2017 – Exhibit A	**363,000,000**	**33,223,018**	**36,342,998**	**297,085,855**	**33,788,091**	**763,439,962**
	=========	=========	==========	=========	=========	=========

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
A PUBLIC SHAREHOLDING COMPANY
UMM AL QAIWAIN
UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT D

	2017 AED	2016 AED
Cash Flows from Operating Activities		
Profit for the year - **Exhibit B-1**	**17,209,462**	29,007,877
Adjustments for:		
End of service benefits obligation	**(155,450)**	(100,582)
Profit from investment in shares	**(20,562,325)**	(26,259,828)
Changes in fair value of investment at FVTPL	**1,539,840**	(7,730,057)
Loss on foreign exchange	**12,540**	986,782
Bank interest	**(9,984)**	(1,884)
Finance costs	**150,575**	213,487
Operating loss before working capital changes	**(1,815,342)**	**(3,884,205)**
Other receivables	**209,774**	140,367
Accounts payable and other payables	**444,554**	(1,004,331)
Cash used in operating activities	**(1,161,014)**	**(4,748,169)**
Assets held for sale (discontinued operation)	**2,531,286**	2,407
Finance costs paid	**(150,575)**	(213,487)
Advance payment received from sale of assets held-for-sale (discontinued operation)	**(3,000,000)**	3,000,000
Net cash used in operating activities	**(1,780,303)**	**(1,959,249)**
Cash Flows from Investing Activities		
Net movements of investment in shares	**16,429,489**	3,634,382
Profit received from investment in shares	**25,206,367**	24,391,353
Bank interest received	**9,984**	1,884
Net cash provided by investing activities	**41,645,840**	**28,027,619**
Cash Flows from Financing Activities		
Payment to shareholders	**(21,284,226)**	(357,265)
Bank overdraft	**(101,986)**	(22,931,536)
Paid to director's remuneration	**(1,000,000)**	--
Net cash used in financing activities	**(22,386,212)**	**(23,288,801)**
Net increase in cash and cash equivalents	**17,479,325**	**2,779,569**
Cash and cash equivalents at the beginning of the year	**3,517,824**	738,255
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR – Notes 7 & Exhibit A	**20,997,149**	**3,517,824**
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1. GENERAL INFORMATION:

Umm Al Qaiwain General Investments Company P.S.C. (Formerly Umm Al Qaiwain Cement Industries Co.), a Public Shareholding Company (hereinafter referred to as "**the Company**"), was incorporated in Umm Al Qaiwain by Amiri Decree number 2/82 on February 11, 1982**.**

The Company duly registered with the competent governmental authorities according to the law of United Arab Emirates for production and trading of cement and importing the raw materials required for production and trading. The Company had possessed a factory for manufacturing and trading of cement. The Company started its commercial production after set-up and establishing the cement factory in October 1993.

The Company is domiciled at Umm Al Qaiwain, United Arab Emirates. The Company's lifetime period is one hundred years, and commenced from the registration date with concerned authorities.

During the preceding year 2015, the Company had discontinued its operations for production and sale of cement as decided in Ordinary General Assembly Meeting on April 18, 2015. The Company has changed its name and commercial activities by making amendments in memorandum and articles of association and other legal formalities.

The Company has obtained approval to change its commercial activities and name from Department of Economic Development – Government of Umm Al Quwain under license number 4558 on May 25, 2015. The Company's name has been changed to **Umm Al Qaiwain General Investments P.S.C.** And new commercial activities include real estate enterprises investment, development, and institution and management, funds and stocks investments (shares and ponds) also commercial enterprises, Entertainment, agricultural, truism, industrial, in restructure and general investments etc…

2. ADOPTION OF NEW AND REVISED STANDARDS:

a) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

Disclosure initiative (amendments to IAS 7)

The amendments in Disclosure Initiative (Amendments to IAS 7) come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the amendment to IAS 7 requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and other changes.

The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

2. ADOPTION OF NEW AND REVISED STANDARDS: (continued…)

a) New and amended standards adopted by the Company (continued…)

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses

Entities are required to apply the amendments retrospectively. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

These amendments are applied retrospectively. The amendments clarify that the disclosure requirements in IFRS 12 apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

b) New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 16 Leases

Mandatory for annual periods beginning on or after 1 January 2019. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17, and, thus, its application in the future periods is not expected to have a material effect on the financial statements of the Company.

2. ADOPTION OF NEW AND REVISED STANDARDS: (continued…)

b) New and revised IFRSs in issue but not yet effective (continued…)

IFRS 9 Financial Instruments

Mandatory for annual periods beginning on or after 1 January 2018. A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: i) Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; ii) Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized; iii) Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures; and iv) Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The Management expects no impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. A discussion of the Company's assessment is discussed in note 27 to the financial statements.

IFRS 15 Revenue from Contracts with Customers

Mandatory for annual periods beginning on or after 1 January 2018. IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: i) Identify the contract with the customer; ii) Identify the performance obligations in the contract; iii) Determine the transaction price; iv) Allocate the transaction price to the performance obligations in the contracts; v) Recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Management anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Company's financial statements. A discussion of the Company's assessment is discussed in note 27 to the financial statements.

2. ADOPTION OF NEW AND REVISED STANDARDS: (continued…)

b) New and revised IFRSs in issue but not yet effective: (continued…)

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

Mandatory for annual periods beginning on or after 1 January 2018 with early application permitted. The amendments clarify that in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments. They also clarify that where tax law or regulation requires that a share-based payment arrangement has a 'net settlement feature', it should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Further, the amendments describe the method of accounting for the modification of a share-based payment that changes the transaction from cash-settled to equity-settled.

Amendments to IAS 28 and IFRS 10 Sale or contribution of assets between an investor and its associate or joint venture

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The application date of these amendments has been deferred indefinitely and its application is not expected to result in a material effect on the financial statements of the Company.

Amendments to IAS 40 Transfers of Investment Property

The amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that the situations listed in lAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties). Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.

2. ADOPTION OF NEW AND REVISED STANDARDS: (continued…)

b) New and revised IFRSs in issue but not yet effective: (continued…)

Annual improvements to IFRSs 2014- 2016 Cycle

The Annual Improvements include amendments to a number of IFRSs are summarized below:

IFRS 1- First-time Adoption of International Financial Reporting Standards. The amendments delete certain short-term exemptions in IFRS 1 because the reporting period to which the exemptions applied have already passed. As such, these exemptions are no longer applicable.

lAS 28 Investments in Associates and joint Ventures

The amendments clarify that the option for a venture capital organization and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture.

In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, on-refundable deposit or deferred revenue).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial statements preparation framework:

The financial statements of the Company are presented in accordance with International Financial Reporting Standards.

Basis of preparation:

The financial statements are prepared under the historical cost convention, except for the lands and investments in financial instruments which are presented at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services, while Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition to financial reporting purposes, fair value measurements are categorized into three levels based on the possibility of noting the degree of importance of inputs to the fair value measurement process in relation to the entire measurement techniques which can be described as follows:

First Level inputs

First level inputs are quoted prices (unadjusted) in an active market for identical assets or liabilities that the entity can obtain on the measurement date.

Second level inputs

Second level inputs are all inputs other than quoted prices included in first level that are observable for assets or liabilities either directly or indirectly.

Third level inputs

Third level inputs are non-observable inputs for assets and liabilities

Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued…)

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, financial assets at fair value through other comprehensive income (FVTOCT) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are classified at fair value through profit or loss if it is obtained as "held -for-trading".

- **Financial assets at fair value through profit or loss (FVTPL)**

  Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

  A financial asset is classified as held for trading if:

  It has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

  Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined using the income approach, under which, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of the investment unless the effect of discounting is immaterial.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

  Investments in equity instrument at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The fair value of these financial assets is its market value.

  Where the asset is disposed, the related cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified in statement of income, but is reclassified to retained earnings.

  Dividends on this investment in equity instruments are recognized in statement of income when the Company's right to receive the dividends is established.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued…)

Financial instruments (continued…)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables

The Company's financial assets fall within the category of "loans and receivables". Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash and bank balances, and balances due from related parties) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises cash on hand and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'

Other financial liabilities (including borrowings, trade and other payables and balances due to related parties) are subsequently measured at amortized cost using the effective interest method unless when the effect of discounting their future cash flows to their carrying amounts using the effective interest method is immaterial.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued…)

Financial instruments (continued…)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Provisions:

Provisions are present obligations (legal or constructive) which resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the financial position date, that is, the amount that the company would rationally pay to settle the obligation at the financial position date or to transfer it to a third party.
Provisions are reviewed and adjusted at each financial position date. If outflows, to settle the provisions, are no longer probable, reversal of the provision is recorded as income.
Provisions are only used for the purpose for which they were originally recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued…)

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Impairment of non-current assets
IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

i) Growth in EBITDA, calculated as adjusted operating profit before depreciation and amortization;
ii) timing and quantum of future capital expenditure;
iii) long-term growth rates; and
iv) The selection of discount rates to reflect the risks involved.

Useful lives of property and equipment
The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts
Allowance for doubtful debts is determined using a combination of factors to ensure that the trade and other receivables are not overstated due to uncollectibility. The allowance for irrevocable debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Also, specific allowances for individual accounts are recorded when the Company becomes aware of the Customer's inability to meet its financial obligations, or in the case of third party claims receivable, when the third party supplier is disputing the claim.

4. LAND:

1) Land amounting to **AED 330,925,540** (2016: AED 159,932,441) as shown in **Exhibit A** includes land on which assets held-for-sale are situated, in addition to the port land. The port land was valuated through an independent revaluation. The Movement over land during the year is as follows:

	2017	2016
	AED	AED
Balance at 1 January	**159,932,441**	159,932,441
Land revaluation surplus – Exhibit C	**170,993,099**	--
Fair value at December 31 – Exhibit A	**330,925,540**	159,932,441
	=========	=========

2) The land shown above is owned by the Company and registered in the name of the Company with the competent Governmental authorities. The land has a surface area of 10,671,317 square feet.

5. INVESTMENTS IN SECURITIES:

a) Investments at fair value through other comprehensive income (FVTOCI):

	2017	2016
	AED	AED
Quoted – Note 5 (a) – 1	**374,436,666**	391,322,031
Fair value at December 31 – Exhibit A	**374,436,666**	391,322,031
	=========	=========

1) The investments distribute according to the geographical location as follows:

	2017	2016
Quoted	**AED**	AED
In U.A.E	**345,759,217**	362,358,921
In GCC countries	**28,677,449**	28,963,110
Total – Note 5 (a) above	**374,436,666**	391,322,031
	=========	=========

2) The transactions during the year over these investments as follows :

	2017	2016
	AED	AED
Fair value at January 1	**391,322,031**	438,079,218
Net movement during the year	**(6,777,642)**	(3,991,773)
Changes in fair value – **Exhibit B - 2**	**(10,107,723)**	(42,765,414)
Total	**374,436,666**	391,322,031
	=========	=========

The cumulative charges in fair value of investments carried at fair value through other comprehensive income (FVTOCI) amounted to AED 36,342,998 as at December 31, 2017 (December 31, 2016: AED 61,329,952) being shown within shareholders' equity.

5. INVESTMENTS IN SECURITIES: (continued…)

b) Investments at fair value through profit and loss (FVTPL):

1) All investments through profit and loss are quoted and distributed according to the geographical location as follows:

Quoted	2017 AED	2016 AED
In U.A.E	**75,644,705**	86,924,780
In GCC countries	**1,213,582**	1,137,734
Fair value as December 31- Exhibit A	**76,858,287**	88,062,514
	=========	=========

2) The transactions over these investments during the year as follows :

	2017 AED	2016 AED
Fair value at January 1	**88,062,514**	80,961,848
Net movement during the year	**(9,664,387)**	(629,391)
Changes in fair value – **Exhibit B-1**	**(1,539,840)**	7,730,057
Total	**76,858,287**	88,062,514
	=========	=========

6. OTHER RECEIVABLES:

This item consists of the following:

	2017 AED	2016 AED
Prepaid expenses	**--**	53,616
Receivables on investment in shares	**91,736**	2,503,881
Bank guarantees	**28,590**	160,590
Others	**31,646**	55,804
Total – Exhibit A	**151,972**	2,773,891
	========	=======

7. CASH AND BANKS:

This item consists of the following:

	2017 AED	2016 AED
Petty cash	**25,339**	17,948
Cash at banks – UAE	**19,323,091**	2,593,254
Cash at banks – Kuwait	**1,534,056**	839,365
Cash at bank – Oman	**114,663**	67,257
Total – Exhibits A & D	**20,997,149**	3,517,824
	========	=======

8. SHAREHOLDERS' EQUITY:

a) CAPITAL:

1) The Company's capital consists of fully paid-up 363,000,000 shares of one Dirham par value for each share.
2) The Ordinary General Assembly which was held on April 18, 2015, approved the shutdown operations related to the production and sale of cement and focus exclusively on investing activities.

b) LEGAL RESERVE:

1) In accordance with the Company's Articles of Association, 10% of the profit for the year is to be deducted and retained in legal reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the Company's paid-up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the Company's paid-up capital.
2) The movements over legal reserve during the year are as follows:

	2017 AED	2016 AED
Balance at January 1	**31,502,072**	28,601,284
Transferred from profit	**1,720,946**	2,900,788
Balance at December 31 – Exhibit A	**33,223,018**	31,502,072
	=========	=========

c) INVESTMENT REVALUATION RESERVE – FVTOCI:

The investments revaluation reserve represents accumulated gains and losses arising from the revaluation of financial assets at fair value through other comprehensive income.

d) PROPOSED DIVIDENDS:

Board of Directors proposed to the general Assembly Meeting to approve the following distribution of profit:

1) Proposed dividends to shareholders 7% of the paid-up capital amounting to AED 25,410,000 (7% for 2016).

2) Proposed Board of Director remuneration is AED 1,400,000 (AED 1,000,000 for 2016).

9. END OF SERVICE BENEFITS OBLIGATION:

The movements over this item during the year are as follows:

	2017 AED	2016 AED
Balance at January 1	**871,624**	972,206
Current service cost	**55,447**	229,694
Payments during the year	**(210,897)**	(330,276)
Balance at December 31 – Exhibit A	**716,174**	871,624

10. ACCOUNTS PAYABLE AND OTHER PAYABLES:

a) This item comprises of the following:

	2017 AED	2016 AED
Unclaimed dividends – Note 10 (b – 1)	**37,031,108**	32,905,334
Trade accounts payable	**20,446**	57,477
Provision for disposal assets held for sale (discontinued operations)	**510,000**	--
Accrued expenses	**98,979**	84,879
Short-term employees benefits	**233,418**	156,413
Employees' bonus	**100,000**	100,000
Others	--	119,520
Total – Exhibit A	**37,993,951**	33,423,623

b) UNCLAIMED DIVIDENDS:

1) This item consists of the following:

	2017 AED	2016 AED
Unclaimed dividends in arrears	**35,472,700**	31,346,926
Shareholding creditors resulting from reduction of capital – Note 10 (b – 2)	**1,558,408**	1,558,408
Total – Note 10 (a)	**37,031,108**	32,905,334

2) The shareholding creditors' balance represents the outstanding balance resulting from reduction of the Company's capital during the year 1987 by 25%, from AED 260,000,000 to AED 195,000,000 These shareholding creditors did not claim for their amounts.

11. ASSETS HELD-FOR-SALE (DISCONTINUED OPERATIONS):

The Ordinary General Assembly which was held on April 18, 2015, approved the shutdown operations related to the production and sale of cement and focus exclusively on investing activities.

a) Assets held-for-sale:

Assets held-for-sale was stated at their carrying amount less impairment losses on remeasurement and comprised of the following assets:

	2017 AED	2016 AED
Property and equipment	--	2,198,346
Inventories	--	332,940
Assets held-for-sale – Exhibit A	--	2,531,286
	=========	=========

b) Advance payments received from sale assets held for sale:

During the financial year 2016, the Company signed a contract for selling assets held-for sale (discontinued operations) amounting to AED 5,000,000. The Company received an advance amount of AED 3,000,000 during December 2016. During year 2017 the remaining amount has been paid and the assets were delivered.

12. CREDIT FACILITIES:

a) As of the attached financial statements date, the credit facilities extended to the Company by the bank are as follows:

	AED
Overdraft	**35,000,000**
Bank guarantee (Labour)	**28,590**

b) The above facilities are extended against the following guarantees.

- 100% margin against bank guarantees.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS:

International Financial Reporting Standards require the disclosure of estimated fair values of financial instruments where it is applicable to estimate that value. The use of different assumptions and estimation methods could have a significant effect on fair value amounts. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in an active exchange market.

The carrying values of financial assets and liabilities classified in the statement of financial position within current assets and liabilities which measured at original cost approximate to their respective fair values due to short maturity periods.

14. RISK MANAGEMENT:

The Company monitors and manages the financial risks relating to its business and operations. These risks include: capital risk, market risk (including currency risk and price risk), liquidity risk and credit risk.

The Company seeks to minimize the effects of these risks by diversifying the sources of its capital. The Company maintains reports related to functions of risk management and manages, treats and observes risks and policies implemented to eliminate risk exposures.

(a) Capital risk:

Regularly, the Company reviews its capital structure which includes debt and equity securities and considers the cost of capital and the risks associated with each class of the capital. The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders though the optimization of the debt and equity balance.

***(b) Foreign currency risk*:**

Foreign currency risk is defined as a risk resulting from the fluctuation in the value of financial instruments as a result of changes in the foreign currency exchange rate. On the date of the financial statements, the Company maintained recognized financial instruments which are exposed to the foreign currency risk that may cause a change in the related cash flow amounts as a result of the fluctuation of foreign currency exchange rates.

The details of the recognized financial instruments in foreign currencies stated in the attached statement of financial position as of December 31, 2017 are as follows:

Description	Type of foreign currency	Carrying value in UAE Dirham
Financial assets – Kuwait	KD	29,248,644
Cash at bank – Kuwait	KD	1,534,056
Cash at bank – Oman	OMR	114,663

(c) Interest rate risk:

The Company is exposed to interest rate risk resultant from its borrowing. The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances at the start of the financial year.

(d) Market risk:

Market risk is defined as the risk which causes fluctuation in financial instruments value as a result of change in market prices. International Financial Reporting Standards require disclosure of the financial instruments that are exposed to fluctuation in its value as a result of change in its market prices. The financial instruments that expose the Company to market price fluctuation risk as at December 31, 2017 comprise of investment in financial assets amounting to AED 451,294,953

14. RISK MANAGEMENT: (continued…)

(e) Liquidity risk:

The Company's Board of Directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table shows the maturity dates of the Company's financial liabilities as of December 31, 2017 & 2016. The contractual maturity of financial instruments was determined upon the remaining maturity period of financial instrument from the statement of financial position date as follows:

As at December 31, 2017	On demand AED	Less than three months AED	From three months to one year AED	More than one year AED
End of service benefits obligation	--	--	--	716,174
Accounts payable and other payables	--	962,843	--	--
Unclaimed dividends	--	37,031,108	--	--
Bank overdraft	1,219,527	--	--	--
Total Assets	**1,219,527**	**37,993,951**	**--**	**716,174**
	========	=========	==========	=========

As at December 31, 2016	On demand AED	Less than three months AED	From three months to one year AED	Total AED
End of service benefits obligation	--	--	--	871,624
Accounts payable and other payables	--	518,289	--	--
Unclaimed dividends	--	32,905,334	--	--
Bank overdraft	1,321,513	--	--	--
Total	1,321,513	33,423,623	--	871,624
	========	=========	==========	=========

(f) Credit risk:

International Financial Reporting Standards require disclosure of information about the Company's exposure to credit risk.

The financial instruments that potentially subject the Company to concentrations of credit risk consist principally of receivables on investments.

15. PROFIT FROM INVESTMENT IN SHARES:

This item consists of the following:

	2017 AED	2016 AED
Profit from sale of investment in shares	**1,503,221**	1,622,300
Dividend received	**19,059,104**	24,637,528
Total – Exhibit B -1	**20,562,325**	26,259,828
	========	========

16. ADMINISTRATIVE EXPENSE:

This item consists of the following:

	2017 AED	2016 AED
Salaries & wages	**1,831,507**	1,250,479
Employees' bonus	**100,000**	100,000
End of service benefits	**43,220**	165,049
Short-term employees' benefits	**189,703**	46,653
Rent	**77,083**	134,869
Electricity & water	**261,888**	262,155
Professional fees	**213,495**	369,232
Air tickets	**61,330**	71,525
Sundry expenses	**876,882**	571,403
Total – Exhibit B -1	**3,655,108**	2,971,365
	========	=======

17. OTHER INCOME:

This item consists of the following:

	2017 AED	2016 AED
Bank interest	**9,984**	1,884
Sundry income	**60,839**	18,079
Total – Exhibit B -1	**70,823**	19,963
	=======	=======

18. LOSS FROM DISCONTINUED OPERATIONS:

This item consists of the following:

	2017 AED	2016 AED
Salaries	**176,878**	616,383
Electricity & water	**11,192**	156,127
Sundry expenses	**2,694**	57,827
Loss from discontinued operations – Exhibit B-1	**190,764**	**830,337**
	=======	=======

19. PROFIT FROM ASSETS HELD FOR SALE (DISCONTINUED OPERATIONS):

This item consists of the following:

	2017 AED
Payments received from sale of assets held for sale	**5,000,000**
Sales of sundry assets (discontinued operations)	**166,427**
Assets held for sale (discontinued operations)	**(2,531,286)**
Provisions from disposal assets held for sale	**(510,000)**
Net profit from assets held for sale (discontinued operations) – Exhibit B-1	**2,125,141**
	========

20. BASIC EARNINGS PER SHARE:

Basic earnings per share are determined by dividing the profit for the year over the average number of shares outstanding of ordinary stock during the year.

Particulars	Profit from continuing operations	Profit/(Loss) from discontinued operations	Total
2017 :			
Profit attributable to shareholders	15,275,085	1,934,377	17,209,462
Average number of the ordinary shares	363,000,000	363,000,000	363,000,000
Basic earnings per share – **Exhibit B-1**	**0.042**	**0.005**	**0.047**
	=========	=========	=========
2016 :			
Profit attributable to shareholders	29,838,214	(830,337)	29,007,877
Average number of the ordinary shares	363,000,000	363,000,000	363,000,000
Basic earnings per share – **Exhibit B-1**	**0.082**	**(0.002)**	**0.080**
	=========	=========	=========

21. RELATED PARTY TRANSACTION:

There are no transactions with related parties during the year ended December 31, 2017.

22. BENEFITS OF THE KEY MANAGEMENT AND MANAGERS:

The benefits of the key management members and managers are as follows:

	2017 AED	2016 AED
Short-term benefits	**1,339,924**	977,301
Directors' remuneration	**1,000,000**	--

23. SEGMENT INFORMATION:

The primary segment reporting format is determined to be business segment as the Company's risks and rate of return are affected predominantly by activity lines. The operating business are organized and managed separately according to the nature of activities, with each segment representing a strategic business unit that offer different business strategies.

Business segments

The following table demonstrates revenues and profit information and certain assets and liabilities regarding business segments for the years ended December 31, 2017 and 2016.

	Total		**2017**		2016	
Particulars	**2017 AED**	2016 AED	**Manufacturing (Discontinued Operation) AED**	**Investment AED**	Manufacturing (Discontinued Operation) AED	Investment AED
Profit from investment	**19,019,929**	33,004,987	--	**19,019,929**	--	33,004,987
Allocated expenses (Net)	**(190,764)**	(830,337)	**(190,764)**	**--**	(830,337)	--
Net segments results	**18,829,165**	32,174,650	**(190,764)**	**19,019,929**	(830,337)	33,004,987
Profit from assets held for sale (discontinued operations)	**2,125,141**	--				
Unallocated expenses	**(3,744,844)**	(3,166,773)				
Profit for the year	**17,209,462**	29,007,877				
	==========	==========				
Segment assets	**803,369,614**	648,139,987	--	**803,369,614**	2,531,286	645,608,701
Segment liabilities	**39,929,652**	38,616,760	--	**39,929,652**	--	38,616,760
Other segment information						
Land valuation reserve	297,085,855	126,092,756	**--**	297,085,855	--	126,092,756
Loss from investments at FVTOCI	(10,107,723)	(42,765,414)	--	(10,107,723)	--	(42,765,414)
	==========	==========	===========	==========	===========	==========

23. SEGMENT INFORMATION: (continued…)

Geographical segments:

The Company's geographical segments are based on the location of the Company's assets. The two geographical segments in which the Company operates comprise of UAE and GCC.

a) Assets distribution:

The following table shows the distribution of the Company's segment assets by geographical market:

	TOTAL		UAE		GCC	
	2017 AED	2016 AED	**2017 AED**	2016 AED	**2017 AED**	2016 AED
Assets	803,369,614	645,608,701	**771,738,127**	614,601,236	**31,631,487**	31,007,465
Assets held-for-sale (discontinued operation)	--	2,531,286	--	2,531,286	--	--
Assets	**803,369,614**	648,139,987	**771,738,127**	617,132,522	**31,631,487**	31,007,465

b) Financial assets at fair value distribution:

The following table demonstrates financial assets information, the geographical allocation and the nature of activities in which invested:

	Total		December 31, 2017		December 31, 2016	
	December 31, 2017 AED	December 31, 2016 AED	**UAE AED**	**GCC AED**	UAE AED	GCC AED
1) Investments at FVTOCI						
Banking sector	**297,389,405**	332,266,694	**296,716,621**	**672,784**	331,570,710	695,984
Finance and investment sector	**12,717,727**	11,165,996	**5,027,000**	**7,690,727**	3,723,000	7,442,996
Real estate sector	**29,951,746**	14,898,005	**23,583,841**	**6,367,905**	8,723,633	6,174,372
Industrial sector	**9,239,242**	10,129,666	**3,554,905**	**5,684,337**	3,248,194	6,881,472
Services sector	**24,829,960**	22,861,670	**16,876,850**	**7,953,110**	15,093,384	7,768,286
Technoogy sector	**308,586**	--	--	**308,586**	--	--
Total	**374,436,666**	**391,322,031**	**345,759,217**	**28,677,449**	362,358,921	28,963,110
2) Investments at FVTPL						
Banking sector	**40,068,307**	42,628,033	**38,854,725**	**1,213,582**	41,490,299	1,137,734
Finance and investment sector	**2,530,500**	2,380,000	**2,530,500**	--	2,380,000	--
Real estate sector	**13,743,041**	20,612,642	**13,743,041**	--	20,612,642	--
Industrial sector	**15,536,439**	17,251,839	**15,536,439**	--	17,251,839	--
Services sector	**4,980,000**	5,190,000	**4,980,000**	--	5,190,000	--
Total	**76,858,287**	**88,062,514**	**75,644,705**	**1,213,582**	86,924,780	1,137,734
Total financial assets	**451,294,953**	**479,384,545**	**421,403,922**	**29,891,031**	449,283,701	30,100,844

24. FAIR VALUE MEASURMENT :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is going concern without any attention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of the Company's financial assets that are measured at fair value on recurring basis

The Company's financial assets are measured at fair value at the end of the reporting period.

The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at December 31, 2016 AED	Fair value as at December 31, 2017 AED	Fair value hierarchy	Valuation techniques and Key inputs	Significant Unobservable Input	Relationship of Unobservable inputs to fair value
Quoted equity investments - FVTOCI	391,322,031	374,436,666	Level 1	Quoted bid prices in an active market	None	NA
Quoted equity investments - FVTPL	88,062,514	76,858,287	Level 1	Quoted bid prices in an active market	None	NA

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liability , either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market date (unobservable inputs).

24. FAIR VALUE MEASURMENT: (continued…)

As at December 31, 2017	Level One AED	Level Two AED	Level Three AED	Total AED
Investments carried at fair value through profit or loss (FVTPL)	76,858,287	--	--	76,858,287
Investments carried at fair value through other comprehensive income (FVTOCI)				
(Quoted equities)	374,436,666	--	--	374,436,666
Unquoted equities	--	--	--	--
Total Assets	**451,294,953**	--	**--**	**451,294,953**
	=========	=========	=========	=========

As at December 31, 2016	Level One AED	Level Two AED	Level Three AED	Total AED
Description				
Investments carried at fair value through profit or loss (FVTPL)	88,062,514	--	--	88,062,514
Investments carried at fair value through other comprehensive income (FVTOCI)				
(Quoted equities)	391,294,953	--	--	391,294,953
Unquoted equities	--	--	--	--
Total	479,384,545	--	--	479,384,545
	=========	=========	=========	=========

There were no transfers between the levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

25. CONTINGENT LIABILITIES:

Contingent liabilities as of the financial statements' date comprises of bank guarantees amounting to AED 28,590.

26. SOCIAL CONTRIBUTION:

There are no social contribution during the year ended December 31, 2017.

27. IMPACT OF ADOPTION OF NEW STANDARDS NOT YET EFFECTIVE:

The Company is required to adopt IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" from 1 January 2018. The Company has made a preliminary assessment of the estimated impact that the initial application of IFRS 9 and IFRS 15 will have on its financial statements. The actual impacts of adopting the standards at 1 January 2018 may change due to the following:

- The Company has not finalised its choice of controls over its new IT systems and the related necessary controls; and
- The new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

a) The impact of application of IFRS 9 " Financial instruments"

This new International Financial Reporting Standard replaces the International Accounting Standard IAS 39 "Financial instruments: Recognition and Measurement". The new standard identifies the requirements for recognizing and measuring financial assets, financial liabilities, and some contract for non-financial considerations.

1) Classification - financial assets

The new standard classifies financial assets into three categories: measured at amortized cost, Fair Value Through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The new standard superseded the current IAS 39 categories of held to maturity, loans and receivables and available for sale.

The management assessed that the new classification requirements will have a material impact on its accounting only for its trade receivables. At December 31, 2017, the Company does not have any equity investments classified as available-for-sale.

2) Impairment – financial assets and contract assets

Under the new standard, the currently used 'incurred loss' model in IAS 39 is replaced with the 'expected credit loss' (ECL) model.

The ECL model will apply to the Company's financial assets measured at amortised cost or FVOCI, and to contract assets. Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

27. IMPACT OF ADOPTION OF NEW STANDARDS NOT YET EFFECTIVE: (continued)

a) The impact of application of IFRS 9 "Financial instruments" (continued…)

2) Impairment – financial assets and contract assets (continued...)

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. The Company determined that its financial asset's credit risk has not increased significantly since the assets has low credit risk at December 31, 2017. Lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component.

The following analysis provides further detail about this estimated impact at 1 January 2018:

- Trade and other receivables, including contract assets

  The Company's assessment of the estimated ECL was based on actual historical credit loss experience. The Company's relation with the majority of its customers are well established and maintained through long history of trade. The assessment also was conducted based on geographical distribution of the customers and evaluation of their common industries based risks.

- Cash and cash equivalents

  The Management uses 12-month expected credit loss basis to estimate impairment on cash and cash equivalents that reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of its bankers.

  The Company estimated that application of IFRS 9's impairment requirements at December 31, 2017 results in not recognizing any impairment of cash and cash equivalents.

3) Financial liabilities – classification

The Company has not designated any financial liabilities at fair value through profit or loss and no intention to do so is present currently, thus the Company based on its assessment does not expect any material impact regarding the classification of financial liabilities at December 31, 2017.

27. IMPACT OF ADOPTION OF NEW STANDARDS NOT YET EFFECTIVE: (Continued…)

a) The impact of application of IFRS 9 "Financial instruments" (continued…):

4) Hedge accounting

The Company currently does not have any hedging instruments. Upon adoption of the new standard, the Company will apply, if any hedging is used, the requirements of IFRS 9.

5) Disclosure

IFRS 9 requirements of new disclosures are relatively extensive compared to the current IAS 39, in particular about credit risk and ECLs. The Company is assessing the required new data patterns compared to the current required disclosures and determined that it is in the process of implementing the changes in controls that it believes will be necessary to capture the required data.

6) Transition

Except for certain allowed exemptions and other matters, the changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively.

The Company will take advantage of the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognized in retained earnings and reserves as at 1 January 2018.

The Company will assess the business model within which a financial asset is held on the basis of the facts and circumstances that exist at the date of initial application.

b) The impact of application of IFRS 15 " Revenue from contracts with customers"

The accounting for revenues has been governed by the International Accounting Standard 18 and International Accounting Standard 11 and their interpretations. The new revenue standard will replace all existing revenue guidance under IFRS 15. The new standard establishes a comprehensive framework for determining the amount and timing of revenue recognition.

27. IMPACT OF ADOPTION OF NEW STANDARDS NOT YET EFFECTIVE: (Continued…)

b) The impact of application of IFRS 15 "Revenue from contracts with customers" (continued…)

1) Variable consideration

The amount and timing of revenue to be recognized is affected with whether the transaction price includes a variable consideration element. A transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new Standard introduces a high hurdle for variable consideration to be recognized as revenue- that is, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Based on the Company's examination of contracts in hand as of December 31, 2017, the assessed impact on the financial statements for the year ended December 31, 2017 of variable considerations element of transaction price is not material. The management's assessment is that the impact of adoption of IFRS 15 is immaterial on the financial statements as of December 31, 2017.

2) Contract costs:

Under IFRS 15 incremental costs of obtaining a contract and costs to fulfill a contract are capitalized as contract assets if certain criteria for each type of cost is met, contrary to the current practice of expensing all contract related expenses as incurred.

The management's assessment is that the impact of adoption of IFRS 15 is immaterial on the financial statements as of December 31, 2017.

3) Transition:

The Company will adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application on 1 January 2018. As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

28. GENERAL:

The figures in the financial statements are rounded to the nearest Dirham of United Arab Emirates.