

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
WITH REVIEW REPORT
(UNAUDITED)**

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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
WITH REVIEW REPORT
(UNAUDITED)

Contents

Review report

	<u>Exhibit</u>
Interim condensed statement of financial position (Unaudited)	A
Interim condensed statement of profit or loss (Unaudited)	B-1
Interim condensed statement of other comprehensive income (Unaudited)	B-2
Interim condensed statement of changes in shareholders' equity (Unaudited)	C
Interim condensed statement of cash flows (Unaudited)	D
	 <u>Page</u>
Notes to the interim condensed financial information (Unaudited)	1 - 12

REVIEW REPORT

The Shareholders

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

Review Report on the interim financial information

Introduction

We have reviewed the accompanying interim condensed financial position of Umm Al Qaiwain General Investments Company P.S.C. - Public Shareholding Company, the "Company" as of June 30, 2020, the related condensed interim statements of profit or loss, other comprehensive income, cash flows and changes in shareholder's equity for the Six months period then ended. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".



Mohammad S. Al Sela ACPA
License No. 884
Rödl Middle East
Certified Public Accountants




August 11, 2020
Sharjah - U.A.E.

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2020
(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

	Notes	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
ASSETS				
Non-current assets				
Land	4	330,925,540	330,925,540	330,925,540
Investments at fair value through other Comprehensive income (FVTOCI)	5 (A)	286,626,322	256,702,353	306,418,631
Total non-current assets		617,551,862	587,627,893	637,344,171
Current assets				
Investments at fair value through profit or loss (FVTPL)	5 (B)	138,470,488	86,359,614	44,453,845
Trade and other receivables	6	704,048	966,540	434,924
Cash and cash equivalent	7	1,969,832	16,620,007	47,579,103
Total current assets		141,144,368	103,946,161	92,467,872
Total assets		758,696,230	691,574,054	729,812,043
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	8	363,000,000	363,000,000	363,000,000
Legal reserve	9	37,058,424	37,058,424	34,798,487
Investments revaluation reserve-FVTOCI		(99,375,348)	(81,277,388)	(39,701,732)
Land revaluation reserve		297,085,855	297,085,855	297,085,855
Retained earnings		9,705,728	28,164,837	27,936,154
Total shareholders' equity		607,474,659	644,031,728	683,118,764
Non-current liabilities				
Provision for indemnity		787,017	851,204	800,636
Total non-current liabilities		787,017	851,204	800,636
Current liabilities				
Trade and other payables		49,685,814	45,184,098	45,892,643
Bank overdraft		100,748,740	1,507,024	-
Total current liabilities		150,434,554	46,691,122	45,892,643
Total liabilities		151,221,571	47,542,326	46,693,279
Total shareholder's equity and liabilities		758,696,230	691,574,054	729,812,043


Mohammed Salem Abdulla Salem Al Hosani
Managing Director

The accompanying notes are an integral part of these interim condensed financial statements.

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

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED JUNE
30, 2020
(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

	<u>Notes</u>	<u>Six months ended</u>		<u>Three months ended</u>	
		June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Revenues					
Profit from investment in shares		23,732,189	26,266,847	5,773,463	10,222,945
Changes in fair value of investment at FVTPL	5 (B)	(19,873,569)	(2,686,009)	13,496,601	(5,241,634)
(Loss) on foreign exchange		-	(225)	-	(225)
Other income		2,600	83,319	-	23,976
Total revenues		3,861,220	23,663,932	19,270,064	5,005,062
Expenses and other charges					
Finance costs		1,022,616	370,926	706,792	167,063
General and administration expenses	10	1,757,839	1,901,369	1,021,396	1,061,685
Total expenses and other charges		(2,780,455)	(2,272,295)	(1,728,188)	(1,228,748)
Net profit for the period		1,080,765	21,391,637	17,541,876	3,776,314
Basic earnings per share	11	0.003	0.059	0.048	0.011

The accompanying notes are an integral part of these interim condensed financial statements.

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

**INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX
MONTHS ENDED JUNE 30, 2020
(UNAUDITED)**

(All amounts are in U.A.E. Dirhams)

	<u>Notes</u>	<u>Six months ended</u>		<u>Three months ended</u>	
		<u>June 30, 2020 (Unaudited)</u>	<u>June 30, 2019 (Unaudited)</u>	<u>June 30, 2020 (Unaudited)</u>	<u>June 30, 2019 (Unaudited)</u>
Net profit for the period		1,080,765	21,391,637	17,541,876	3,776,314
Other comprehensive income for the period					
Changes in fair value of investments at FVTOCI	5 (A)	(18,086,469)	(53,981,000)	4,009,020	(5,004,719)
Profit from sale of investments at FVTOCI		(1,365)	1,660,779	-	1,538,970
Total other comprehensive (loss)		(18,087,834)	(52,320,221)	4,009,020	(3,465,749)
Total comprehensive (loss) / income for the period		(17,007,069)	(30,928,584)	21,550,896	310,565

The accompanying notes are an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

	Share capital	Legal reserve	Investments revaluation reserve- FVTOCI	Land revaluation reserve	Retained earnings	Total
Balance at December 31, 2018	363,000,000	34,798,487	13,985,765	297,085,855	24,727,241	733,597,348
Net profit for the period	-	-	-	-	21,391,637	21,391,637
Other comprehensive (loss)	-	-	(53,981,000)	-	1,660,779	(52,320,221)
Total comprehensive income for the period	-	-	(53,981,000)	-	23,052,416	(30,928,584)
Dividends distribution	-	-	-	-	(18,150,000)	(18,150,000)
Board of director's remuneration	-	-	-	-	(1,400,000)	(1,400,000)
Transfer to retained earnings on sale of investment at FVTOCI	-	-	293,503	-	(293,503)	-
Balance at June 30, 2019	363,000,000	34,798,487	(39,701,732)	297,085,855	27,936,154	683,118,764
Balance at December 31, 2019	363,000,000	37,058,424	(81,277,388)	297,085,855	28,164,837	644,031,728
Net profit for the period	-	-	-	-	1,080,765	1,080,765
Other comprehensive (loss)	-	-	(18,086,469)	-	(1,365)	(18,087,834)
Total comprehensive income for the period	-	-	(18,086,469)	-	1,079,400	(17,007,069)
Dividends distribution	-	-	-	-	(18,150,000)	(18,150,000)
Board of director's remuneration	-	-	-	-	(1,400,000)	(1,400,000)
Transfer to retained earnings on sale of investment at FVTOCI	-	-	(11,491)	-	11,491	-
Balance at June 30, 2020	363,000,000	37,058,424	(99,375,348)	297,085,855	9,705,728	607,474,659

The accompanying notes are an integral part of these interim condensed financial statements.

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30,
2020**

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Cash flows from operating activities		
Net profit for the period	1,080,765	21,391,637
Adjustment for: -		
Provision for staff indemnity	(64,187)	43,560
Profit from investment in shares	(23,732,189)	(26,266,847)
Changes in fair value of investments at FVTPL	19,873,569	2,686,009
Loss on foreign exchange	-	225
Finance cost	1,022,616	370,926
Bank interest	-	(83,319)
	-----	-----
Operating (loss) before working capital changes	(1,819,426)	(1,857,809)
Trade and other receivables	591,370	(168,261)
Trade and other payables	(79,448)	(129,219)
	-----	-----
Cash used in operating activities	(1,307,504)	(2,155,289)
Finance cost paid	(1,022,616)	(370,926)
Net movement in investment in shares	(119,994,881)	5,554,769
Proceed from investments sale and dividends received	23,401,946	27,927,626
	-----	-----
Net cash flows(used in) from operating activities	(98,923,055)	30,956,180
	-----	-----
Cash flows from investing activities		
Bank interest received	-	83,319
	-----	-----
Net cash flows from investing activities	-	83,319
	-----	-----
Cash flows from financing activities		
Paid to shareholders	(13,568,836)	(14,662,040)
Board of Directors' remuneration paid	(1,400,000)	(1,400,000)
Bank overdraft	99,241,716	(748,918)
	-----	-----
Net cash flows from (used in) financing activities	84,272,880	(16,810,958)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(14,650,175)	14,228,541
Cash and cash equivalents at the beginning of the period	16,620,007	33,350,562
	-----	-----
Cash and cash equivalents at the end of the period	1,969,832	47,579,103
	=====	=====

The accompanying notes are in integral part of these interim condensed financial statements.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)**
(All amounts are in U.A.E. Dirhams)

1- LEGAL STATUS AND PRINCIPLE ACTIVITIES

Umm Al Qaiwain General Investments Company (Formerly Umm Al Qaiwain Cement Industries Company), 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 had obtained approval from the Securities and Commodities Authority to change the commercial activities and trade name to become Umm Al Qaiwain General Investments Company P.S.C. and obtained a commercial license number 4558 from the Department of Economic Development – Umm Al Qaiwain on April 24, 2016.

The company's business activity is development, establishment and management of real estate enterprises, funds and stocks investments (stocks and bonds), investment, establishment and institution in commercial enterprises, entertainment, agriculture, tourism, industrial, infrastructure, educational services, health, energy and ownership and investment of classes and units in the buildings of the investment areas.

The Company is domiciled at Umm Al Qaiwain, United Arab Emirates.
The registered address of the company is Umm Al Qaiwain – UAE.

2- BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

The accompanying interim condensed financial statements are prepared in accordance with IAS 34- "Interim Financial Reporting". These interim condensed consolidated financial statements should be read in conjunction with the financial statements of the Company's for the year ended December 31, 2019.

The interim condensed financial statements do not contain all information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for six-month period ended June 30, 2020 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2020.

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

The significant judgments made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2019 subject to the matters discussed in the "Impact of COVID -19" Note No. 15.

All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation.

Going Concern

In light of prevailing economic conditions, the Company's management with available information about future risk and uncertainties has performed an assessment whether the Company is going concern. Based on the assessment, the Company's management have concluded that at present the Company has sufficient resources to continue in operational existence and going concern assumptions remains largely unaffected from December 31, 2019. As a result, these interim consolidated financial statements have been prepared on a going concern basis.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

The Company continues to monitor the situation closely and the Company's management have taken measures manage potential business disruption COVID -19 that may have on the Company's operations and financial performance in 2020 and in the future.

3- SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements of the previous financial year and corresponding interim reporting period, except for the adoption of amendments to standards as set out below.

Newly effective standard and amendments and improvements to standards

The following amendments to standards apply for the first time in 2020 and have been applied by the Company's in preparation of these interim condensed financial statements.

- Amendments to IFRS 16 on, 'Covid-19-Related Rent Concessions'. The amendment is effective for annual reporting periods beginning on or after 1 June 2020 and earlier application is permitted including interim reporting, the Company has early adopted this amendment in these interim consolidated financial statements.

As per the amendment lessee's are currently required to assess whether rent concessions are lease modifications and, if they are, apply specific accounting guidance. Accordingly, when the scope of a lease increases and the consideration changes commensurately, a separate lease exists and IFRS 16 requires that any modification be considered a new lease, and that any remaining prepayments and accruals are included in the accounting for this new lease. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors.

Early adoption of this amendment did not result in any changes in any changes to previously reported net profit or equity of the Company.

Other amendments to standards that are effective as of January 1, 2020

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 on 'Definition of a business'
- Amendments to IAS 1 and IAS 8 on 'Definition of Material'
- Amendments to IFRS 9, IAS 39 and IFRS 7 on 'Interest rate benchmark reform'

The adoption of the above amendments and interpretations to the standards did not result in any changes in to previously reported net profit or equity of the Company, but they may result in additional disclosures at the year-end

New and amended standards not yet effective, but available for early adoption

The below new and amended IFRS that are available for early adoption for financial year ending December 31, 2020, are not effective until a later period, and they have not been applied in preparing these financial statements.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

The Company's management are assessing the impact the Company's interim financial statements:

Effective date	Description
January 1, 2022	Amendments to IAS 1 on 'Classification of Liabilities as Current or Non-current'
January 1, 2022	Annual Improvements to IFRS Standards (2018-2020) covering the following standards: <ul style="list-style-type: none"> • IAS 41- Agriculture • IFRS 1- First Time Adoption of IFRS • IFRS 9- Financial Instruments • IFRS 16- Leases
January 1, 2022	Amendments to IAS 16 regarding proceeds before intended use
January 1, 2022	Amendments to IAS 37 regarding onerous contracts
January 1, 2022	Amendments to IFRS 3 updating reference to the Conceptual Framework
January 1, 2023	IFRS 17 Insurance Contracts
Effective date to be determined	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

4- LAND

Land amounting to AED 330,925,540 (AED 330,925,540 for 2019) is evaluated by independent evaluators at end of the financial year. The lands have an area of 10,671,317 square feet.

Land registration procedures have not yet been completed on behalf of Umm Al Qaiwain General Investments Company P.S.C as these are still in the former name (Umm Al Qaiwain Cement Industries Co.) As on the date of approval of financial statements, the date of completion of the transfer procedures is unknown.

5- INVESTMENTS IN SECURITIES

A- Investments at fair value through other comprehensive income (FVTOCI)

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
Quoted	284,580,358	254,491,467	304,396,290
Unquoted	2,045,964	2,210,886	2,022,341
	-----	-----	-----
	286,626,322	256,702,353	306,418,631
	=====	=====	=====

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

The investments distributed according to the geographical location are as follows:

Quoted

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
In UAE	252,026,461	229,195,777	275,383,508
In GCC countries	32,553,897	25,295,690	29,012,782
	-----	-----	-----
	284,580,358	254,491,467	304,396,290
	=====	=====	=====

Unquoted

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
In UAE	-	-	-
In GCC countries	2,045,964	2,210,886	2,022,341
	-----	-----	-----
	2,045,964	2,210,886	2,022,341
	=====	=====	=====

The transactions during the period over these investments as follows:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
Balance at January 1	256,702,353	378,038,240	378,038,240
Net movement during the year	48,010,438	(26,557,468)	(17,638,609)
Changes in investment revaluation	(18,086,469)	(94,778,419)	(53,981,000)
	-----	-----	-----
	286,626,322	256,702,353	306,418,631
	=====	=====	=====

The investments above includes shares amounting of AED 71,215,000 as securities against bank facilities granted to the company

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

B- Investments at fair value through profit or loss (FVTPL)

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

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
In UAE	127,329,638	77,368,937	35,426,741
In GCC countries	11,140,850	8,990,677	9,027,104
	-----	-----	-----
	138,470,488	86,359,614	44,453,845
	=====	=====	=====

The transactions during the period over these investments as follows:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
Balance at January 1	86,359,614	35,056,239	35,056,239
Net movement during the year	71,984,443	56,274,638	12,083,615
Changes in investment revaluation	(19,873,569)	(4,971,263)	(2,686,009)
	-----	-----	-----
	138,470,488	86,359,614	44,453,845
	=====	=====	=====

6- TRADE AND OTHER RECEIVABLES

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
Receivables on investment in shares	328,878	-	-
Prepaid expense	122,498	618,118	91,752
Due from the staff	90,000	180,000	180,000
Bank guarantees	102,583	103,083	103,083
Interest receivable on term deposits	28,590	28,590	28,590
Others	31,499	36,749	31,499
	-----	-----	-----
	704,048	966,540	434,924
	=====	=====	=====

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

7- CASH AND CASH EQUIVALENT

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)
Cash on hand	42,218	83,352	88,108
Cash at banks- UAE	38,483	77,453	37,312,233
Cash at banks - Kuwait	1,549,766	16,202,323	9,921,883
Cash at banks - Oman	339,365	256,879	256,879
	-----	-----	-----
	1,969,832	16,620,007	47,579,103
	=====	=====	=====

8- SHARE CAPITAL

The authorized and fully paid up capital is 363,000,000 made up of 363,000,000 shares of AED 1 each.

9- LEGAL RESERVE

As mentioned in the Company Law of United Arab Emirates, 10% of the profit for the year is to be transferred to legal reserve. The shareholders may resolve to discontinue such annual transfers when the reserve equals one half of the share capital. The reserve is not available for distribution.

10- GENERAL AND ADMINISTRATION EXPENSES

	<u>The Six months ended</u>		<u>The Three months ended</u>	
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Salaries and wages	1,097,046	1,059,906	609,894	466,951
End of services benefits	19,574	43,560	9,153	33,824
Leave expenses	62,904	73,347	30,408	31,970
Water and electricity	13,800	50,984	7,000	43,248
Professional fees	128,752	113,469	93,752	87,219
Sundry expenses	435,763	560,103	271,189	398,473
	-----	-----	-----	-----
	1,757,839	1,901,369	1,021,396	1,061,685
	=====	=====	=====	=====

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

11- BASIC EARNINGS PER SHARE

	<u>The Six months ended</u>		<u>The Three months ended</u>	
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Profit for the period	1,080,765 =====	21,391,637 =====	17,541,876 =====	3,776,314 =====
Average number of ordinary share	363,000,000 -----	363,000,000 -----	363,000,000 -----	363,000,000 -----
Basic earnings per share	0.003 =====	0.059 =====	0.048 =====	0.011 =====

12- 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:

	June 30, 2020	December 31, 2019	June 30, 2019
In UAE	710,974,641	638,525,864	679,479,318
In GCC countries	47,721,589	53,048,190	50,332,725
	758,696,230 =====	691,574,054 =====	729,812,043 =====

(8)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

(All amounts are in U.A.E. Dirhams)

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:

	<u>June 30, 2020</u>		<u>December 31, 2019</u>		<u>June 30, 2019</u>		<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>			
1- Investments at FVTOCI									Total
Banking sector	190,320,709	11,226,034	184,135,732	593,906	227,976,484	723,822	201,546,743	184,729,638	228,700,306
Finance and investment sector	6,810,700	6,239,125	7,893,700	10,288,329	7,725,700	15,060,829	13,049,825	18,182,029	22,786,529
Real estate sector	28,441,725	7,071,982	17,643,460	7,803,400	18,586,761	7,218,285	35,513,707	25,446,860	25,805,046
Industrial sector	2,081,444	4,018,770	2,303,899	2,270,242	2,253,151	2,249,153	6,100,214	4,574,141	4,502,304
Service sector	11,215,000	-	11,320,000	-	11,055,000	-	11,215,000	11,320,000	11,055,000
Energy sector	6,140,206	-	4,304,359	-	4,322,675	-	6,140,206	4,304,359	4,322,675
Telecommunication sector	277,170	6,043,950	299,995	6,534,000	2,143,212	5,760,810	6,321,120	6,833,995	7,904,022
Insurance sector	6,739,507	-	1,294,632	-	1,320,525	-	6,739,507	1,294,632	1,320,525
Basic material sector	-	-	-	16,699	-	22,224	-	16,699	22,224
	252,026,461	34,599,861	229,195,777	27,506,576	275,383,508	31,035,123	286,626,322	256,702,353	306,418,631
2- Investments at FVTPL									
Banking sector	4,401,720	1,470,573	758,144	2,555,413	715,230	2,442,295	5,872,293	3,313,557	3,157,525
Finance and investment sector	11,568,000	6,847,149	3,255,000	4,392,590	3,203,000	6,584,809	18,415,149	7,647,590	9,787,809
Real estate sector	71,248,275	1,562,029	29,750,437	1,725,824	15,117,473	-	72,810,304	31,476,261	15,117,473
Industrial sector	11,519,804	1,261,099	13,226,605	316,850	13,721,182	-	12,780,903	13,543,455	13,721,182
Energy sector	16,294,794	-	14,495,641	-	-	-	16,294,794	14,495,641	-
Transport sector	-	-	-	-	1,050,000	-	-	-	1,050,000
Insurance sector	12,297,045	-	15,883,110	-	1,619,856	-	12,297,045	15,883,110	1,619,856
	127,329,638	11,140,850	77,368,937	8,990,677	35,426,741	9,027,104	138,470,488	86,359,614	44,453,845
Total	379,356,099	45,740,711	306,564,714	36,497,253	310,810,249	40,062,227	425,096,810	343,061,967	350,872,476

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2020**

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

13- FAIR VALUE MEASUREMENT

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.

Assets and liabilities measured at fair value in the statement of financial position are grouped at three levels of the fair value hierarchy. This Company is determined at the lowest level of significant inputs used in the measurement of fair value, as follows:

Level one: Prices offered (unadjusted) in active markets for identical assets or liabilities.

Level two: Inputs other than quoted prices within Level one that can be observable for assets or liabilities either directly (ie as prices) or indirectly (ie derived from prices).

Level three: Inputs of assets or liabilities that are not based on observable market data (unobservable inputs).

As at June 30, 2020

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	138,470,488	-	138,470,488
Quoted equity investments – FVTOCI	284,580,358	-	284,580,358
Unquoted equity investments- FVTOCI	-	2,045,964	2,045,964
	-----	-----	-----
	423,050,846	2,045,964	425,096,810
	=====	=====	=====

As at December 31, 2019

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	86,359,614	-	86,359,614
Quoted equity investments – FVTOCI	254,491,467	-	254,491,467
Unquoted equity investments- FVTOCI	-	2,210,886	2,210,886
	-----	-----	-----
	340,851,081	2,210,886	343,061,967
	=====	=====	=====

As at June 30, 2019

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	44,453,845	-	44,453,845
Quoted equity investments – FVTOCI	304,396,290	-	304,396,290
Unquoted equity investments- FVTOCI	-	2,022,341	2,022,341
	-----	-----	-----
	348,850,135	2,022,341	350,872,476
	=====	=====	=====

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2020**

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

14- CAPITAL RISKS MANAGEMENT

The Company use of financial instruments exposes it to financial risks such as credit risk, Liquidity risks, market risk, foreign currency risk and capital risk.

The Company continuously reviews its risk exposures and takes the necessary procedures to limit these risks at acceptable levels.

The significant risks that the Company is exposed to are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to pay an obligation causing the other party to incur a financial loss.

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

b) Liquidity risks

Liquidity risk is the risk that the company will be unable to meet its cash obligations. The management of liquidity risks consist of keeping sufficient cash, and arranging financing sources through enough facilities, managing highly liquid assets, and monitoring liquidity on a periodically basis by method of future cash flow.

The maturity of liabilities stated below based on the period from the financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

The following is maturity table for the financial liabilities as of June 30, 2020:

	<u>On demand</u>	<u>Within 3 months</u>	<u>From 3 months to 1 year</u>	<u>From 1 to 5 years</u>	<u>Total</u>
Liabilities					
Provision for staff indemnity	-	-	-	787,017	787,017
Trade and other payables	-	49,685,814	-	-	49,685,814
Bank overdraft	100,748,740	-	-	-	100,748,740
Total liabilities	100,748,740	49,685,814	-	787,017	151,221,571

The following is maturity table for the financial liabilities as of December 31, 2019:

	<u>On demand</u>	<u>Within 3 months</u>	<u>From 3 months to 1 year</u>	<u>From 1 to 5 years</u>	<u>Total</u>
Liabilities					
Provision for staff indemnity	-	-	-	851,204	851,204
Trade and other payables	-	45,184,098	-	-	45,184,098
Bank overdraft	1,507,024	-	-	-	1,507,024
Total liabilities	1,507,024	45,184,098	-	851,204	47,542,326

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2020**

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

The following is maturity table for the financial liabilities as of June 30, 2019:

	On demand	Within 3 months	From 3 months to 1 year	From 1 to 5 years	Total
Liabilities					
Provision for staff indemnity	-	-	-	800,636	800,636
Trade and other payables	-	45,892,643	-	-	45,892,643
Total liabilities	-	45,892,643	-	800,636	46,693,279

c) 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 June 30, 2020 comprise of investment in financial assets amounting to AED 425,096,810.

c) 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 June 30, 2020 are as follows: -

Financial assets - Kuwait	44,915,854
Cash at banks - Kuwait	1,549,766
Financial assets - Oman	824,857
Cash at banks - Oman	339,365

d) 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 through the optimization of the debt and equity balance.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2020**

(UNAUDITED)

(All amounts are in U.A.E. Dirhams)

15- IMPACT OF COVID -19

COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across various geographies globally. The local government system in United Arab Emirates has announced various measures to support businesses to mitigate possible adverse impact due to the pandemic. The Company continues to monitor the situation and the Company's management has taken measures to continue the operations with minimal disruptions and also have risk management plans in place to manage potential disruptions in the future.

Due to the prevailing uncertain situation, the Company management has revisited its judgments, estimates and risk management objectives and have considered the potential impacts of the current volatility in determining the reported amounts of the Company's financial and non-financial assets as at June 30, 2020.

16- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the management on 11 August 2020.