

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

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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Independent Auditor's Report

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**Independent Auditor's Report**

**The Shareholders**

Umm Al Qaiwain General Investments Company  
Public Shareholding Company  
Umm Al Qaiwain - United Arab Emirates

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Umm Al Qaiwain General Investments Company (the "Company") which comprise the statement of financial position as at December 31, 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and we have fulfilled our other 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 audit opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, 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.

**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.

The land has been considered as an important audit matter for its materiality and the audit procedures as follows:

- 1) An evaluation was obtained from independent evaluators.
- 2) The difference between the carrying value and the value after the revaluation has been verified.
- 3) The difference is recognized in shareholders' equity under land valuation reserve.

**Valuation of investment at fair value through other comprehensive income (FVTOCI)**

The company possesses investment in securities comprised of quoted and unquoted investment carried at fair value through other comprehensive income (FVTOCI). The valuation of quoted investments is arrived at by reference to the quoted bid prices in an active market, while unquoted investments were valued based on less active parallel market prices.

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 cumulative changes in fair value reserve.

**Independent Auditor's Report for Umm Al Qaiwain General Investments Company for the year ended December 31, 2020 (continued)**

We consider the above investments at fair value through other comprehensive income (FVTOCI) a key 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 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.
- The fair value of unquoted investments has been verified and matched with prices derived from parallel market.

**Other Information**

Management is responsible for the other information. Other information consists of information included in the company's report of 2020, 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 work we have performed, we conclude that there is a material statement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted in United Arab Emirates 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 management is responsible for overseeing the Company's financial reporting process.

**Auditor's 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 auditor's 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 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.



**Independent Auditor's Report for Umm Al Qaiwain General Investments Company for the year ended December 31, 2020 (continued)**

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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 the management 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.

**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 20.
6. Investments and shares purchased by the Company during the current year disclosed in Note 6.
7. The Social Contribution made during the year disclosed in Note 22.
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, 2020 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.



Hikmat Mukhaimer FCCA  
Registration No.: 355  
Rödl Middle East  
Certified Public Accountants

March 20, 2021  
Sharjah – U.A.E



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

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020

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

	Notes	December 31, 2020	December 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land	5	330,925,540	330,925,540
Investments at fair value through other Comprehensive income (FVTOCI)	6 (A)	279,527,078	256,702,353
		-----	-----
Total non-current assets		610,452,618	587,627,893
		-----	-----
<b>Current assets</b>			
Investments at fair value through profit or loss (FVTPL)	6 (B)	52,893,680	86,359,614
Trade and other receivables	7	339,111	966,540
Cash and cash equivalent	8	26,827,043	16,620,007
		-----	-----
Total current assets		80,059,834	103,946,161
		-----	-----
<b>Total assets</b>		<b>690,512,452</b>	<b>691,574,054</b>
		=====	=====
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	9(A)	363,000,000	363,000,000
Legal reserve	9(B)	38,970,935	37,058,424
Investments revaluation reserve-FVTOCI	9(C)	(82,032,136)	(81,277,388)
Land revaluation reserve		297,085,855	297,085,855
Retained earnings		25,190,484	28,164,837
		-----	-----
Total shareholders' equity		642,215,138	644,031,728
		-----	-----
<b>Non-current liabilities</b>			
Provision for indemnity	10	805,651	851,204
		-----	-----
Total non-current liabilities		805,651	851,204
		-----	-----
<b>Current liabilities</b>			
Trade and other payables		47,491,663	45,184,098
Bank overdraft		-	1,507,024
		-----	-----
Total current liabilities		47,491,663	46,691,122
		-----	-----
Total liabilities		48,297,314	47,542,326
		-----	-----
<b>Total shareholder's equity and liabilities</b>		<b>690,512,452</b>	<b>691,574,054</b>
		=====	=====

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

SALEM ABDULLA SALEM AL HOSANI  
CHAIRMAN

AHMAD SULTAN ESSA AL JABER  
DEPUTY CHAIRMAN

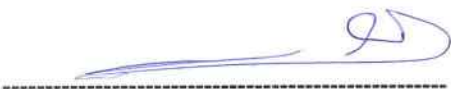
UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.  
PUBLIC SHAREHOLDING COMPANY  
UMM AL QAIWAIN - UNITED ARAB EMIRATES


STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2020

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

	Notes	December 31, 2020	December 31, 2019
<b>Revenues</b>			
Profit from investment in shares	11	30,649,300	31,764,795
Changes in fair value of investment at FVTPL	6 (B)	(5,694,735)	(4,971,263)
(Loss) / gain on foreign exchange		-	(225)
Other income	12	62,152	247,302
<b>Total revenues</b>		<b>25,016,717</b>	<b>27,040,609</b>
<b>Expenses and other charges</b>			
Finance costs		1,663,295	393,459
General and administration expenses	13	4,228,315	4,047,778
<b>Total expenses and other charges</b>		<b>(5,891,610)</b>	<b>4,441,237</b>
<b>Net profit for the year</b>		<b>19,125,107</b>	<b>22,599,372</b>
<b>Basic earnings per share</b>	14	<b>0.053</b>	<b>0.062</b>

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

  
SALEM ABDULLA SALEM AL HOSANI  
CHAIRMAN

  
AHMAD SULTAN ESSA AL JABER  
DEPUTY CHAIRMAN

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

**STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	<u>Notes</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Net profit for the year</b>		<b>19,125,107</b>	22,599,372
<b>Other comprehensive income for the year</b>			
Changes in fair value of investments at FVTOCI	6 (A)	<b>(4,382,593)</b>	(94,778,419)
Profit from sale of investments at FVTOCI		<b>2,990,896</b>	2,163,427
<b>Total other comprehensive (loss)</b>		<b>(1,391,697)</b>	(92,614,992)
<b>Total comprehensive profit/ (loss) for the year</b>		<b>17,733,410</b>	(70,015,620)

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



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

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020**

(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 year	-	-	-	-	22,599,372	22,599,372
Other comprehensive (loss)	-	-	(94,778,419)	-	2,163,427	(92,614,992)
Total comprehensive (loss) for the year	-	-	(94,778,419)	-	24,762,799	(70,015,620)
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	-	-	(484,734)	-	484,734	-
Transfer to legal reserve	-	2,259,937	-	-	(2,259,937)	-
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 year	-	-	-	-	19,125,107	19,125,107
Other comprehensive (loss)	-	-	(4,382,593)	-	2,990,896	(1,391,697)
Total comprehensive (loss) for the year	-	-	(4,382,593)	-	22,116,003	17,733,410
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	-	-	3,627,845	-	(3,627,845)	-
Transfer to legal reserve	-	1,912,511	-	-	(1,912,511)	-
<b>Balance at December 31, 2020</b>	<b>363,000,000</b>	<b>38,970,935</b>	<b>(82,032,136)</b>	<b>297,085,855</b>	<b>25,190,484</b>	<b>642,215,138</b>

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

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

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	<b>December 31, 2020</b>	December 31, 2019
<b>Cash flows from operating activities</b>		
Net profit for the year	<b>19,125,107</b>	22,599,372
Adjustment for: -		
Provision for staff indemnity	<b>(45,553)</b>	94,128
Profit from investment in shares	<b>(30,649,300)</b>	(31,764,795)
Changes in fair value of investments at FVTPL	<b>5,694,735</b>	4,971,263
(Loss) on foreign exchange	<b>-</b>	225
Finance cost	<b>1,663,295</b>	393,459
Bank interest	<b>(2,138)</b>	(97,302)
	-----	-----
<b>Operating (loss) before working capital changes</b>	<b>(4,213,854)</b>	(3,803,650)
Trade and other receivables	<b>627,429</b>	(176,606)
Trade and other payables	<b>416,110</b>	268,453
	-----	-----
<b>Cash used in operating activities</b>	<b>(3,170,315)</b>	(3,711,803)
Finance cost paid	<b>(1,663,295)</b>	(393,459)
Net movement in investment in shares	<b>563,881</b>	(29,717,170)
Proceed from investments sale and dividends received	<b>33,640,196</b>	33,404,725
	-----	-----
<b>Net cash flows from/ (used in) operating activities</b>	<b>29,370,467</b>	(417,707)
	-----	-----
<b>Cash flows from investing activities</b>		
Bank interest received	<b>2,138</b>	97,302
	-----	-----
<b>Net cash flows from investing activities</b>	<b>2,138</b>	97,302
	-----	-----
<b>Cash flows from financing activities</b>		
Paid to shareholders	<b>(16,258,545)</b>	(15,768,256)
Board of Directors' remuneration paid	<b>(1,400,000)</b>	(1,400,000)
Bank overdraft	<b>(1,507,024)</b>	758,106
	-----	-----
<b>Net cash flows (used in) financing activities</b>	<b>(19,165,569)</b>	(16,410,150)
	-----	-----
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,207,036</b>	(16,730,555)
Cash and cash equivalents at the beginning of the year	<b>16,620,007</b>	33,350,562
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>26,827,043</b>	16,620,007
	=====	=====

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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**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**

**a) Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and applicable requirements of UAE Commercial Companies Law No. 11 of 2015.

**b) Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for investment properties, certain equity financial assets that have been measured at fair value.

**c) Functional and presentation currency**

These financial statements are presented in UAE Dirhams, which is the Company's functional currency, unless otherwise indicated.

**d) Use of estimates and judgments**

In preparing these financial statements, management has made estimates and judgment that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as follows:

**Impact of COVID -19**

In March 2020, COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across the globe. The local government system in UAE 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 have 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 have revisited its judgements, 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 December 31, 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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**Going concern**

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company has been profitable, and it had positive net asset (equity), working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

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

The Company's management have also considered any impairment indicators and any significant and concluded that there is no material impact due to COVID -19.

*Provision for expected credit losses of trade receivables and contract assets*

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Receivables from government entities are generally excluded from ECL calculation, as the Company considers those receivable balances are fully recoverable. Further, balances due from related parties, are also excluded from ECL calculation, as credit risk is considered to be nil based on the fact that these related companies are either directly or indirectly supported by the owners for any liquidity or financial crisis situations.

Due to the uncertainties caused by the COVID -19, the Company's management have revisited, reassessed and updated the inputs and forward -looking assumptions used in the computation of expected credit losses (ECL) and have also reviewed customer balances to identify customers with significant increase in credit risk and potential defaulters.

*Provision for employees' end of service benefits*

Management has measured the Company's obligation for the post-employment benefits of its employees based on the provisions of the UAE Labour Law No. 8 of 1980. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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*Other provisions and liabilities*

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

**e) Newly effective standard and amendments and improvements to standards**

Several amendments apply for the first time from January 1, 2020, but do not have an impact on the financial statements of the Company. The Company has early adopted the amendments to IFRS 16 on, 'Covid-19-Related Rent Concessions'. The nature and effect of the changes as a result of adoption of this amendment is described below. Apart from this the Company has not early adopted any standard, interpretation or amendment that have been issued but are not yet effective.

- Amendments to IFRS 16 on, 'Covid-19-Related Rent Concessions'.  
The amendment is effective for annual reporting periods beginning on or after June 1, 2020 and the Company has early adopted this amendment in these 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 did not result in any changes to previously reported net profit or net assets of the Company.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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

**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 ended December 31, 2020 are not effective until a later period, and they have not been applied in preparing these financial statements.

**Adoption not expected to impact the Company's financial statements**

Effective date	Description
January 1, 2021	<ul style="list-style-type: none"> <li>Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)</li> </ul>
January 1, 2022	<ul style="list-style-type: none"> <li>Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</li> <li>Annual Improvements to IFRS Standards 2018–2020</li> <li>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</li> <li>Reference to the Conceptual Framework (Amendments to IFRS 3)</li> </ul>
January 1, 2023	<ul style="list-style-type: none"> <li>IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"</li> <li>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</li> </ul>
Effective date deferred indefinitely	<ul style="list-style-type: none"> <li>Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li> </ul>

**3- SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the financial statement are as follows:

**3-1 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.

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**3-2 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 (FVTOCI) 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".

In addition to financial reporting purposes, fair values 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

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

Investments 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 the fair value are recognised in other comprehensive income and added as "cumulative changes in fair value of investment at fair value through other comprehensive income" under equity. The fair value of these financial assets is its market value.

When the financial asset is disposed, the related cumulative gain or loss previously accumulated in the cumulative changes in fair value of investment at fair value through other comprehensive income is not reclassified to profit or loss, but is reclassified to retained earnings.

Dividends from investments in securities are recognized in the statement of profits or losses when the company's right to receive the dividends is established.

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

Financial assets at fair value through profit or loss are stated at fair value, with recognition of any gain or loss arising from a re-measurement in the profits or losses and any dividends or interests acquired from the financial asset are included in the profits or losses. The fair value is determined using the income method according to which the discounted cash flow method is used to determine the present value of expected future economic benefits resulting from investment ownership unless the impact of the discount is not material.

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**Debt instruments carried at amortized cost or at FVTOCI**

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset. For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI). At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI the cumulative gain/loss previously recognized in OCI is not subsequently to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

- **Reclassification**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

- **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.

- **Cash and cash equivalents**

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.

- **Other receivables**

The Company's financial assets fall within the category of "Other receivables". Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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.

- **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.



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- **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.

- **Employees' end of service benefits**

The Company provides for employees' end of service benefits to its employees that meets or exceeds the provisions of the UAE Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

In respect of the Emirati employees, the Company makes contributions to the General Pension and Social Security Authority, which is calculated as a percentage of the employees' salaries in accordance with the respective local laws pertaining to retirement and pensions. The Company's share of contribution to these schemes is charged to the profit or loss in the year to which they relate.

- **Derecognition of financial liabilities**

The Company derecognizes 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 derecognized and the consideration paid and payable is recognized in profit or loss.

**3-3 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.

**3-4 Provisions**

Provisions are present obligations (legal or constructive) 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 statement of financial position date, that is, the amount that the Company would rationally pay to settle the obligation at the statement of financial position date or to transfer it to a third party.

Provisions are reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

**3-5 Contingent liabilities**

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements but are disclosed.

**3-6 Dividend Distribution**

The Company recognizes dividends as a liability in the financial statements in the period in which the shareholders approve the dividend distribution.

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**3-7 Expenses recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

**3-8 Foreign currency transactions and balances**

Transactions in foreign currencies during the year are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. The Company does not have non-monetary assets and liabilities denominated in foreign currencies at the end of the year. Foreign currency differences are recognized in profit or loss.

**3-9 Revenues**

Revenues represent the total value of profits from sale of shares and dividends of invested shares during the year, net of discounts and returns.

Income from distributed profits is recognized in the profit or loss statement when the right of the company to receive the distributed profits is established.

**3-10 Lands**

The land is stated at fair value on the basis of valuation carried out by external independent evaluator. The increase or decrease in the carrying amount of the revaluation of the land is recognised in the other comprehensive income and is presented as a revaluation reserve in equity.

**4 FINANCIAL INSTRUMENTS**

**4-1 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 yearically basis by method of future cash flow.

The maturity of liabilities stated below based on the year 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 year in which the asset will be collected or disposed and the liability settled.

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The following is maturity table for the financial liabilities as of December 31, 2020:

	<b>On demand</b>	<b>Within 3 months</b>	<b>From 3 months to 1 year</b>	<b>From 1 to 5 years</b>	<b>Total</b>
<b>Liabilities</b>					
Provision for staff indemnity	-	-	-	805,651	805,651
Trade and other payables	-	47,491,663	-	-	47,491,663
	-----	-----	-----	-----	-----
<b>Total liabilities</b>	<b>-</b>	<b>47,491,663</b>	<b>-</b>	<b>805,651</b>	<b>48,297,314</b>
	=====	=====	=====	=====	=====

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

	<b>On demand</b>	<b>Within 3 months</b>	<b>From 3 months to 1 year</b>	<b>From 1 to 5 years</b>	<b>Total</b>
<b>Liabilities</b>					
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
	-----	-----	-----	-----	-----
<b>Total liabilities</b>	<b>1,507,024</b>	<b>45,184,098</b>	<b>-</b>	<b>851,204</b>	<b>47,542,326</b>
	=====	=====	=====	=====	=====

**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 December 31, 2020 comprise of investment in financial assets amounting to AED 332,420,758.

**d) 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, 2020 are as follows: -

	<b>Type of foreign currency</b>	<b>Carrying value in UAE Dirham</b>
Financial assets – Kuwait	<b>KD</b>	<b>47,559,539</b>
Cash at banks – Kuwait	<b>KD</b>	<b>742,836</b>
Financial assets – Oman	<b>OMR</b>	<b>862,781</b>
Cash at banks – Oman	<b>OMR</b>	<b>339,365</b>

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**e) 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.

**4-2 Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

The Company does not have borrowings. It is financed mainly by own equity. The Company's capital management policy remained unchanged since the previous year.

The Company is not subject to any externally imposed capital requirements.

**4-3 Fair value measurement**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Company has not disclosed the fair values of its receivables, bank balances and payables because their carrying amounts are a reasonable approximation of their fair values.

**4-4 Offsetting financial assets and liabilities**

The Company does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

**5- 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.

**6- INVESTMENTS IN SECURITIES**

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

	<b>December 31, 2020</b>	December 31, 2019
Quoted	<b>277,744,518</b>	254,491,467
Unquoted	<b>1,782,560</b>	2,210,886
	-----	-----
	<b>279,527,078</b>	256,702,353
	=====	=====

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

**Quoted**

	<b>December 31, 2020</b>	December 31, 2019
In UAE	<b>246,278,429</b>	229,195,777
In GCC countries	<b>31,466,089</b>	25,295,690
	-----	-----
	<b>277,744,518</b>	254,491,467
	=====	=====



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**Unquoted**

	<b>December 31, 2020</b>	December 31, 2019
In GCC countries	<b>1,782,560</b>	2,210,886
	-----	-----
	<b>1,782,560</b>	2,210,886
	=====	=====

The transactions during the year over these investments as follows:

	<b>December 31, 2020</b>	December 31, 2019
Balance at January 1	<b>256,702,353</b>	378,038,240
Net movement during the year	<b>27,207,318</b>	(26,557,468)
Changes in investment revaluation	<b>(4,382,593)</b>	(94,778,419)
	-----	-----
	<b>279,527,078</b>	256,702,353
	=====	=====

The investments above includes shares amounting of AED 74,951,000 as securities against bank facilities granted to the company

**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:

	<b>December 31, 2020</b>	December 31, 2019
In UAE	<b>37,720,009</b>	77,368,937
In GCC countries	<b>15,173,671</b>	8,990,677
	-----	-----
	<b>52,893,680</b>	86,359,614
	=====	=====

The transactions during the year over these investments as follows:

	<b>December 31, 2020</b>	December 31, 2019
Balance at January 1	<b>86,359,614</b>	35,056,239
Net movement during the year	<b>(27,771,199)</b>	56,274,638
Changes in investment revaluation	<b>(5,694,735)</b>	(4,971,263)
	-----	-----
	<b>52,893,680</b>	86,359,614
	=====	=====

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**7- TRADE AND OTHER RECEIVABLES**

	<b>December 31, 2020</b>	December 31, 2019
Cash balance with brokers	91,736	618,118
Prepaid expense	90,000	180,000
Due from the staff	102,183	103,083
Bank guarantees	1,590	28,590
Others	53,602	36,749
	-----	-----
	<b>339,111</b>	966,540
	=====	=====

**8- CASH AND CASH EQUIVALENTS**

	<b>December 31, 2020</b>	December 31, 2019
Cash on hand	32,496	83,352
Cash at banks- UAE	25,712,346	77,453
Cash at banks - Kuwait	742,836	16,202,323
Cash at banks - Oman	339,365	256,879
	-----	-----
	<b>26,827,043</b>	16,620,007
	=====	=====

**9- SHAREHOLDERS' EQUITY**

**a) Capital:**

The Company's Capital as shown in Exhibit A amounting to AED 363,000,000 consists of fully paid-up 363,000,000 shares of one Dirham per value for each share.

**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 as follows:

	<b>December 31, 2020</b>	December 31, 2019
Balance at January 1	37,058,424	34,798,487
Transferred from profit	1,912,511	2,259,937
	-----	-----
<b>Balance at end of the year – Exhibit A</b>	<b>38,970,935</b>	37,058,424
	=====	=====

**c) Cumulative changes in the fair value of investments at FVTOCI:**

Cumulative changes in the fair value of investments at fair value through other comprehensive income represent accumulated gains and losses arising from the revaluation of financial assets at fair value through other comprehensive income.

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**10- END OF SERVICE BENEFITS OBLIGATION**

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

	<b>December 31, 2020</b>	December 31, 2019
Balance at January 1	<b>851,204</b>	757,076
Current service cost	<b>38,208</b>	94,128
Payments during the year	<b>(83,761)</b>	-
	<b>805,651</b>	851,204

**11- PROFIT FROM INVESTMENT IN SHARES**

	<b>December 31, 2020</b>	December 31, 2019
Dividend received	<b>23,554,945</b>	21,442,973
Profit from sale of investment in shares	<b>7,094,355</b>	10,321,822
	<b>30,649,300</b>	31,764,795

**12- OTHER INCOME**

	<b>December 31, 2020</b>	December 31, 2019
Bank interest	<b>2,138</b>	97,302
Sundry income	<b>60,014</b>	150,000
	<b>62,152</b>	247,302

**13- GENERAL AND ADMINISTRATION EXPENSES**

	<b>December 31, 2020</b>	December 31, 2019
Salaries and wages	<b>2,020,911</b>	1,997,798
Employees' bonus	<b>100,000</b>	100,000
Air ticket	<b>38,690</b>	49,190
Rent	<b>90,000</b>	90,000
End of services benefits	<b>38,208</b>	94,128
Short term employees' benefit	<b>147,663</b>	149,847
Water and electricity	<b>23,300</b>	66,058
Professional fees	<b>125,599</b>	184,719
Sundry expenses	<b>1,643,944</b>	1,316,038
	<b>4,228,315</b>	4,047,778

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**14- BASIC EARNINGS PER SHARE**

	<b>December 31, 2020</b>	December 31, 2019
Profit for the year	<b>19,125,107</b> =====	22,599,372 =====
Average number of ordinary share	<b>363,000,000</b> -----	363,000,000 -----
Basic earnings per share	<b>0.053</b> =====	0.062 =====

**15- CREDIT FACILITIES:**

- A) As of the attached financial statements date, the credit facilities extended to the Company by the banks are as follows:

Overdraft	AED 170,000,000
Bank guarantee (Labour)	AED 1,590

- The overdraft facility has been obtained from local banks in the UAE for the purpose financing investments and working capital requirements. The interest rate is calculated on the basis of one-year EIBOR plus a margin.
  - In case of exceeding the agreed upon granted bank facilities or any arrears in the payment of the obligations, interest shall be imposed on such excess/ overdue liability in addition to the interest agreed upon above.
- b) The above facilities are extended against guaranteed shares.

**16- PROPOSED DIVIDENDS AND BOARD OF DIRECTOR REMUNERATION:**

Board of Directors proposed to the general assembly meeting to approve the following distribution of profit:

- 1) Proposed dividends to shareholders 5% of the paid-up capital amounting to AED 18,150,000 (5 % for 2019)
  - 2) Proposed Board of Director remuneration is AED 1,350,000 (AED 1,400,000 for 2019)
- The above-mentioned dividend is subject to shareholder approval at the Annual General Assembly Meeting and is not recorded as a liability in these financial statements.

**17- 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:

	<b>December 31, 2020</b>	December 31, 2019
In UAE	<b>640,809,842</b>	638,525,864
In GCC countries	<b>49,702,610</b> -----	53,048,190 -----
	<b>690,512,452</b> =====	691,574,054 =====

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(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>December 31, 2020</u>		<u>December 31, 2019</u>		<u>Total</u>	
<b>1- <u>Investments at FVTOCI</u></b>	<b>UAE</b>	<b>GCC</b>	<b>UAE</b>	<b>GCC</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Banking sector	191,033,849	9,082,524	184,135,732	593,906	200,116,373	184,729,638
Finance and investment sector	8,996,200	6,429,259	7,893,700	10,288,329	15,425,459	18,182,029
Real estate sector	14,210,666	7,243,761	17,643,460	7,803,400	21,454,427	25,446,860
Industrial sector	2,276,860	3,893,765	2,303,899	2,270,242	6,170,625	4,574,141
Service sector	14,951,000	-	11,320,000	-	14,951,000	11,320,000
Energy sector	6,839,481	-	4,304,359	-	6,839,481	4,304,359
Telecommunication sector	312,495	6,599,340	299,995	6,534,000	6,911,835	6,833,995
Insurance sector	7,657,878	-	1,294,632	-	7,657,878	1,294,632
Basic material sector	-	-	-	16,699	-	16,699
	246,278,429	33,248,649	229,195,777	27,506,576	279,527,078	256,702,353
	=====	=====	=====	=====	=====	=====
<b>2- <u>Investments at FVTPL</u></b>						
Banking sector	619,866	5,889,726	758,144	2,555,413	6,509,592	3,313,557
Finance and investment sector	1,652,722	5,875,354	3,255,000	4,392,590	7,528,076	7,647,590
Real estate sector	4,280,834	1,558,499	29,750,437	1,725,824	5,839,333	31,476,261
Industrial sector	159,071	1,850,092	13,226,605	316,850	2,009,163	13,543,455
Energy sector	18,864,519	-	14,495,641	-	18,864,519	14,495,641
Insurance sector	12,142,997	-	15,883,110	-	12,142,997	15,883,110
	37,720,009	15,173,671	77,368,937	8,990,677	52,893,680	86,359,614
	=====	=====	=====	=====	=====	=====
<b>Total</b>	<b>283,998,438</b>	<b>48,422,320</b>	<b>306,564,714</b>	<b>36,497,253</b>	<b>332,420,758</b>	<b>343,061,967</b>
	=====	=====	=====	=====	=====	=====

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

**18- BENEFITS OF THE KEY MANAGEMENT AND MANAGERS**

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

	<b>December 31, 2020</b>	December 31, 2019
Short-term benefits	<b>1,614,304</b>	1,589,304
Directors' remuneration	-	-
	<b>1,614,304</b>	1,589,304
	<b>=====</b>	<b>=====</b>

**19 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 December 31, 2020**

	<b><u>Level one</u></b>	<b><u>Level two</u></b>	<b><u>Total</u></b>
Quoted equity investments – FVTPL	52,893,680	-	52,893,680
Quoted equity investments – FVTOCI	277,744,518	-	277,744,518
Unquoted equity investments- FVTOCI	-	1,782,560	1,782,560
	<b>330,638,198</b>	<b>1,782,560</b>	<b>332,420,758</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>

**As at December 31, 2019**

	<b><u>Level one</u></b>	<b><u>Level two</u></b>	<b><u>Total</u></b>
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
	<b>340,851,081</b>	<b>2,210,886</b>	<b>343,061,967</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**  
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**20- RELATED PARTY TRANSACTIONS**

There are no transactions with related parties during the year ended December 31, 2020.

**21- CONTINGENT LIABILITIES**

Contingent liabilities as of the financial statements' date comprises of bank guarantees amounting to AED 1,590.

**22- SOCIAL CONTRIBUTION**

There are no social contributions during the year ended December 31, 2020.

**23- APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 20 March 2021.