

**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, 2021
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, 2021
WITH REVIEW REPORT
(UNAUDITED)**

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Review report

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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, 2021, 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".



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



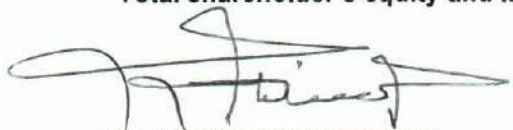
Sharjah - U.A.E.
August 10, 2021

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, 2021
(UNAUDITED)

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

	Notes	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
ASSETS				
Non-current assets				
Land	5	330,925,540	330,925,540	330,925,540
Investments at fair value through other Comprehensive income (FVTOCI)	6 (A)	258,567,089	279,527,078	286,626,322
Total non-current assets		589,492,629	610,452,618	617,551,862
Current assets				
Investments at fair value through profit or loss (FVTPL)	6 (B)	182,016,581	52,893,680	138,470,488
Trade and other receivables	7	3,283,836	339,111	704,048
Cash and cash equivalent	8	10,309,400	26,827,043	1,969,832
Total current assets		195,609,817	80,059,834	141,144,368
Total assets		785,102,446	690,512,452	758,696,230
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	9	363,000,000	363,000,000	363,000,000
Legal reserve	10	38,970,935	38,970,935	37,058,424
Investments revaluation reserve-FVTOCI		(82,215,196)	(82,032,136)	(99,375,348)
Land revaluation reserve		297,085,855	297,085,855	297,085,855
Retained earnings		28,644,638	25,190,484	9,705,728
Total shareholders' equity		645,486,232	642,215,138	607,474,659
Non-current liabilities				
Provision for indemnity		842,888	805,651	787,017
Total non-current liabilities		842,888	805,651	787,017
Current liabilities				
Trade and other payables		48,833,877	47,491,663	49,685,814
Bank overdraft	11	89,939,449	-	100,748,740
Total current liabilities		138,773,326	47,491,663	150,434,554
Total liabilities		139,616,214	48,297,314	151,221,571
Total shareholder's equity and liabilities		785,102,446	690,512,452	758,696,230



Ahmed Sultan Essa Al-Jaber
Deputy Chairman

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, 2021**

(UNAUDITED)

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

	<u>Notes</u>	<u>Six months ended</u>		<u>Three months ended</u>	
		June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Revenues					
Profit from investment in shares		19,140,558	23,732,189	15,558,419	5,773,463
Changes in fair value of investment at FVTPL	6 (B)	9,676,758	(19,873,569)	7,735,616	13,496,601
Other income		1,746	2,600	1,746	-
Total revenues		28,819,062	3,861,220	23,295,781	19,270,064
Expenses and other charges					
Finance costs		575,082	1,022,616	548,445	706,792
General and administration expenses	12	2,179,864	1,757,839	1,079,658	1,021,396
Total expenses and other charges		(2,754,946)	(2,780,455)	(1,628,103)	(1,728,188)
Net profit for the period		26,064,116	1,080,765	21,667,678	17,541,876
Basic earnings per share	13	0.072	0.003	0.060	0.048

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, 2021
(UNAUDITED)**

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

	<u>Notes</u>	<u>Six months ended</u>		<u>Three months ended</u>	
		June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Net profit for the period		26,064,116	1,080,765	21,667,678	17,541,876
Other comprehensive income for the period					
Changes in fair value of investments at FVTOCI	6 (A)	(4,488,465)	(18,086,469)	(28,747,255)	4,009,020
Profit/ (Loss) from sale of investments at FVTOCI		1,195,443	(1,365)	905,321	-
Total other comprehensive (loss) / income		(3,293,022)	(18,087,834)	(27,841,934)	4,009,020
Total comprehensive income / (loss) for the period		22,771,094	(17,007,069)	(6,174,256)	21,550,896

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, 2021
(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, 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
Balance at December 31, 2020	363,000,000	38,970,935	(82,032,136)	297,085,855	25,190,484	642,215,138
Net profit for the period	-	-	-	-	26,064,116	26,064,116
Other comprehensive (loss)	-	-	(4,488,465)	-	1,195,443	(3,293,022)
Total comprehensive income for the period	-	-	(4,488,465)	-	27,259,559	22,771,094
Dividends distribution	-	-	-	-	(18,150,000)	(18,150,000)
Board of director's remuneration	-	-	-	-	(1,350,000)	(1,350,000)
Transfer to retained earnings on sale of investment at FVTOCI	-	-	4,305,405	-	(4,305,405)	-
Balance at June 30, 2021	363,000,000	38,970,935	(82,215,196)	297,085,855	28,644,638	645,486,232

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

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30,
2021**

(UNAUDITED)

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

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Cash flows from operating activities		
Net profit for the period	26,064,116	1,080,765
Adjustment for: -		
Provision for staff indemnity	37,237	(64,187)
Profit from investment in shares	(19,140,558)	(23,732,189)
Changes in fair value of investments at FVTPL	(9,676,758)	19,873,569
Finance cost	575,081	1,022,616
Bank interest	(1,746)	-
	-----	-----
Operating (loss) before working capital changes	(2,142,628)	(1,819,426)
Trade and other receivables	(2,944,725)	591,370
Trade and other payables	(313,018)	(79,448)
	-----	-----
Cash used in operating activities	(5,400,371)	(1,307,504)
Finance cost paid	(575,081)	(1,022,616)
Net movement in investment in shares	(102,974,619)	(119,994,881)
Proceed from investments sale and dividends received	20,336,001	23,401,946
	-----	-----
Net cash flows (used in) operating activities	(88,614,070)	(98,923,055)
	-----	-----
Cash flows from investing activities		
Bank interest received	1,746	-
	-----	-----
Net cash flows from investing activities	1,746	-
	-----	-----
Cash flows from financing activities		
Paid to shareholders	(16,494,768)	(13,568,836)
Board of Directors' remuneration paid	(1,350,000)	(1,400,000)
Bank overdraft	89,939,449	99,241,716
	-----	-----
Net cash flows from financing activities	72,094,681	84,272,880
	-----	-----
Net (decrease) in cash and cash equivalents	(16,517,643)	(14,650,175)
Cash and cash equivalents at the beginning of the period	26,827,043	16,620,007
	-----	-----
Cash and cash equivalents at the end of the period	10,309,400	1,969,832
	=====	=====

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, 2021

(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, 2020.

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, 2021 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2021.

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, 2020 subject to the matters discussed in the "Impact of COVID -19" Note No.16.

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, 2020. 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, 2021

(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 2021 and in the future.

3- SIGNIFICANT ACCOUNTING POLICIES

New standards and amendments effective from January 1, 2020

- **Amendments to IFRS 3: Definition of a Business**

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, and add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments apply prospectively to transactions or other events that occur on or after the date of first application, therefore, the Company will not be affected by these amendments on the date of transition.

- **Amendments to IAS 1 and IAS 8: Definition of Material**

In October 2018, the IASB issued amendments to IAS 1 "Presentation of Interim Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose interim financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

- **Impact of the initial application of Covid-19- Related Rent concessions Amendment to IFRS 16**

In May 2020, the IASB issued Covid-19- Related Rent concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19- related rent concession the same way it would account if the change was not a lease modification as applied in IFRS 16.

The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and

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(UNAUDITED)

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

- c) There is no substantive change to other terms and conditions of the lease.
- According to the above, the management believes that there is no impact for this amended on the financial statements of the company.

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

The new and amended standards and interpretations those are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

• **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are retrospectively effective for annual periods beginning on or after January 1, 2023, with early application permitted.

• **Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 "Inventories".

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

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UMM AL QAIWAIN - UNITED ARAB EMIRATES**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

(UNAUDITED)

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

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- **Other standards whose application is not expected to have an impact on the Company's financial statements when they become effective as follows:**

Effective date	Description
January 1, 2023	IFRS 17 "Insurance Contracts"
Amendments whose effective date not determined yet	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

(UNAUDITED)

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

The following is maturity table for the financial liabilities as of June 30, 2021:

	<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					
Trade and other payables	-	48,833,877	-	-	48,833,877
Bank overdraft	89,939,449	-	-	-	89,939,449
	-----	-----	-----	-----	-----
Total liabilities	89,939,449	48,833,877	-	-	138,773,326
	=====	=====	=====	=====	=====

The following is maturity table for the financial liabilities as of December 31, 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					
Trade and other payables	-	47,491,663	-	-	47,491,663
	-----	-----	-----	-----	-----
Total liabilities	-	47,491,663	-	-	47,491,663
	=====	=====	=====	=====	=====

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					
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	-	-	150,434,554
	=====	=====	=====	=====	=====

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, 2021 comprise of investment in financial assets amounting to AED 440,583,670.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

(UNAUDITED)

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

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 June 30, 2021 are as follows: -

	<u>Type of foreign currency</u>	<u>Carrying value in UAE Dirham</u>
Financial assets - Kuwait	KD	51,066,266
Cash at banks - Kuwait	KD	3,633,167
Financial assets - Oman	OMR	957,592
Cash at banks - Oman	OMR	339,365

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 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 2020) is evaluated by independent evaluators at end of the financial year. The lands have an area of 10,671,317 square feet.

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(UNAUDITED)

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

6- INVESTMENTS IN SECURITIES

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

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
Quoted	256,334,995	277,744,518	284,580,358
Unquoted	2,232,094	1,782,560	2,045,964
	-----	-----	-----
	258,567,089	279,527,078	286,626,322
	=====	=====	=====

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

Quoted

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
In UAE	221,474,123	246,278,429	252,026,461
In GCC countries	34,860,872	31,466,089	32,553,897
	-----	-----	-----
	256,334,995	277,744,518	284,580,358
	=====	=====	=====

Unquoted

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
In UAE	-	-	-
In GCC countries	2,232,094	1,782,560	2,045,964
	-----	-----	-----
	2,232,094	1,782,560	2,045,964
	=====	=====	=====

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The transactions during the period over these investments as follows:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
Balance at January 1	279,527,078	256,702,353	256,702,353
Net movement during the year	(16,471,524)	27,207,318	48,010,438
Changes in investment revaluation	(4,488,465)	(4,382,593)	(18,086,469)
	----- 258,567,089 =====	----- 279,527,078 =====	----- 286,626,322 =====

The investments above includes shares amounting of AED 110,678,514 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:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
In UAE	167,085,689	37,720,009	127,329,638
In GCC countries	14,930,892	15,173,671	11,140,850
	----- 182,016,581 =====	----- 52,893,680 =====	----- 138,470,488 =====

The transactions during the period over these investments as follows:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
Balance at January 1	52,893,680	86,359,614	86,359,614
Net movement during the year	119,446,143	(27,771,199)	71,984,443
Changes in investment revaluation	9,676,758	(5,694,735)	(19,873,569)
	----- 182,016,581 =====	----- 52,893,680 =====	----- 138,470,488 =====

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7- TRADE AND OTHER RECEIVABLES

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
Receivables on investment in shares	-	-	328,878
Cash balance with brokers	3,130,480	91,736	122,498
Prepaid expense	-	90,000	90,000
Due from the staff	102,183	102,183	102,583
Bank guarantees	1,590	1,590	28,590
Others	49,583	53,602	31,499
	3,283,836	339,111	704,048

8- CASH AND CASH EQUIVALENT

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	June 30, 2020 (Unaudited)
Cash on hand	21,917	32,496	42,218
Cash at banks- UAE	6,314,951	25,712,346	38,483
Cash at banks - Kuwait	3,633,167	742,836	1,549,766
Cash at banks - Oman	339,365	339,365	339,365
	10,309,400	26,827,043	1,969,832

9- SHARE CAPITAL

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

10- 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.

11- BANK OVERDRAFT

The bank overdraft as shown in Exhibit A amounting to AED 89,939,449 represents the withdrawn overdraft balances from bank facilities granted to the Company from local banks in the United Arab Emirates.

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12- GENERAL AND ADMINISTRATION EXPENSES

	<u>The Six months ended</u>		<u>The Three months ended</u>	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Salaries and wages	1,085,637	1,097,046	626,885	609,894
End of services benefits	37,236	19,574	28,048	9,153
Leave expenses	54,971	62,904	32,337	30,408
Water and electricity	13,500	13,800	7,500	7,000
Professional fees	63,651	128,752	38,651	93,752
Sundry expenses	924,869	435,763	346,237	271,189
	2,179,864	1,757,839	1,079,658	1,021,396

13- BASIC EARNINGS PER SHARE

	<u>The Six months ended</u>		<u>The Three months ended</u>	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Profit for the period	26,064,116	1,080,765	21,667,678	17,541,876
Average number of ordinary share	363,000,000	363,000,000	363,000,000	363,000,000
Basic earnings per share	0.072	0.003	0.06	0.048

14- 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, 2021	December 31, 2020	June 30, 2020
In UAE	729,014,319	640,809,842	710,974,641
In GCC countries	56,088,127	49,702,610	47,721,589
	785,102,446	690,512,452	758,696,230

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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:

1- <u>Investments at FVTOCI</u>	<u>June 30, 2021</u>		<u>December 31, 2020</u>		<u>June 30, 2020</u>		<u>June 30, 2021</u>	<u>Total</u> December 31, 2020	June 30, 2020
	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>			
Banking sector	164,119,735	9,864,652	191,033,849	9,082,524	190,320,709	11,226,034	173,984,387	200,116,373	201,546,743
Finance and investment sector	9,506,420	7,606,254	8,996,200	6,429,259	6,810,700	6,239,125	17,112,674	15,425,459	13,049,825
Real estate sector	17,678,332	7,927,002	14,210,666	7,243,761	28,441,725	7,071,982	25,605,334	21,454,427	35,513,707
Industrial sector	356,945	5,280,848	2,276,860	3,893,765	2,081,444	4,018,770	5,637,793	6,170,625	6,100,214
Service sector	13,629,000	-	14,951,000	-	11,215,000	-	13,629,000	14,951,000	11,215,000
Energy sector	8,056,027	-	6,839,481	-	6,140,206	-	8,056,027	6,839,481	6,140,206
Telecommunication sector	-	6,414,210	312,495	6,599,340	277,170	6,043,950	6,414,210	6,911,835	6,321,120
Insurance sector	8,127,664	-	7,657,878	-	6,739,507	-	8,127,664	7,657,878	6,739,507
	221,474,123	37,092,966	246,278,429	33,248,649	252,026,461	34,599,861	258,567,089	279,527,078	286,626,322
2- <u>Investments at FVTPL</u>									
Banking sector	6,748,000	7,864,030	619,866	5,889,726	4,401,720	1,470,573	14,612,030	6,509,592	5,872,293
Finance and investment sector	39,342,280	5,030,694	1,652,722	5,875,354	11,568,000	6,847,149	44,372,974	7,528,076	18,415,149
Real estate sector	11,079,668	1,731,229	4,280,834	1,558,499	71,248,275	1,562,029	12,810,897	5,839,333	72,810,304
Industrial sector	3,545,439	304,939	159,071	1,850,092	11,519,804	1,261,099	3,850,378	2,009,163	12,780,903
Energy sector	36,238,973	-	18,864,519	-	16,294,794	-	36,238,973	18,864,519	16,294,794
Insurance sector	67,869,674	-	12,142,997	-	12,297,045	-	67,869,674	12,142,997	12,297,045
Service sector	2,261,655	-	-	-	-	-	2,261,655	-	-
	167,085,689	14,930,892	37,720,009	15,173,671	127,329,638	11,140,850	182,016,581	52,893,680	138,470,488
Total	388,559,812	52,023,858	283,998,438	48,422,320	379,356,099	45,740,711	440,583,670	332,420,758	425,096,810

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15- 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, 2021

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	182,016,581	-	182,016,581
Quoted equity investments – FVTOCI	256,334,995	-	256,334,995
Unquoted equity investments- FVTOCI	-	2,232,094	2,232,094
	-----	-----	-----
	438,351,576	2,232,094	440,583,670
	=====	=====	=====

As at December 31, 2020

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
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
	-----	-----	-----
	330,638,198	1,782,560	332,420,758
	=====	=====	=====

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
	=====	=====	=====

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16- 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, 2021.

17- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Deputy Chairman Mr. Ahmed Sultan Essa Al-Jaber on 10 August 2021.