

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 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 September 30, 2021, the related condensed interim statements of profit or loss, other comprehensive income, changes in shareholder's equity and cash flows for the nine 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.
November 6, 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 SEPTEMBER 30, 2021
(UNAUDITED)

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

	Notes	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 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)	238,075,879	279,527,078	278,970,446
Total non-current assets		569,001,419	610,452,618	609,895,986
Current assets				
Investments at fair value through profit or loss (FVTPL)	6 (B)	209,137,473	52,893,680	81,177,690
Trade and other receivables	7	290,962	339,111	369,389
Cash and cash equivalent	8	23,551,761	26,827,043	798,530
Total current assets		232,980,196	80,059,834	82,345,609
Total assets		801,981,615	690,512,452	692,241,595
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		(96,547,256)	(82,032,136)	(92,613,558)
Land revaluation reserve		297,085,855	297,085,855	297,085,855
Retained earnings		44,220,342	25,190,484	17,168,346
Total shareholders' equity		646,729,876	642,215,138	621,699,067
Non-current liabilities				
Provision for indemnity		851,566	805,651	796,368
Total non-current liabilities		851,566	805,651	796,368
Current liabilities				
Trade and other payables		47,090,478	47,491,663	47,632,458
Bank overdraft	11	107,309,695	-	22,113,702
Total current liabilities		154,400,173	47,491,663	69,746,160
Total liabilities		155,251,739	48,297,314	70,542,528
Total shareholder's equity and liabilities		801,981,615	690,512,452	692,241,595


Mohammed Salem Abdulla Salem Al Hosani
Managing Director

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

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

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021
(UNAUDITED)**

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

	Notes	Nine months ended		Three months ended	
		September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Revenues					
Profit from investment in shares		21,804,770	25,277,195	2,664,212	1,545,006
Changes in fair value of investment at FVTPL	6 (B)	24,024,150	(12,572,633)	14,347,392	7,300,936
Other income		8,246	54,914	6,500	52,314
Total revenues		45,837,166	12,759,476	17,018,104	8,898,256
Expenses and other charges					
Finance costs		1,155,645	1,508,743	580,563	486,127
General and administration expenses	12	2,815,303	3,019,023	635,439	1,261,184
Total expenses and other charges		(3,970,948)	(4,527,766)	(1,216,002)	(1,747,311)
Net profit for the period		41,866,218	8,231,710	15,802,102	7,150,945
Basic earnings per share	13	0.115	0.023	0.043	0.020

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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**INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

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

	<u>Notes</u>	<u>Nine months ended</u>		<u>Three months ended</u>	
		September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Net profit for the period		41,866,218	8,231,710	15,802,102	7,150,945
Other comprehensive income for the period					
Changes in fair value of investments at FVTOCI	6 (A)	(19,947,297)	(13,314,430)	(15,458,832)	5,083,711
Profit from sale of investments at FVTOCI		2,095,817	2,300,059	900,374	1,989,752
Total other comprehensive (loss) / Gain		(17,851,480)	(11,014,371)	(14,558,458)	7,073,463
Total comprehensive Gain / (loss) for the period		24,014,738	(2,782,661)	1,243,644	14,224,408

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 NINE MONTHS ENDED SEPTEMBER 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	-	-	-	-	8,231,710	8,231,710
Other comprehensive (loss)	-	-	(13,314,430)	-	2,300,059	(11,014,371)
Total comprehensive (loss) for the period	-	-	(13,314,430)	-	10,531,769	(2,782,661)
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	-	-	1,978,260	-	(1,978,260)	-
Balance at September 30, 2020	363,000,000	37,058,424	(92,613,558)	297,085,855	17,168,346	621,699,067
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	-	-	-	-	41,866,218	41,866,218
Other comprehensive (loss)	-	-	(19,947,297)	-	2,095,817	(17,851,480)
Total comprehensive (profit) for the period	-	-	(19,947,297)	-	43,962,035	24,014,738
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	-	-	5,432,177	-	(5,432,177)	-
Balance at September 30, 2021	363,000,000	38,970,935	(96,547,256)	297,085,855	44,220,342	646,729,876

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

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021
(UNAUDITED)**

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

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Cash flows from operating activities		
Net profit for the period	41,866,218	8,231,710
Adjustment for: -		
Provision for staff indemnity	45,916	(54,836)
Profit from investment in shares	(21,804,770)	(25,277,195)
Changes in fair value of investments at FVTPL	(24,024,150)	12,572,633
Finance cost	1,155,645	1,508,743
Bank interest	(1,746)	-
	-----	-----
Operating (loss) before working capital changes	(2,762,887)	(3,018,945)
Trade and other receivables	48,149	85,647
Trade and other payables	(415,403)	194,008
	-----	-----
Cash used in operating activities	(3,130,141)	(2,739,290)
Finance cost paid	(1,155,645)	(1,508,743)
Net movement in investment in shares	(110,715,741)	(42,973,232)
Proceed from investments sale and dividends received	23,900,587	28,088,758
	-----	-----
Net cash flows (used in) operating activities	(91,100,940)	(19,132,507)
	-----	-----
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	(18,135,783)	(15,895,648)
Board of Directors' remuneration paid	(1,350,000)	(1,400,000)
Bank overdraft	107,309,695	20,606,678
	-----	-----
Net cash flows from financing activities	87,823,912	3,311,030
	-----	-----
Net (decrease) in cash and cash equivalents	(3,275,282)	(15,821,477)
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	23,551,761	798,530
	=====	=====

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

**UMM AL QAIWAIN GENERAL INVESTMENTS COMPANY P.S.C.
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED
SEPTEMBER 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 Nine-month period ended September 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.

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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

The accounting policies used in the preparation of the condensed interim financial statements have been applied similarly with those used in the preparation of the annual financial statements of the company, except for the application of amendments to standards as mentioned below.

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;

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- 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
- 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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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 NINE MONTHS ENDED
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(UNAUDITED)
(All amounts are in U.A.E. Dirhams)**

The following is maturity table for the financial liabilities as of September 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	-	47,090,478	-	-	47,090,478
Bank overdraft	107,309,695	-	-	-	107,309,695
	-----	-----	-----	-----	-----
Total liabilities	107,309,695	47,090,478	-	-	154,400,173
	=====	=====	=====	=====	=====

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 September 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	-	47,632,458	-	-	47,632,458
Bank overdraft	22,113,702	-	-	-	22,113,702
	-----	-----	-----	-----	-----
Total liabilities	22,113,702	47,632,458	-	-	69,746,160
	=====	=====	=====	=====	=====

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 September 30, 2021 comprise of investment in financial assets amounting to AED 447,213,352.

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(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 September 30, 2021 are as follows: -

	<u>Type of foreign currency</u>	<u>Carrying value in UAE Dirham</u>
Financial assets - Kuwait	KD	48,354,703
Cash at banks - Kuwait	KD	10,785,595
Financial assets - Oman	OMR	853,300
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- LANDS

Lands 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.

**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 NINE MONTHS ENDED
SEPTEMBER 30, 2021**

(UNAUDITED)

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

6- INVESTMENTS IN SECURITIES

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

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
Quoted	235,598,348	277,744,518	277,605,367
Unquoted	2,477,531	1,782,560	1,365,079
	-----	-----	-----
	238,075,879	279,527,078	278,970,446
	=====	=====	=====

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

Quoted

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
In UAE	203,670,243	246,278,429	243,382,113
In GCC countries	31,928,105	31,466,089	34,223,254
	-----	-----	-----
	235,598,348	277,744,518	277,605,367
	=====	=====	=====

Unquoted

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
In UAE	-	-	-
In GCC countries	2,477,531	1,782,560	1,365,079
	-----	-----	-----
	2,477,531	1,782,560	1,365,079
	=====	=====	=====

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The transactions during the period over these investments as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
Balance at January 1	279,527,078	256,702,353	256,702,353
Net movement during the year	(21,503,902)	27,207,318	35,582,523
Changes in investment revaluation	(19,947,297)	(4,382,593)	(13,314,430)
	-----	-----	-----
	238,075,879	279,527,078	278,970,446
	=====	=====	=====

The investments above includes shares amounting of AED 100,780,974 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:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
In UAE	194,335,105	37,720,009	70,238,624
In GCC countries	14,802,368	15,173,671	10,939,066
	-----	-----	-----
	209,137,473	52,893,680	81,177,690
	=====	=====	=====

The transactions during the period over these investments as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
Balance at January 1	52,893,680	86,359,614	86,359,614
Net movement during the year	132,219,643	(27,771,199)	7,390,709
Changes in investment revaluation	24,024,150	(5,694,735)	(12,572,633)
	-----	-----	-----
	209,137,473	52,893,680	81,177,690
	=====	=====	=====

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(UNAUDITED)

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7- TRADE AND OTHER RECEIVABLES

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
Cash balance with brokers	138,439	91,736	106,614
Prepaid expense	-	90,000	90,000
Due from the staff	103,684	102,183	102,583
Bank guarantees	1,590	1,590	1,590
Others	47,249	53,602	68,602
	-----	-----	-----
	290,962	339,111	369,389
	=====	=====	=====

8- CASH AND CASH EQUIVALENTS

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2020 (Unaudited)
Cash on hand	28,814	32,496	39,837
Cash at banks- UAE	12,397,987	25,712,346	38,561
Cash at banks - Kuwait	10,785,595	742,836	380,767
Cash at banks - Oman	339,365	339,365	339,365
	-----	-----	-----
	23,551,761	26,827,043	798,530
	=====	=====	=====

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 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 Nine months ended</u>		<u>The Three months ended</u>	
	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Salaries and wages	1,550,778	1,566,148	465,141	469,102
End of services benefits	46,664	28,925	9,428	9,351
Leave expenses	87,163	95,130	32,192	32,226
Water and electricity	22,500	21,800	9,000	8,000
Professional fees	88,651	160,100	25,000	31,348
Sundry expenses	1,019,547	1,146,920	94,678	711,157
	2,815,303	3,019,023	635,439	1,261,184

13- BASIC EARNINGS PER SHARE

	<u>The Nine months ended</u>		<u>The Three months ended</u>	
	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Profit for the period	41,866,218	8,231,710	15,802,102	7,150,945
Average number of ordinary share	363,000,000	363,000,000	363,000,000	363,000,000
Basic earnings per share	0.115	0.023	0.043	0.020

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:

	September 30, 2021	December 31, 2020	September 30, 2020
In UAE	741,556,916	640,809,842	644,902,328
In GCC countries	60,424,699	49,702,610	47,339,267
	801,981,615	690,512,452	692,241,595

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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:

1- <u>Investments at FVTOCI</u>	<u>September 30, 2021</u>		<u>December 31, 2020</u>		<u>September 30, 2020</u>		<u>September 30, 2021</u>	<u>Total</u> <u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>	<u>UAE</u>	<u>GCC</u>			
Banking sector	142,223,196	5,381,488	191,033,849	9,082,524	190,316,775	12,840,665	147,604,684	200,116,373	203,157,440
Finance and investment sector	10,365,190	8,617,578	8,996,200	6,429,259	7,351,200	5,819,895	18,982,768	15,425,459	13,171,095
Real estate sector	18,459,699	8,427,524	14,210,666	7,243,761	17,523,616	6,747,401	26,887,223	21,454,427	24,271,017
Industrial sector	231,397	5,455,936	2,276,860	3,893,765	2,098,649	3,929,512	5,687,333	6,170,625	6,028,161
Service sector	15,048,000	-	14,951,000	-	12,424,000	-	15,048,000	14,951,000	12,424,000
Energy sector	10,153,851	-	6,839,481	-	6,801,165	-	10,153,851	6,839,481	6,801,165
Telecommunication sector	-	6,523,110	312,495	6,599,340	288,039	6,250,860	6,523,110	6,911,835	6,538,899
Insurance sector	7,188,910	-	7,657,878	-	6,578,669	-	7,188,910	7,657,878	6,578,669
	<u>203,670,243</u>	<u>34,405,636</u>	<u>246,278,429</u>	<u>33,248,649</u>	<u>243,382,113</u>	<u>35,588,333</u>	<u>238,075,879</u>	<u>279,527,078</u>	<u>278,970,446</u>
2- <u>Investments at FVTPL</u>									
Banking sector	7,251,355	7,541,454	619,866	5,889,726	4,884,237	2,547,507	14,792,809	6,509,592	7,431,744
Finance and investment sector	40,923,510	5,199,500	1,652,722	5,875,354	14,559,846	5,010,488	46,123,010	7,528,076	19,570,334
Real estate sector	6,891,301	1,766,004	4,280,834	1,558,499	24,931,850	1,485,387	8,657,305	5,839,333	26,417,237
Industrial sector	18,820,000	295,410	159,071	1,850,092	163,855	1,895,684	19,115,410	2,009,163	2,059,539
Service sector	4,036,224	-	-	-	-	-	4,036,224	-	-
Energy sector	32,246,149	-	18,864,519	-	18,048,836	-	32,246,149	18,864,519	18,048,836
Telecommunication sector	5,120,000	-	-	-	-	-	5,120,000	-	-
Insurance sector	79,046,566	-	12,142,997	-	7,650,000	-	79,046,566	12,142,997	7,650,000
	<u>194,335,105</u>	<u>14,802,368</u>	<u>37,720,009</u>	<u>15,173,671</u>	<u>70,238,624</u>	<u>10,939,066</u>	<u>209,137,473</u>	<u>52,893,680</u>	<u>81,177,690</u>
Total	<u>398,005,348</u>	<u>49,208,004</u>	<u>283,998,438</u>	<u>48,422,320</u>	<u>313,620,737</u>	<u>46,527,399</u>	<u>447,213,352</u>	<u>332,420,758</u>	<u>360,148,136</u>

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(UNAUDITED)

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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 September 30, 2021

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	209,137,473	-	209,137,473
Quoted equity investments – FVTOCI	235,598,348	-	235,598,348
Unquoted equity investments- FVTOCI	-	2,477,531	2,477,531
	-----	-----	-----
	444,735,821	2,477,531	447,213,352
	=====	=====	=====

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 September 30, 2020

	<u>Level one</u>	<u>Level two</u>	<u>Total</u>
Quoted equity investments – FVTPL	81,177,690	-	81,177,690
Quoted equity investments – FVTOCI	277,605,367	-	277,605,367
Unquoted equity investments- FVTOCI	-	1,365,079	1,365,079
	-----	-----	-----
	358,783,057	1,365,079	360,148,136
	=====	=====	=====

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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 September 30, 2021.

17- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 6 November 2021.