

ESHRAQ INVESTMENTS PJSC

**Review report and condensed
consolidated financial information
for the nine-month period ended
30 September 2020**

ESHRAQ INVESTMENTS PJSC

Review report and condensed consolidated interim financial information for the nine-month period ended 30 September 2020

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ESHRAQ INVESTMENTS PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Eshraq Investments PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2020 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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 Auditor of the Entity*. A review of condensed consolidated interim 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 condensed consolidated interim financial information is not prepared, in all material respects in accordance with IAS 34 *Interim Financial Reporting*.

Deloitte & Touche (M.E.)



Muhammad Khamees Al Tah
Registration No. 717
1 November 2020
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
at 30 September 2020**

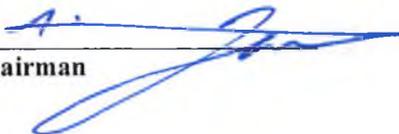
		30 September 2020	31 December 2019
	Notes	AED'000 (unaudited)	AED'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	5	102,746	106,501
Investment properties	6	886,701	841,440
Investment properties under development	7	187,844	184,397
Financial assets at fair value through other comprehensive income	8	100,690	109,676
Debt investment at amortised cost	9	-	40,000
Other receivables		827	1,381
Total non-current assets		1,278,808	1,283,395
Current assets			
Inventories		70	64
Trade and other receivables	11	15,725	22,820
Financial assets at fair value through profit or loss	10	263,057	185,201
Debt investment at amortised cost	9	-	39,558
Due from a related party	21	1,538	744
Wakala investment	13	85,000	-
Cash and bank balances	12	27,200	143,664
Total current assets		392,590	392,051
Total assets		1,671,398	1,675,446
EQUITY AND LIABILITIES			
Equity			
Share capital	14	2,325,000	2,325,000
Treasury shares	14	(15,609)	(9,189)
Statutory reserve	15	137,283	137,283
Accumulated losses		(997,732)	(994,096)
Investment revaluation reserve	16	(54,806)	(45,820)
Total equity		1,394,136	1,413,178
Non-current liabilities			
Provision for employees' end of service benefits	17	835	700
Lease liability	18	4,992	4,810
Bank borrowings	19	194,309	158,811
Total non-current liabilities		200,136	164,321

The accompanying notes form an integral part of the condensed consolidated financial statements.

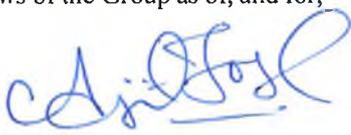
**Condensed consolidated statement of financial position
at 30 September 2020 (continued)**

		30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
	Notes		
Current liabilities			
Trade and other payables	20	32,552	56,866
Lease liability	18	1,731	1,697
Bank borrowings	19	42,843	39,384
Total current liabilities		<u>77,126</u>	<u>97,947</u>
Total liabilities		<u>277,262</u>	<u>262,268</u>
Total equity and liabilities		<u>1,671,398</u>	<u>1,675,446</u>

To the best of our knowledge, the condensed consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.



Chairman



Director

**Condensed consolidated statement of profit or loss
for the nine-month period ended 30 September 2020**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2020	2019	2020	2019
		AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)
Revenue from commercial operations		3,903	5,098	13,208	17,158
Direct operating expenses		(2,672)	(2,957)	(8,135)	(8,833)
Gross profit from commercial operations		1,231	2,141	5,073	8,325
Finance income		3,141	4,643	13,541	13,839
Finance costs		(1,745)	(1,661)	(6,637)	(4,816)
Net finance income		1,396	2,982	6,904	9,023
Dividend income		-	-	6,762	4,247
Changes in fair value of financial assets at fair value through profit or loss	10	24,035	1,491	(10,379)	(12)
Net gain/(loss) from investments		24,035	1,491	(3,617)	4,235
Total operating income		26,662	6,614	8,360	21,583
General and administrative expenses		(3,440)	(2,845)	(9,589)	(10,193)
Fair value loss on investment properties	6	-	-	(2,387)	(2,567)
Impairment loss on debt investments at amortised cost	9	-	(32)	442	(435)
Selling and marketing expenses		(163)	(268)	(472)	(895)
Other income / (expenses)		1	4	10	(8)
Profit/(loss) for the period		23,060	3,473	(3,636)	7,485
Basic and diluted earnings/(loss) per share (AED)	22	0.0101	0.0015	(0.0016)	0.0032

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income
for the nine-month period ended 30 September 2020**

	Three-month ended 30 September		Nine-month ended 30 September	
	2020 AED '000 (unaudited)	2019 AED '000 (unaudited)	2020 AED '000 (unaudited)	2019 AED '000 (unaudited)
Profit/(loss) for the period	23,060	3,473	(3,636)	7,485
Other comprehensive income:				
<i>Item that will not be reclassified to profit or loss</i>				
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	5,537	(171)	(8,986)	955
Total other comprehensive income/(loss)	5,537	(171)	(8,986)	955
Total comprehensive income /(loss) for the period	28,597	3,302	(12,622)	8,440

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2020**

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Accumulated losses AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2019 (audited)	2,325,000	(9,189)	137,283	(983,442)	(26,096)	1,443,556
Profit for the period	-	-	-	7,485	-	7,485
Other comprehensive income for the period	-	-	-	-	955	955
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	7,485	955	8,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfer to statutory reserve	-	-	748	(748)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2019 (unaudited)	2,325,000	(9,189)	138,031	(976,705)	(25,141)	1,451,996
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2020 (audited)	2,325,000	(9,189)	137,283	(994,096)	(45,820)	1,413,178
Loss for the period	-	-	-	(3,636)	-	(3,636)
Other comprehensive loss for the period	-	-	-	-	(8,986)	(8,986)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	-	(3,636)	(8,986)	(12,622)
Treasury shares purchased (Note 14)	-	(6,420)	-	-	-	(6,420)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2020 (unaudited)	2,325,000	(15,609)	137,283	(997,732)	(54,806)	1,394,136
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of the condensed consolidated financial statements.

Condensed consolidated statement of cash flows for the nine-month period ended 30 September 2020

	Notes	Nine-month ended 30 September	
		2020 AED'000 (unaudited)	2019 AED'000 (unaudited)
Cash flows from operating activities			
Profit/(loss) for the period		(3,636)	7,485
<i>Adjustments for:</i>			
Change in fair value of financial assets at FVTPL	10	10,379	12
Depreciation of property and equipment	5	4,045	3,820
Net fair value loss on investment properties	6	2,387	2,567
Amortisation of borrowing cost	19	473	-
Provision for employees' end of service benefits	17	155	158
(Reversal)/provision for impairment loss on debt investments at amortised cost	9	(442)	435
Finance income		(13,541)	(13,839)
Finance costs		6,164	4,816
Dividend income		(6,762)	(4,247)
Operating cash flows before changes in working capital		(778)	1,207
Increase in trade and other receivables		(4,086)	(2,534)
(Increase)/decrease in inventories		(6)	3
(Increase)/decrease in due from a related party		(794)	29,873
(Decrease)/increase in trade and other payables		(28,329)	1,529
Cash (used in)/generated from operating activities		(33,993)	30,078
Employees' end of service benefits paid	17	(20)	(50)
Net cash (used in)/generated from operating activities		(34,013)	30,028
Cash flows from investing activities			
Interest received		16,731	11,765
Purchase of debt investments at amortised cost		(10,000)	(38,000)
Proceeds from sales of financial assets at FVTPL		35,656	32,630
Payments for investment properties		(1,578)	(697)
Payments for purchase of property and equipment		(290)	(3,410)
Payments for investment properties under development		(39,394)	(35,254)
Dividends received		6,762	4,247
Purchase of financial assets at FVTPL		(29,867)	(28,277)
Proceeds from restricted cash		8,194	-
Placement of wakala investment		(85,000)	-
Term deposits placed		-	(49,050)
Term deposits released		51,250	-
Net cash used in investing activities		(47,536)	(106,046)
Cash flows from financing activities			
Finance costs paid		(4,930)	(4,341)
Net movement in loan from a related party		-	617
Payment of loan issuance cost	19	(40)	-
Repayment of bank borrowings	19	(39,540)	(3,587)
Proceeds from bank borrowings	19	75,510	7,690
Treasury shares purchased	14	(6,420)	-
Payment of lease liability	18	(51)	(1,232)
Net cash generated from/(used in) financing activities		24,529	(853)
Net decrease in cash and cash equivalents		(57,020)	(76,871)
Cash and cash equivalents at 1 January		74,057	110,917
Cash and cash equivalents at 30 September	12	17,037	34,046
Non-cash transaction:			
Transfer of debt investments at amortised cost to FVTPL		94,024	-

The accompanying notes form an integral part of these condensed consolidated financial information.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020**

1 General information

Eshraq Investments PJSC (formerly Eshraq Properties PJSC) (the “Company”) was initially registered as a private joint stock company in the Emirate of Abu Dhabi on 24 December 2006. On 7 July 2011, the Company converted to a public joint stock company. The Company is listed on the Abu Dhabi Securities Exchange.

The Company is registered under commercial license No. 1005631 and Abu Dhabi Chamber of Commerce and Industry membership No. 223393. The registered head office of the Company is at P.O. Box 108737, Abu Dhabi, United Arab Emirates (“UAE”).

The Company’s shareholders passed the resolution to amend the name of the Company from Eshraq Properties PJSC to Eshraq Investments PJSC. The change in name was approved by the Securities and Commodities Authority (“SCA”) on 11 February 2019 and by the Department of Economic Development on 10 January 2019.

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services. The Company also owns a hotel apartment building.

The principal activities, country of incorporation and operation, and ownership interest of the Company in its subsidiaries are set out below:

<u>Name of the subsidiary</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	<u>Principal activities</u>
Nuran Marina Serviced Residence LLC*	UAE	100	Hotel apartments
Eshraq International Company LLC	Cayman Islands	100	Real estate
Eshraq Management Ltd**	UAE	100	Asset management

* Eshraq International Company LLC has a 49% ownership in Nuran Marina Serviced Residence LLC and the remaining 51% is held by the heirs of a former board member on behalf of the Company who had irrecoverably assigned the beneficial ownership to Eshraq International Company LLC.

** Eshraq Management Ltd is an entity registered at Abu Dhabi Global Market. The entity is currently dormant.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

2 Application of new and revised International Financial Reporting Standards (“IFRSs”)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

In the current period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2020. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for the Group’s future transactions or arrangements.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Definition of Material - Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Definition of a Business – Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to <i>References to the Conceptual Framework in IFRS Standards</i>	1 January 2020
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> and IFRS 9- <i>Financial Instruments</i>	1 January 2020

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2020.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures (2011)</i>	Effective date deferred indefinitely. Adoption is still permitted.
Amendments to IAS 1 <i>Presentation of Financial Statements</i>	1 January 2023
Amendments to IFRS 3 <i>Business Combination</i>	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i>	1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2022
Annual improvements to IFRS Standards 2018-2020 Cycle	1 January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the condensed consolidated financial statements of the Group in the period of initial application.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)****3 Summary of significant accounting policies****Statement of compliance**

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019. In addition, results for the nine-month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value, investment properties and investment properties under development, which are carried at fair value.

4 Accounting estimates and judgements

The accounting policies, significant judgements, estimates and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2019, except for the adoption of new standards and interpretations effective 1 January 2020 as stated in Note 2. However, the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of the COVID-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the annual financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

5 Property and equipment

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Carrying amount at the beginning of the period/year	106,501	99,970
Recognition of right-of-use assets (Note 18)	-	8,116
Additions	290	3,556
Depreciation charge for the period/year	(4,045)	(5,141)
	<hr/>	<hr/>
Carrying amount at the end of the period/year	102,746	106,501
	<hr/> <hr/>	<hr/> <hr/>

All of the Group's property and equipment are located in the UAE. Property and equipment includes right-of-use assets over leased office space with a net carrying value of AED 5,411 thousands as of 30 September 2020 (2019: AED 6,570 thousands) (Note 18).

Included in property and equipment, a building used by Nuran Marina Serviced Residences LLC is mortgaged as a security for a loan obtained by the Group from a local bank (Note 19).

The depreciation charge has been allocated in the condensed consolidated statement of profit or loss as follows:

	Nine-month ended 30 September	
	2020 AED'000 (unaudited)	2019 AED'000 (unaudited)
Direct operating expenses	2,472	2,385
General and administrative expenses	1,573	1,435
	<hr/>	<hr/>
	4,045	3,820
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

6 Investment properties

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	841,440	863,769
Additions	1,578	705
Transferred from investment properties under development (Note 7)	46,070	-
Decrease in fair value	(2,387)	(23,034)
	<hr/>	<hr/>
Balance at the end of the period/year	886,701	841,440
	<hr/> <hr/>	<hr/> <hr/>

Investment properties represent certain plots of land located in the UAE, several apartments in a residential building in Dubai and a building in the United States of America.

Investment properties are carried at fair value. Management determined that a fair value loss of AED 2,387 thousands was incurred on an investment property during the nine-month period ended 30 September 2020. This fair value loss was arrived at, on the basis of valuations carried out by an independent valuer not related to the Group. The valuer has the appropriate qualifications and recent experience in the valuation of properties in the relevant location. During the nine-month period ended 30 September 2019, the Group recognised AED 2,567 of fair value loss on its investment properties based on management's internal assessment.

At 30 September 2020, the Group reassessed the fair values of all other investment properties based on internal valuations. The key judgments in estimating the fair values relate to forecasting future rental, expected sales prices and cost to complete. This review did not result in a material change in fair value during the current reporting period. The fair values of the investment properties as at 31 December 2019 were determined by an external property valuer using the comparable method and residual method. The fair values of the investment properties are categorised into level 3 of the fair value hierarchy.

The Group also conducted sensitivity analysis showing the impact of two main value drivers depended on market developments for its major property assets as at 30 September 2020. Those parameters influenced in particular are market rents or sales prices and capitalisation rates. The effect of deviation is shown separately for each parameter while interactions between the parameters are possible but cannot be quantified. Based on this analysis:

- For properties assessed using the income approach, a decrease of capitalisation rates by 50 bps would result in AED 127.2 million increase in the valuation, whilst an increase of 50 bps would result in AED 111.4 million decrease in valuation of those properties; and
- An increase in expected rental rates or sales prices by 10% would result in AED 267.3 million increase in the valuation, whilst a decrease of 10% would result in AED 267.3 million decrease in valuation of those properties.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

6 Investment properties (continued)

During the current period, the management decided to cease the development work planned and carried out for one of Group's property and reinstate the land into its original condition. Accordingly, the related property that previously had been accounted under investment properties under development was transferred to investment properties during the period ended 30 September 2020 (Note 7). Any further costs incurred on back filling and excavation activities were charged to the statement of profit or loss.

During the nine-month period ended 30 September 2020, the Group recognised rental income from letting investment properties of AED 5,948 thousand (30 September 2019: AED 6,450 thousand).

Included in investment properties, a building with a fair value of AED 157,380 thousand is mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2019: AED 157,380 thousand) (Note 19).

7 Investment properties under development

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	184,397	114,215
Additions	49,517	69,683
Transferred to investment properties	(46,070)	-
Increase in fair value	-	499
	<hr/>	<hr/>
Balance at the end of the period/year	187,844	184,397
	<hr/> <hr/>	<hr/> <hr/>

Investment properties under development are carried at fair value. The fair values of the investment properties under development as at 31 December 2019 were determined by an external property valuer using the comparable method and residual method. Management believes that there is no significant change in the fair values of investment properties under development during the nine-month period ended 30 September 2020, based on the management's internal assessment. The fair values of the investment properties are categorised into level 3 of the fair value hierarchy. Sensitivity analysis of the value drivers depended on market developments on investment properties under development included in the Note 6.

During the current period, the management decided to cease the development work planned and carried out for one of Group's property and reinstate the land into its original condition. Accordingly, the related property that previously had been accounted under investment properties under development was transferred to investment properties during the period ended 30 September 2020 (Note 6). Any further costs incurred on back filling and excavation activities were charged to the statement of profit or loss.

Included in investment properties under development, a building and a land with a fair value of AED 187,844 thousand is mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2019: AED 138,328 thousand) (Note 19).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

8 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI. Financial assets at FVOCI breakdown as at the end of the reporting period comprises the following:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Unquoted equity securities (i)	66,947	73,510
Unquoted funds (ii)	33,528	35,890
Quoted equity securities	215	276
	<hr/> 100,690 <hr/>	<hr/> 109,676 <hr/>

- (i) Comprised of 1) an investment in an equity stake of an unlisted entity established in Cayman Islands with the objective to acquire, develop, hold, market, lease, operate, dispose of, sub-divide and otherwise deal with a property situated in the UAE; and 2) an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services.
- (ii) Comprised of 1) an investment in a close-ended real estate fund with the objective to invest in income producing real estate assets in the UAE; 2) an investment in an open-ended fund incorporated in UAE with the objective to generate return from listed equities.

Movement in the balance of financial assets at FVOCI is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	109,676	129,400
Net change in fair value recognised in OCI	(8,986)	(19,724)
	<hr/> 100,690 <hr/>	<hr/> 109,676 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

9 Debt investment at amortised cost

Movement in the debt investment at amortised cost is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	79,558	42,000
Additions	10,000	38,000
Disposals	(90,000)	-
Reversal/(provision) for impairment loss	442	(442)
	<hr/>	<hr/>
Balance at the end of the period/year	-	79,558
Less: non-current portion	-	(40,000)
	<hr/>	<hr/>
Current portion	-	39,558
	<hr/> <hr/>	<hr/> <hr/>

Debt investment at amortised cost included the following:

- (i) a term investment certificates with a lending corporation in the Cayman Islands with initial maturity dates between 15 July 2020 to 15 April 2021. These were denominated in AED and carried an effective interest rate of 9.75% per annum.
- (ii) During 2020, the Group invested in a term investment certificate issued by an UAE based real estate developer with initial project maturity on October 2022. This was denominated in AED and carried a coupon rate of 9.5% per annum.

In June 2020, both investments were swapped in a non-cash transaction into an investment in a closed-ended credit fund established in Cayman Islands whereas the new investment has been classified under the financial assets at fair value through profit or loss (Note 10).

Finance income on debt investment at amortised cost for the period ended 30 September 2020 amounted to AED 4,588 thousand (30 September 2019: AED 5,662 thousand). Accrued interest on debt investment at amortised cost amounted to AED Nil as at 30 September 2020 (31 December 2019: AED 3,597 thousand).

The following table shows the movement in expected credit loss that had been recognised for debt investment at amortised cost in accordance with IFRS 9 using an internally derived model.

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	442	-
Net re-measurement of loss allowance	-	442
Reversal of loss allowance during the period/year	(442)	-
	<hr/>	<hr/>
Balance at the end of the period/year	-	442
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

10 Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss ("FVTPL") comprise financial assets that are held for trading. The financial assets at FVTPL breakdown at the end of the reporting period comprises the following:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Fixed income securities (i)	58,330	55,951
Quoted equity securities (ii)	110,703	129,250
Unquoted funds (iii)	94,024	-
	<hr/> 263,057 <hr/>	<hr/> 185,201 <hr/>

- (i) Comprised of: 1) a listed bond and two listed sukuk denominated in US Dollar (USD) and issued by UAE-based issuers. The debt securities carry a coupon rate of 6.75% - 12%.
- (ii) Comprised of sharia compliant equity shares quoted in UAE and denominated in UAE Dirhams (AED). Part of these securities are held as a collateral for a loan obtained from a local bank (Note 19).
- (iii) Investment in a closed-ended fund established in Cayman Islands with the objective to generate returns from credit exposures into different commercial sectors (Note 9).

Finance income on fixed income securities for the nine-month period ended 30 September 2020 amounted to AED 3,480 thousand (30 September 2019: AED 4,586 thousand). Accrued interest on fixed income securities amounted to AED 1,541 thousand as at 30 September 2020 (31 December 2019: AED 1,156 thousand).

Movement in the balance of financial assets at FVTPL is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	185,201	151,257
Additions	123,891	107,429
Disposals	(35,656)	(74,923)
Net change in fair value recognised in profit or loss	(10,379)	1,438
	<hr/> 263,057 <hr/>	<hr/> 185,201 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

11 Trade and other receivables

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Accrued finance income	4,612	7,802
Advances to suppliers	3,533	9,733
Prepayments	1,548	1,132
Trade receivables	228	587
Other receivables	5,804	3,566
	<hr/>	<hr/>
	15,725	22,820
	<hr/> <hr/>	<hr/> <hr/>

No interest is charged on trade and other receivables. Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management experience and past default history. In determining the recoverability of a receivable balance, the entities consider any change in the credit quality of the receivable balance from the date credit was initially granted up to the end of the reporting period.

As at 30 September 2020, advance to supplier includes payments made to main sub-contractor of AED 1,615 thousand (2019: AED 6,136 thousand) in respect of investment properties under development.

12 Cash and bank balances

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Cash on hand	21	31
Cash at bank	20,679	34,883
Term deposits	6,500	108,750
	<hr/>	<hr/>
	27,200	143,664
Less: short-term deposits with original maturity of more than three months	(6,500)	(57,750)
Less: restricted cash	(3,663)	(11,857)
	<hr/>	<hr/>
Cash and cash equivalents	17,037	74,057
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

12 Cash and bank balances (continued)

Term deposits represents deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate 1.6% - 1.95% (31 December 2019: 1.4% - 7% per annum).

Finance income on term deposits for the nine-month period ended 30 September 2020 amounted to AED 2,502 thousand (30 September 2019: AED 3,591 thousand). Accrued interest on term deposits amounted to AED 100 thousand as at 30 September 2020 (31 December 2019: AED 3,049 thousand).

Restricted cash includes unclaimed dividends which were declared in 2012 and 2013 collectively amounting to AED 3,634 thousand (31 December 2019: AED 11,059 thousand), a restricted cash placed in a local bank amounting to AED 28 thousand (31 December 2019: AED 28 thousand) and a restricted cash made to secure the loan obtained from the local bank amounting to AED Nil thousand (31 December 2019: AED 770).

13 Wakala investment

During 2020, the Group invested AED 85 million in a Wakala deposits held with non-financial institutions in the UAE and denominated in AED. These investments carry interest rate ranging from 8%-9.5% per annum (31 December 2019: Nil) and mature on March and June 2021.

Finance income on wakala investments for the nine-month ended 30 September 2020 amounted to AED 2,970 thousand (30 September 2019: AED Nil). Accrued interest on term deposits amounted to AED 2,970 thousand as at 30 September 2020 (31 December 2019: AED Nil).

14 Share capital

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
<i>Authorised, issued and paid up capital</i>		
2,325,000,000 ordinary shares of AED 1 each	2,325,000	2,325,000
	<hr/>	<hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

14 Share capital (continued)

On 14 October 2018, the Group obtained an approval from SCA to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and SCA regulations.

During the period ended 30 September 2020, the Company purchased additional 17,586 thousand ordinary shares with an aggregate value of AED 6,420 thousand.

The movement of treasury shares is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year (number of shares: 18,872 thousand)	9,189	9,189
Additional shares purchased during the period/year (number of shares: 17,586 thousand)	6,420	-
	<hr/>	<hr/>
Balance at the end of the period/year (number of shares: 36,458 thousand as of 30 September 2020 and 18,872 thousand as of 31 December 2019)	15,609	9,189
	<hr/>	<hr/>

As at 30 September 2020, total equity was reduced by AED 15,609 thousand (31 December 2019: AED 9,189 thousand) being the consideration paid for these treasury shares.

15 Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Law No. 2 of 2015, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution.

16 Investments revaluation reserve

Investments revaluation reserve represents the net unreleased gains or losses that are recognised on the financial assets at fair value through other comprehensive income.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

17 Provision for employees' end of service benefits

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	700	538
Charge for the period/year	155	212
Paid during the period/year	(20)	(50)
	<hr/>	<hr/>
Balance at the end of the period/year	835	700
	<hr/> <hr/>	<hr/> <hr/>

18 Lease liability and right to use asset

The Group leases an asset as their office premise. The lease term is 5 years (2018: 5 years).

The movement in lease liability is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	6,507	-
Lease liability recognised at 1 January	-	8,116
Interest expense	267	423
Payments	(51)	(2,032)
	<hr/>	<hr/>
Balance at the end of the period/year	6,723	6,507
Less: non-current portion	(4,992)	(4,810)
	<hr/>	<hr/>
Current portion	1,731	1,697
	<hr/> <hr/>	<hr/> <hr/>

The movement in right-of-use assets is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	6,570	-
right-of-use assets recognised at 1 January	-	8,116
Depreciation expense	(1,159)	(1,546)
	<hr/>	<hr/>
Balance at the end of the period/year	5,411	6,570
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

19 Bank borrowings

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Term loan 1	138,415	143,415
Term loan 2	64,636	22,008
Term loan 3	-	32,772
Term loan 4	34,101	-
	<hr/>	<hr/>
	237,152	198,195
Less: non-current portion	(194,309)	(158,811)
	<hr/>	<hr/>
Current portion	42,843	39,384
	<hr/> <hr/>	<hr/> <hr/>

The term loans comprise the following:

Term loan 1

During 2019, the Group obtained a term loan facility from a local bank amounting of AED 145,000 thousand under the terms and conditions defined in the term loan agreement. The loan is repayable in quarterly instalments over a period of 12 years and carries a variable interest rate. The loan is secured by a mortgage over the building used by Nuran Marina Serviced Residences LLC (the "Subsidiary") (Note 5), 58 apartment units at Burj Daman, Dubai (Note 6), corporate guarantee issued by the Subsidiary in favour of the lender and collections made by the subsidiary are assigned to the lender to repay the quarterly principal repayment of the loan. The loan was obtained to repay another previous loan from the same local bank and to finance the Group's general obligations. The loan was fully drawdown as of the last reporting date.

During 2020, the Group obtained an approval to extend the remaining two principal installments due during the calendar year ending 31 December 2020. However, as at 30 September 2020, the Group cancelled the extension and paid the loan installments due for 2020.

As at 30 September 2020, the Group has an unamortised loan arrangement fee of AED 1,485 thousand (31 December 2019: AED 1,586 thousand) in relation to this facility.

Term loan 2

During 2019, the Group availed the term loan facility from a local bank amounting to AED 104,000 thousands under the terms and conditions defined in the term loan agreement. The total drawdown from the facility as at 30 September 2020 is AED 65,242 thousand (31 December 2019: AED 22,562 thousand). The loan is repayable in quarterly instalments over a period of 10 years starting from September 2021 and carries a variable interest rate. The loan is secured by a mortgage over the land and building of the Group located in Al Reem Island (Note 7), Abu Dhabi and a reserved account maintained in the name of the Group with an amount equal to at least one quarterly instalment of the term loan. The loan was obtained to partially finance the development of the mortgaged property. As at 30 September 2020, the Group has an unutilised facility of AED 38,758 thousand (31 December 2019: AED 81,438 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

19 Bank borrowings (continued)

Term loan 2 (continued)

As at 30 September 2020, the Group has an unamortised loan arrangement fee of AED 606 thousand (31 December 2019: AED 648 thousand) in relation to this facility.

Term loan 3

During 2019, the Group availed the term loan facility from a local financial institution to AED 33,000 thousands under the terms and conditions defined in the term loan agreement. The loan was obtained to finance the working capital requirements of the Group, repayable on demand within 10 working days, carried a variable interest rate and secured by pledge over quoted shares held in the name of the Company (Note 10). The loan was fully drawdown and repaid fully as of 30 September 2020.

Term loan 4

During 2020, the Group availed a margin facility from a local bank amounting to AED 69,000 thousand under the terms and conditions defined in the agreement for the purpose of financing the working capital requirements of the Group and repaying one of existing loan. The total drawdown from the facility as at 30 September 2020 is AED 34,100 thousand. The facility is secured by pledge over quoted shares held in the name of the Group (Note 10). The facility is repayable on demand and carries a variable interest rate. As at 30 September 2020, the Group has an unutilised facility of AED 34,900 thousand.

Reconciliation of term loan movement to the cash flows arising from financing activities is as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Balance at the beginning of the period/year	198,195	71,381
<i>Cash flows</i>		
Loan drawdown	75,510	200,563
Loan repaid	(39,540)	(72,285)
Payment of loan issuance cost	(40)	(1,743)
<i>Other non-cash items</i>		
Amortisation of transaction cost	473	138
Accrual of interest	2,554	245
Transferred from trade and other receivables	-	(104)
	<hr/>	<hr/>
Balance at the ending of the period/year	237,152	198,195
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

20 Trade and other payables

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Retention payables	12,392	8,162
Advances from customers	7,149	7,889
Accruals	6,399	6,453
Unclaimed dividends	3,634	11,059
Trade payables	6	18,627
Other payables	2,972	4,676
	<hr/>	<hr/>
	32,552	56,866
	<hr/> <hr/>	<hr/> <hr/>

Advances from customers include an amount of AED 4,216 thousand (31 December 2019: AED 4,216 thousand) received as advance rentals against land given under operating leases as per Musataha agreements.

Trade payables include an amount payable to an investment broker of AED Nil as of 30 September 2020 (31 December 2019: AED 18,608 thousand).

21 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise shareholders, directors, key management staff and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Terms and conditions of transactions with related parties

The services to and from related parties are made at normal market prices.

Balances with these related parties generally arise from commercial transactions in the normal course of business on arm's length basis. Balances with related parties reflected in the condensed consolidated statement of financial position at the reporting date comprised:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Cash and bank balances:		
Entities under common directorship	103,618	111,936
Shareholder	21	21
	<hr/>	<hr/>
	103,639	111,957
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

21 Related party balances and transactions (continued)

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Financial assets at FVOCI:		
Entities under common directorship	100,475	109,400
Shareholder	182	243
	<hr/> 100,657 <hr/>	<hr/> 109,643 <hr/>
Financial assets at FVTPL:		
Entities under common directorship	246,496	166,054
	<hr/> 246,496 <hr/>	<hr/> 166,054 <hr/>
Wakala investment:		
Entities under common directorship	85,000	-
	<hr/> 85,000 <hr/>	<hr/> - <hr/>
Debt investments at amortised cost:		
Entity under common directorship	-	79,558
	<hr/> - <hr/>	<hr/> 79,558 <hr/>
Due from a related party:		
Entity under common control	1,538	744
	<hr/> 1,538 <hr/>	<hr/> 744 <hr/>
Loan from a bank:		
Entities under common directorship	64,636	22,008
	<hr/> 64,636 <hr/>	<hr/> 22,008 <hr/>
Lease liability:		
Entity under common control	6,723	6,507
	<hr/> 6,723 <hr/>	<hr/> 6,507 <hr/>
Interest receivables:		
Entities under common directorship	4,044	6,973
	<hr/> 4,044 <hr/>	<hr/> 6,973 <hr/>
Interest payable:		
Entities under common directorship	399	181
	<hr/> 399 <hr/>	<hr/> 181 <hr/>
Other payables:		
Entities under common directorship	-	105
	<hr/> - <hr/>	<hr/> 105 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

21 Related party balances and transactions (continued)

Significant balance sheet transactions with related parties during the period/year were as follows:

	30 September 2020 AED'000 (unaudited)	31 December 2019 AED'000 (audited)
Purchase of financial assets at FVTPL:		
Entities under common directorship	123,891	53,810
(Disposal)/Purchase of debt investments at amortised cost:		
Entities under common directorship	(90,000)	38,000
Net term deposits placed/ (uplifted):		
Entities under common directorship	(80,050)	1,812
Purchase of wakala investments:		
Entities under common directorship	85,000	-
Loan taken from a bank:		
Entities under common directorship	42,586	22,562
Loan arrangement fees paid to bank:		
Entities under common directorship	-	572
Loan taken from related parties:		
Entities under common directorship	629	-
Net fund transfer made to related parties:		
Entities under common directorship	22,250	10,499
Loan payment made to a related party:		
Entities under common directorship	629	39,723

Significant transactions with related parties during the period were as follows:

	Nine-month ended 30 September	
	2020 AED'000 (unaudited)	2019 AED'000 (unaudited)
Dividend income:		
Entities under common directorship	6,477	4,238
Shareholder	285	9
	6,762	4,247

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

21 Related party balances and transactions (continued)

	Nine-month ended 30 September	
	2020 AED'000 (unaudited)	2019 AED'000 (unaudited)
Broker fees paid to related parties:		
Shareholder	105	112
Interest expense on loan from a bank/ related party:		
Entities under common directorship	267	1,882
Interest income:		
Entities under common directorship	12,106	11,063
Reversal of allowance recognised for debt investments at amortised cost:		
Entities under common directorship	(442)	403

Key management compensation

	Nine-month ended 30 September	
	2020 AED'000 (unaudited)	2019 AED'000 (unaudited)
Short term benefits	1,575	1,660
Board of Directors' remuneration	555	491
	2,130	2,151

There were no loans provided to directors as of 30 September 2020 and 31 December 2019.

Other than an impairment allowance recognised for debt investments at amortised cost (Note 9), the Group has not recorded any impairment of receivables relating to amounts owed by related parties in as of 30 September 2020 and 31 December 2019.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

22 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the earnings and share data used in the earnings per share calculation:

	Nine-month ended 30 September	
	2020	2019
	(unaudited)	(unaudited)
(Loss)/profit for the period (AED'000)	(3,636)	7,485
Weighted average number of ordinary shares outstanding (thousand)	2,288,542	2,306,128
Basic and diluted (losses)/earnings per share (AED)	(0.0016)	0.0032

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding (Note 14).

As at 30 September 2020 and 2019, the Group has not issued any instruments which would have a diluted impact on earnings per share when converted or exercised.

23 Seasonality of results

The seasonal nature of the Group's activities only concerns the serviced apartments division, whose revenue has variability during the first and last quarters of the year.

24 Commitments

As at 30 September 2020, the Group has capital commitments amounting to AED 17,888 thousand (31 December 2019: AED 57,722 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)**

25 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

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

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 30 September 2020 (unaudited)					
Financial assets at FVTPL	263,057	169,033	-	94,024	263,057
Financial assets at FVOCI	100,690	215	24,228	76,247	100,690
	<u>363,747</u>	<u>169,248</u>	<u>24,228</u>	<u>170,271</u>	<u>363,747</u>
	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 31 December 2019 (audited)					
Financial assets at FVTPL	185,201	185,201	-	-	185,201
Financial assets at FVOCI	109,676	276	26,802	82,598	109,676
	<u>294,877</u>	<u>185,477</u>	<u>26,802</u>	<u>82,598</u>	<u>294,877</u>

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Movements in the fair value of investments categorised within Level 3 is as follows:

	30 September 2020 AED'000	31 December 2019 AED'000
Balance at the beginning of the period/year	82,598	100,264
Additions	94,024	-
Change in fair value	(6,351)	(17,666)
	<u>170,271</u>	<u>82,598</u>
Balance at the end of the period/year	170,271	82,598

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of those financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)****26 Impact of Covid 19 pandemic**

On 11 March 2020, Covid-19 was declared as pandemic by the World Health Organisation and is causing disruptions to businesses and economic activities. The Group is closely monitoring as the situation progresses and has activated its business continuity planning and other risk management practices to manage the potential business operations disruption and financial performance in 2020.

COVID-19 has brought uncertainties in the global economic environment. In light of the rapidly escalating situation, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated financial statements. The Group's financial results have been negatively affected due to the market volatility of the financial instruments as direct and indirect consequences of Covid 19 spread locally and internationally. These effects are reflected in the fair values at which the underlying financial instruments were recorded as of the reporting date in these condensed consolidated financial statements.

Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing a material adjustments to the condensed consolidated financial statements:

Impairment of financial assets carried at fair value

For all financial assets those are categorised into level 1 – 3 in fair value hierarchy, its concluded that impact of COVID-19 on the underlying financial instruments have been reflected on the price at which there were valued in the condensed consolidated financial statements and therefore no further adjustments required.

Expected Credit Losses ("ECL") and impairment of financial assets at amortised cost

The Group assessed whether there are impairment indicators and any significant uncertainties impacting its financial assets carried at amortised cost as of the reporting date. During the period, the Group reversed AED 442 thousands of ECL impairment loss previously made on debt investments at amortised cost upon its swap to a financial asset at FVTPL (Note 9). The Group concluded that the assumptions used as of 31 December 2019 regarding the ECL impairment on other financial assets remain largely unchanged and further provisions for ECL impairment not required as of 30 September 2020.

Impairment of non-financial assets

The Group's non-financial assets comprised of property and equipment and right to use asset which are recorded at carrying value and investment properties and investment properties under development which are recorded at fair value. The Group assessed whether there are impairment indicators and any significant uncertainties impacting on these balances and concluded that there is no material impact as a result of COVID-19.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2020 (continued)****26 Impact of Covid 19 pandemic (continued)***Going concern*

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, these interim condensed consolidated financial statements have been prepared on a going concern basis.

The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance in 2020.

27 Reclassification

Certain comparative figures have been reclassified, where necessary, to conform to the current period presentation. Management believes that the current period presentation provides more meaningful information to the readers of the condensed consolidated financial statements.

28 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 1 November 2020.