

**ESHRAQ INVESTMENTS PJSC**

**Review report and condensed  
consolidated financial statements  
for the three-month period ended  
31 March 2021**

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### **Review report and condensed consolidated financial statements for the three-month period ended 31 March 2021**

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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 31 March 2021 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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.)



Mohammed Khamees Al Tah  
Registration Number 717  
10 May 2021  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
at 31 March 2021**

		<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	100,176	101,479
Investment properties	6	826,681	826,681
Investment properties under development	7	184,778	178,780
Financial assets at fair value through other comprehensive income	8	57,760	56,560
Investment in an associate	14	7,624	7,404
Debt investment at amortised cost	9	18,363	18,363
Wakala investments	13	85,000	-
Other receivables		827	827
<b>Total non-current assets</b>		<b>1,281,209</b>	<b>1,190,094</b>
<b>Current assets</b>			
Inventories		55	51
Trade and other receivables	11	13,323	14,439
Financial assets at fair value through profit or loss	10	248,417	248,135
Financial assets at fair value through other comprehensive income	8	28,658	31,862
Due from a related party	22	4,087	24
Wakala investments		-	85,000
Cash and bank balances	12	17,012	16,100
<b>Total current assets</b>		<b>311,552</b>	<b>395,611</b>
<b>Total assets</b>		<b>1,592,761</b>	<b>1,585,705</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	2,325,000	2,325,000
Treasury shares	15	(15,609)	(15,609)
Statutory reserve	16	137,283	137,283
Accumulated losses		(1,064,006)	(1,074,128)
Investment revaluation reserve	17	(65,249)	(67,074)
<b>Total equity</b>		<b>1,317,419</b>	<b>1,305,472</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	18	940	888
Lease liability	19	3,428	3,367
Bank borrowings	20	200,981	198,533
<b>Total non-current liabilities</b>		<b>205,349</b>	<b>202,788</b>

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

**Condensed consolidated statement of financial position  
at 31 March 2021 (continued)**

		<b>31 March 2021 AED'000 (unaudited)</b>	<b>31 December 2020 AED'000 (audited)</b>
	<b>Notes</b>		
<b>Current liabilities</b>			
Trade and other payables	21	32,507	32,673
Lease liability	19	1,753	1,742
Bank borrowings	20	35,733	43,030
<b>Total current liabilities</b>		<b>69,993</b>	<b>77,445</b>
<b>Total liabilities</b>		<b>275,342</b>	<b>280,233</b>
<b>Total equity and liabilities</b>		<b>1,592,761</b>	<b>1,585,705</b>

  
Chairman  
Director

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

**Condensed consolidated statement of profit or loss  
for the three-month period ended 31 March 2021**

	Notes	<b>Three-month ended 31 March</b>	
		<b>2021</b> <b>AED'000</b> <b>(unaudited)</b>	<b>2020</b> <b>AED'000</b> <b>(unaudited)</b>
Revenue from commercial operations		<b>5,306</b>	5,924
Direct operating expenses		<b>(2,660)</b>	(3,290)
		<hr/>	<hr/>
<b>Gross profit from commercial operations</b>		<b>2,646</b>	2,634
		<hr/>	<hr/>
Finance income		<b>3,785</b>	4,992
Finance costs		<b>(1,302)</b>	(2,509)
		<hr/>	<hr/>
<b>Net finance income</b>		<b>2,483</b>	2,483
		<hr/>	<hr/>
Changes in fair value of financial assets at FVTPL, net	<b>10</b>	<b>7,624</b>	(46,531)
Share of profits from an associate	<b>14</b>	<b>220</b>	-
		<hr/>	<hr/>
<b>Net gain/(loss) from investments</b>		<b>7,844</b>	(46,531)
		<hr/>	<hr/>
<b>Total operating income/(loss)</b>		<b>12,973</b>	(41,414)
		<hr/>	<hr/>
General and administrative expenses		<b>(2,674)</b>	(3,147)
Selling and marketing expenses		<b>(152)</b>	(158)
Net other income		<b>111</b>	6
Net fair value loss on investment properties	<b>6</b>	-	(2,387)
Impairment on debt investments at amortised cost	<b>9</b>	-	(47)
		<hr/>	<hr/>
<b>Profit/(loss) for the period</b>		<b>10,258</b>	(47,147)
		<hr/>	<hr/>
<b>Basic and diluted earnings/(loss) per share (AED)</b>	<b>23</b>	<b>0.0045</b>	(0.0205)
		<hr/>	<hr/>

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

**Condensed consolidated statement of comprehensive income  
for the three-month period ended 31 March 2021**

	<u>Three-month ended 31 March</u>	
	2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
<b>Profit/(loss) for the period</b>	<b>10,258</b>	(47,147)
<b>Other comprehensive income/(loss):</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")	<b>1,689</b>	(21,162)
<b>Total other comprehensive income/(loss)</b>	<b>1,689</b>	(21,162)
<b>Total comprehensive income/(loss) for the period</b>	<b>11,947</b>	(68,309)

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

**Condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2021**

	<b>Share capital AED'000</b>	<b>Treasury shares AED'000</b>	<b>Statutory reserve AED'000</b>	<b>Accumulated losses AED'000</b>	<b>Investment revaluation reserve AED'000</b>	<b>Total equity AED'000</b>
Balance at 1 January 2020 (audited)	2,325,000	(9,189)	137,283	(994,096)	(45,820)	1,413,178
Loss for the period	-	-	-	(47,147)	-	(47,147)
Other comprehensive loss for the period	-	-	-	-	(21,162)	(21,162)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	-	(47,147)	(21,162)	(68,309)
Treasury shares purchased (Note 14)	-	(190)	-	-	-	(190)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020 (unaudited)	2,325,000	(9,379)	137,283	(1,041,243)	(66,982)	1,344,679
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2021 (audited)	2,325,000	(15,609)	137,283	(1,074,128)	(67,074)	1,305,472
Profit for the period	-	-	-	10,258	-	10,258
Other comprehensive income for the period	-	-	-	-	1,689	1,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	10,258	1,689	11,947
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	(136)	136	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2021 (unaudited)</b>	<b>2,325,000</b>	<b>(15,609)</b>	<b>137,283</b>	<b>(1,064,006)</b>	<b>(65,249)</b>	<b>1,317,419</b>
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The accompanying notes form an integral part of the condensed consolidated financial statements.



**Condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2021**

	Notes	Three-month ended 31	
		March	
		2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		<b>10,258</b>	(47,147)
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	<b>1,316</b>	1,346
Changes in fair value of financial assets at FVTPL, net	10	<b>(7,624)</b>	46,531
Share of profits from an associate	14	<b>(220)</b>	-
Net fair value loss on investment properties	6	-	2,387
Amortisation of borrowing cost	20	<b>48</b>	150
Impairment loss on debt investments at amortised cost	9	-	47
Provision for employees' end of service benefits	17	<b>52</b>	51
Finance income		<b>(3,785)</b>	(4,992)
Finance costs		<b>1,254</b>	2,339
<b>Operating cash flows before changes in working capital</b>		<b>1,299</b>	712
(Increase)/decrease in trade and other receivables		<b>(696)</b>	880
Increase/(decrease) in trade and other payables		<b>819</b>	(23,161)
Decrease/(increase) in due from a related party		<b>4</b>	(1,933)
Increase in inventories		<b>(4)</b>	(2)
<b>Cash generated from/(used in) operations</b>		<b>1,422</b>	(23,504)
Employees' end of service benefits paid	18	-	(16)
<b>Net cash generated from/ (used in) operating activities</b>		<b>1,422</b>	(23,520)
<b>Cash flows from investing activities</b>			
Proceeds from sales of financial assets at fair value through profit or loss	10	<b>9,133</b>	26,146
Payments for investment properties under development	7	<b>(5,967)</b>	(16,356)
Proceeds from disposal of financial assets at fair value through other comprehensive income	8	<b>1,818</b>	-
Interest received		<b>1,181</b>	8,820
Payments for property and equipment	5	<b>(13)</b>	(254)
Payments for investment properties	6	-	(1,091)
Purchase of debt investments at amortised cost	9	-	(10,000)
Release of restricted cash	12	-	7,425
Term deposits released		-	51,250
Term deposits placed		-	(35,000)
Placement in Wakala investment	13	-	(50,000)
Purchase of financial assets at fair value through profit or loss	10	-	(24,910)
<b>Net cash generated from/(used in) investing activities</b>		<b>6,152</b>	(43,970)

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

**Condensed consolidated statement of cash flows (continued)  
for the three-month period ended 31 March 2021**

	Notes	Three-month ended 31 March	
		2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings	20	(11,108)	(2,488)
Proceeds from bank borrowings	20	5,460	18,724
Finance costs paid		(1,014)	(1,763)
Payment of borrowing finance cost	20	-	(19)
Purchase of Treasury shares	15	-	(190)
Payments for lease liability	19	-	(52)
		<hr/>	<hr/>
<b>Net cash flows (used in)/ generated from financing activities</b>		<b>(6,662)</b>	14,212
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>912</b>	(53,278)
Cash and cash equivalents as at 1 January		5,819	74,057
		<hr/>	<hr/>
<b>Cash and cash equivalents as at 31 March</b>	12	<b>6,731</b>	20,779
		<hr/> <hr/>	<hr/> <hr/>
<b><u>Non cash transaction</u></b>			
Settlement of financial assets at FVTOCI against financial assets at FVTPL	8	1,791	-
		<hr/>	<hr/>
Settlement of financial assets at FVTOCI against accrued interest receivables		84	-
		<hr/> <hr/>	<hr/> <hr/>

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

## Notes to the condensed consolidated financial statements for the three-month period ended 31 March 2021

### 1 General information

Eshraq Investments 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 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 and an associate 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
Alkonost Investment Ltd***	Cayman Islands	40	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.

\*\*\* Eshraq International Company LLC owns 40% ownership in Alkonost Investment Ltd.

### 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 2021. 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>
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

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

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

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 2021.

**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 IAS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to IFRS 3 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i> related to proceeds before intended use	1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41	The amendments to IFRS 1, IFRS 9 and IAS 41 are effective from 1 January 2022 and the effective date for amendments to IFRS 16 Leases are not yet decided.
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.

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 three-month period ended 31 March 2021 (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 2020. In addition, results for three-month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Corporation is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect

**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 2020, except for the adoption of new standards and interpretations effective 1 January 2021 as stated in Note 2 above. Also, the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of Covid-19 pandemic as stated in Note 28 in these condensed financial statements. Other than those disclosed in Note 28, 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 three-month period ended 31 March 2021 (continued)**

**5 Property and equipment**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Carrying amount at the beginning of the period/year	<b>101,479</b>	106,501
Additions	<b>13</b>	376
Depreciation charge for the period/year	<b>(1,316)</b>	(5,398)
	<hr/>	<hr/>
<b>Carrying amount at the end of the period/year</b>	<b>100,176</b>	101,479
	<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 4,638 thousand as of 31 March 2021 (31 December 2020: AED 5,024 thousand) (Note 19).

Included in the property and equipment, building used for Nuran Marina Serviced Residences LLC is mortgaged as a security for a loan obtained by the Group from a local bank (Note 20).

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

	<b>Three-month ended 31 March</b>	
	<b>2021 AED'000 (unaudited)</b>	2020 AED'000 (unaudited)
Direct operating expenses	<b>792</b>	822
General and administrative expenses	<b>524</b>	524
	<hr/>	<hr/>
	<b>1,316</b>	1,346
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**6 Investment properties**

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 (“USA”).

Movement in investment properties is as follows:

	<b>31 March 2021 AED’000 (unaudited)</b>	31 December 2020 AED’000 (audited)
Balance at the beginning of the period/year	<b>826,681</b>	841,440
Additions	-	1,577
Transfer from investment properties under development (Note 7)	-	46,070
Net decrease in fair value	-	(62,406)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>826,681</b>	826,681
	<hr/> <hr/>	<hr/> <hr/>

Investment properties are carried at fair value. As of 31 December 2020, the fair value of the investment properties has arrived at on the basis of a valuation carried out by accredited independent valuers not related to the Group. In estimating the revalued amounts of the investment properties, the highest and best use of the properties were considered and market (sales comparison) valuation approach was used. Based on the internal assessment performed, management believes that there is no significant change in the fair value of investment properties during the three-month period ended 31 March 2021. During the three-month period ended 31 March 2020, the Group recognised AED 2,387 of fair value loss on its investment properties on the basis of valuations carried out by an independent valuer not related to the Group.

The fair values of the investment properties are categorised into level 3 of the fair value hierarchy.

The Group also conducted a sensitivity analysis showing the impact of change in sales price per square meter for its investment properties as of 31 March 2021. Accordingly, an increase in expected sales price per square meter by 10% would result in AED 82,668 thousand increase in the valuation, whilst a decrease of 10% would result in AED 82,668 thousand decrease in valuation of the revalued amount of Group’s investment properties as of 31 March 2021 and 31 December 2020.

In 2020, the management decided to cease the development work planned and carried out for one of Group’s investment property and reinstate the land into its original condition. Accordingly, the related investment property that previously had been accounted under investment properties under development was transferred to investment properties during the year ended 31 December 2020 (Note 7). Any further costs incurred on back filling and excavation activities were charged to the statement of profit or loss.

During the three-month period ended 31 March 2021, the Group recognised rental income from letting investment properties of AED 1,914 thousand (31 March 2020: AED 2,048 thousand).

Included in investment properties, a building with a fair value of AED 141,563 thousand is mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2020: AED 141,563 thousand) (Note 20).

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**7 Investment properties under development**

Movement in investment properties under development is as follows:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>178,780</b>	184,397
Additions	<b>5,998</b>	57,202
Transfer to investment properties (Note 6)	-	(46,070)
Net change in fair value	-	(16,749)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>184,778</b>	178,780
	<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 2020 were determined by an independent valuer not related to the Group using the income approach. Based on the internal assessment performed, management believes that there is no significant change in the fair value of investment properties under development during the three-month period ended 31 March 2021. 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 investment properties under developments as at 31 March 2021. Those parameters influenced in particular are market rents 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:

- a decrease of capitalisation rates by 50 bps would result in AED 14,100 thousand increase in the valuation, whilst an increase of 50 bps would result in AED 12,300 thousand decrease in valuation of those properties; and
- An increase in expected rental rates by 10% would result in AED 18,600 thousand increase in the valuation, whilst a decrease of 10% would result in AED 18,500 thousand decrease in valuation of those properties.

In 2020, 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 year ended 31 December 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 178,780 thousand is mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2020: AED 178,780 thousand) (Note 20).



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (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:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Unquoted equity securities (i)	<b>61,232</b>	64,436
Unquoted funds (ii)	<b>24,959</b>	23,749
Quoted equity securities	<b>227</b>	237
	<hr/> <b>86,418</b> <hr/>	<hr/> 88,422 <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. This entity is currently under the liquidation where the Group expects full recovery of the fair value of the investment as per the final settlement plan received from the investee. Accordingly, this investment has been classified as a current asset in the condensed consolidated statement of financial position.
- (ii) Comprised of an investment in an open-ended fund incorporated in UAE with the objective to generate return from listed UAE equities.

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>88,422</b>	109,676
Disposals	<b>(3,693)</b>	-
Net change in fair value recognised in OCI	<b>1,689</b>	(21,254)
	<hr/> <b>86,418</b> <hr/>	<hr/> 88,422 <hr/>
Less: non-current portion	<b>(57,760)</b>	(56,560)
	<hr/> <b>28,658</b> <hr/>	<hr/> 31,862 <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**9 Debt investment at amortised cost**

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>18,363</b>	79,558
Additions	-	28,363
Disposals	-	(90,000)
Reversal for impairment loss	-	442
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>18,363</b>	18,363
	<hr/> <hr/>	<hr/> <hr/>

Debt investment at amortised cost includes a term investment certificate issued by an UAE based holding company with investment maturity on 31 December 2024. This is denominated in USD and carried an anticipated interest rate of 10% per annum.

In 2020 the Group swapped in a non-cash transaction, two of their debt investment at amortised cost into an investment in a closed-ended credit fund established in the 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 31 March 2021 amounted to AED 459 thousand (31 March 2020: AED 2,184 thousand). Accrued interest on debt investment at amortised cost amounted to AED 464 thousand as at 31 March 2021 (31 December 2020: AED 5 thousand).

The following table shows the movement in expected credit loss that has been recognised for debt investment at amortised cost in accordance with IFRS 9.

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	-	442
Reversal of loss allowance during the year	-	(442)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>-</b>	-
	<hr/> <hr/>	<hr/> <hr/>

In 2020, the Group reversed AED 442 thousand of ECL impairment loss previously made on debt investments at amortised cost upon its swap to a financial asset at FVTPL.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (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:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Fixed income securities (i)	<b>59,049</b>	57,468
Quoted equity securities (ii)	<b>93,103</b>	94,402
Unquoted funds (iii)	<b>96,265</b>	96,265
	<hr/> <b>248,417</b> <hr/>	<hr/> 248,135 <hr/>

- (i) Comprised of a listed bond and a listed sukuk denominated in US Dollar (USD) and issued by UAE-based issuers. The debt securities carry a coupon rate of 7.50% - 12.00%.
- (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 20).
- (iii) Investment in a closed-ended fund established in the Cayman Islands to generate returns from credit exposures into different commercial sectors.

Finance income on fixed income securities for the three-month ended 31 March 2021 amounted to AED 1,327 thousand (31 March 2020: AED 1,081 thousand). Accrued interest on fixed income securities amounted to AED 1,694 thousand as at 31 March 2021 (31 December 2020: AED 1,297 thousand).

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>248,135</b>	185,201
Additions	<b>1,791</b>	160,250
Disposals	<b>(9,133)</b>	(87,829)
Net change in fair value recognised in profit or loss	<b>7,624</b>	(9,487)
	<hr/> <b>248,417</b> <hr/>	<hr/> 248,135 <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**11 Trade and other receivables**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Trade receivables	438	348
Accrued interest	4,884	6,263
Prepayments	927	630
Advance to suppliers	589	1,019
Other receivables	6,485	6,179
	<hr/>	<hr/>
	<b>13,323</b>	14,439
	<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 31 March 2021, advance to supplier includes payments made to main sub-contractor of AED 483 thousand (31 December 2020: AED 914 thousand) in respect of investment properties under development.

**12 Cash and bank balances**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Cash on hand	29	3
Cash at bank	10,365	9,479
Term deposits	6,618	6,618
	<hr/>	<hr/>
	<b>17,012</b>	16,100
Less: short-term deposits with original maturity of more than three months	<b>(6,618)</b>	(6,618)
Less: restricted cash	<b>(3,663)</b>	(3,663)
	<hr/>	<hr/>
<b>Cash and cash equivalents</b>	<b>6,731</b>	5,819
	<hr/> <hr/>	<hr/> <hr/>

Term deposits represents deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate 0.20% - 0.45% (31 December 2020: 0.20% - 9.5% per annum).

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**12 Cash and bank balances (continued)**

Finance income on term deposits for the three-month ended 31 March 2021 amounted to AED 6 thousand (31 March 2020: AED 1,571 thousand). Accrued interest on term deposits amounted to AED 8 thousand as at 31 March 2021 (31 December 2020: AED 2 thousand).

Restricted cash includes unclaimed dividends which were declared in 2012 and 2013 collectively amounting to AED 3,634 thousand (31 December 2020: AED 3,634 thousand) and a restricted cash placed in a local bank amounting to AED 28 thousand (31 December 2020: AED 28 thousand)

**13 Wakala investment**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Short-term Wakala investment	<b>85,000</b>	85,000

In 2020, the Group invested AED 85 million in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. These investments carried interest rates ranging from 8%-9.5% per annum and maturity in March and June 2021. During March 2021, both these Wakala deposits were matured and rolled over for a period of three years at same interest rates.

Finance income on Wakala investment for the three-month ended 31 March 2021 amounted to AED 1,831 thousand (31 March 2020: AED 155 thousand). Accrued interest on this investment amounted to AED 2,607 thousand as at 31 March 2021 (31 December 2020: AED 4,842).

**14 Investment in an associate**

In 2020, the Group made an investment in a company established in Cayman Island called Alkonost Investment Ltd (hereafter referred to as "the associate"). The Group holds 40% of the voting rights of the associate and has a significant influence over the associate. The associate engaged in the business of asset management.

Movement in the balance of investment in an associate is as follows:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>7,404</b>	-
Invested during the period/year	-	7,125
Share in profit during the period/year	<b>220</b>	279
<b>Balance at the end of the period/year</b>	<b>7,624</b>	7,404

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**14 Investment in an associate (continued)**

Summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Total assets	<b>19,060</b>	18,509
Total liabilities	-	-
	<hr/>	<hr/>
Net assets	<b>19,060</b>	18,509
	<hr/> <hr/>	<hr/> <hr/>
Group's share in the net assets	<b>7,624</b>	7,404
	<hr/> <hr/>	<hr/> <hr/>
Profit for the period/year	<b>551</b>	698
	<hr/> <hr/>	<hr/> <hr/>
Group's share in the profit during the period/year	<b>220</b>	279
	<hr/> <hr/>	<hr/> <hr/>

**15 Share capital**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
<i>Authorised, issued and paid up capital</i>		
2,325,000,000 ordinary shares of AED 1 each	<b>2,325,000</b>	2,325,000
	<hr/> <hr/>	<hr/> <hr/>

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 year ended 31 December 2020, the Company purchased additional 17,586 thousand ordinary shares with an aggregate value of AED 6,420 thousand and are held in treasury. Accordingly, total equity was reduced by AED 15,609 thousand being the consideration paid for these treasury shares as of 31 December 2020. There are no such share purchase in three-month period ended 31 March 2021.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**16 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.

**17 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.

**18 Provision for employees' end of service benefits**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	888	700
Charge for the period/year	52	208
Paid during the period/year	-	(20)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>940</b>	<b>888</b>
	<hr/> <hr/>	<hr/> <hr/>

**19 Lease liabilities and right-of-use assets**

The Group leases an asset as their office premise. The lease term is 5 years (31 December 2020: 5 years).

The movement in lease liabilities is as follows:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	5,109	6,507
Interest expense	72	346
Payments	-	(1,744)
	<hr/>	<hr/>
Balance at the end of the period/year	5,181	5,109
Less: non-current portion	(3,428)	(3,367)
	<hr/>	<hr/>
Current portion	1,753	1,742
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**19 Lease liabilities and right-of-use assets (continued)**

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	5,024	6,570
Depreciation expense	(386)	(1,546)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>4,638</b>	<b>5,024</b>
	<hr/> <hr/>	<hr/> <hr/>

**20 Bank borrowings**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Term loan 1	134,882	136,748
Term loan 2	76,714	70,713
Term loan 3	25,118	34,102
	<hr/>	<hr/>
	<b>236,714</b>	241,563
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	<b>(200,981)</b>	(198,533)
	<hr/>	<hr/>
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	<b>35,733</b>	43,030
	<hr/> <hr/>	<hr/> <hr/>

The term loans comprise the following:

Term loan 1

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.

As at 31 March 2021, the Group has an unamortised loan arrangement fee of AED 1,418 thousand (31 December 2020: AED 1,452 thousand) in relation to this facility.



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**20 Bank borrowings (continued)**

Term loan 2

A term loan facility from a local bank amounting to AED 104,000 thousand under the terms and conditions defined in the term loan agreement. The total drawdown from the facility as at 31 March 2021 is AED 75,093 thousand (31 December 2020: AED 69,633 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 31 March 2021, the Group has an unutilised facility of AED 28,907 thousand (31 December 2020: AED 34,367 thousand).

As at 31 March 2021, the Group has an unamortised loan arrangement fee of AED 577 thousand (31 December 2020: AED 592 thousand) in relation to this facility.

Term loan 3

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 to finance the working capital requirements of the Group and repay one of an existing loan. The total drawdown from the facility as at 31 March 2021 is AED 25,120 thousand (31 December 2020: AED 34,000 thousand). The facility is secured by a pledge of 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 31 March 2021, the Group has an unutilised facility of AED 43,880 thousand (31 December 2020: 35,000 thousand).

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	<b>241,563</b>	198,195
<i>Cash flows</i>		
Loan drawdown	<b>5,460</b>	81,415
Loan repaid	<b>(11,108)</b>	(40,144)
Payment of accrued interest	-	(1,817)
<i>Other non-cash items</i>		
Amortisation of transaction cost	<b>48</b>	569
Accrual of interest	<b>751</b>	3,345
<b>Balance at the ending of the period/year</b>	<b>236,714</b>	241,563

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**21 Trade and other payables**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
Trade payables	7	18
Retention payables	13,475	13,058
Advances from customers	6,914	6,832
Accruals	4,574	5,671
Unclaimed dividends	3,634	3,634
Other payables	3,903	3,460
	<hr/>	<hr/>
	<b>32,507</b>	32,673
	<hr/> <hr/>	<hr/> <hr/>

Advances from customers include an amount of AED 4,216 thousand (31 December 2020: AED 4,216 thousand) received as advance rentals against land given under operating leases as per Musataha agreements.

**22 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:

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
<b>Cash and bank balances:</b>		
Entities under common directorship	7,014	6,693
Shareholder	21	21
	<hr/>	<hr/>
	<b>7,035</b>	6,714
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**22 Related party balances and transactions (continued)**

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
<b>Wakala investments:</b>		
Entities under common directorship	<b>85,000</b>	85,000
<b>Financial assets at FVOCI:</b>		
Entities under common directorship	<b>86,191</b>	88,185
Shareholder	<b>194</b>	204
	<b>86,385</b>	88,389
<b>Financial assets at FVTPL:</b>		
Entities under common directorship	<b>129,639</b>	131,118
<b>Debt investments at amortised cost:</b>		
Entity under common directorship	<b>18,363</b>	18,363
<b>Due from a related party:</b>		
Entity under common control	<b>4,087</b>	24
<b>Investment in an associate:</b>		
Entity under common directorship	<b>7,624</b>	7,404
<b>Loan from a bank:</b>		
Entities under common directorship	<b>101,833</b>	104,815
<b>Lease liability:</b>		
Entity under common control	<b>5,181</b>	5,109
<b>Interest receivables:</b>		
Entities under common directorship	<b>3,890</b>	5,441
<b>Interest payable:</b>		
Entities under common directorship	<b>432</b>	420
<b>Other payables:</b>		
Entities under common directorship	<b>128</b>	4

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**22 Related party balances and transactions (continued)**

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (audited)
<b>Purchase of financial assets at FTVPL:</b>		
Entities under common directorship	-	61,267
	=====	=====
<b>Net (disposal)/purchase of debt investments at amortised cost:</b>		
Entities under common directorship	-	(61,638)
	=====	=====
<b>Net term deposits (uplifted)/placed:</b>		
Entity under common directorship	-	(80,001)
	=====	=====
<b>Wakala investments placed:</b>		
Entities under common directorship	-	85,000
	=====	=====
<b>Loan taken from a bank during the period/year:</b>		
Entity under common directorship	<b>5,460</b>	81,172
	=====	=====
<b>Loan payment during the period/year:</b>		
Entity under common directorship	<b>9,208</b>	809
	=====	=====
<b>Borrowing cost during the period/year:</b>		
Entity under common directorship	<b>527</b>	1,890
	=====	=====
<b>Net fund transfer made to/ (received from) related parties:</b>		
Entities under common directorship	<b>(1,165)</b>	19,575
	=====	=====



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**23 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:

	<b>Three-month ended 31 March</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
Profit/(loss) for the period (AED'000)	<b>10,258</b>	(47,147)
Weighted average number of ordinary shares outstanding (thousand)	<b>2,288,542</b>	2,305,128
Basic and diluted earnings/(losses) per share (AED)	<b>0.0045</b>	(0.0205)

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding (Note 15).

As at 31 March 2021 and 2020, the Group has not issued any instruments which would have a diluted impact on earnings per share when converted or exercised.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)****24 Segment reporting**

The Group's operating segments are established on the basis of those components that are evaluated regularly by Board of Directors (the chief operating decision-maker or "CDOM"). They monitor the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

For management purposes, at 31 March 2021 and 2020, the Group is organised into five major segments, as follows:

- Property development
- Investment properties
- Hospitality and leisure
- Investment and asset management
- Holding

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, directors' salaries, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

Information regarding these segments is presented below.







**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**25 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.

**26 Contingent liabilities and commitments**

As at 31 March 2021, the Group has capital commitments amounting to AED 13,268 thousand (31 December 2020: AED 12,099 thousand).

**27 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	
<b>At 31 March 2021 (unaudited)</b>					
Financial assets at FVTPL	248,417	152,152	-	96,265	248,417
Financial assets at FVOCI	86,418	227	24,959	61,232	86,418
	<u>334,835</u>	<u>152,379</u>	<u>24,959</u>	<u>157,497</u>	<u>334,835</u>
<b>At 31 December 2020 (audited)</b>					
Financial assets at FVTPL	248,135	151,870	-	96,265	248,135
Financial assets at FVOCI	88,422	237	23,749	64,436	88,422
	<u>336,557</u>	<u>152,107</u>	<u>23,749</u>	<u>160,701</u>	<u>336,557</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.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)**

**27 Fair value of financial instruments (continued)**

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

	<b>31 March 2021 AED'000 (unaudited)</b>	31 December 2020 AED'000 (unaudited)
Balance at the beginning of the period/year	<b>160,701</b>	82,598
Additions	<b>-</b>	94,024
Disposals	<b>(3,693)</b>	-
Change in fair value	<b>489</b>	(15,921)
	<hr/>	<hr/>
<b>Balance at the ending of the period/year</b>	<b>157,497</b>	160,701
	<hr/> <hr/>	<hr/> <hr/>

**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.

**28 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 2021.

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.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2021 (continued)****28 Impact of COVID 19 pandemic (continued)***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. The Group concluded that the assumptions used as of 31 December 2020 regarding the ECL impairment on other financial assets remain largely unchanged and further provisions for ECL impairment not required as of 31 March 2021.

*Impairment of non-financial assets*

The Group’s non-financial assets comprised of property and equipment and right of use asset which are recorded at carrying value and investment properties and investment properties under development which are recorded at fair value. The Group concluded that the assumptions used as of 31 December 2020 regarding the fair values investment properties, investment properties under development, property and equipment and right of use assets remain largely unchanged and further fair value/impairment provisions are not required as of 31 March 2021.

*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 2020. 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 2021.

**29 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 10 May 2021.