

ESHRAQ INVESTMENTS PJSC

**Review report and condensed
consolidated financial information
for the nine-month period ended
30 September 2021**

ESHRAQ INVESTMENTS PJSC

Review report and condensed consolidated interim financial information for the nine-month period ended 30 September 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 30 September 2021 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.)



Mohammad Khamees Al Tah
Registration No. 717
28 October 2021
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
at 30 September 2021**


		30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
	Notes		
ASSETS			
Non-current assets			
Property and equipment	5	92,613	101,479
Investment properties	6	1,016,847	826,681
Investment properties under development	7	-	178,780
Financial assets at fair value through other comprehensive income	8	75,452	56,560
Investment in an associate	14	8,065	7,404
Debt investment at amortised cost	9	18,363	18,363
Wakala investments	13	85,000	-
Other receivables		544	827
Total non-current assets		1,296,884	1,190,094
Current assets			
Inventories		51	51
Trade and other receivables	11	17,353	14,439
Financial assets at fair value through profit or loss	10	240,383	248,135
Financial assets at fair value through other comprehensive income	8	25,004	31,862
Due from a related party	22	18,256	24
Wakala investments	13	-	85,000
Cash and bank balances	12	21,344	16,100
Total current assets		322,391	395,611
Total assets		1,619,275	1,585,705

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

**Condensed consolidated statement of financial position
at 30 September 2021 (continued)**

		30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
	Notes		
EQUITY AND LIABILITIES			
Equity			
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		(1,039,092)	(1,074,128)
Investment revaluation reserve	17	(58,009)	(67,074)
Total equity		1,349,573	1,305,472
Non-current liabilities			
Provision for employees' end of service benefits	18	1,088	888
Lease liability	19	-	3,367
Bank borrowings	20	198,615	198,533
Total non-current liabilities		199,703	202,788
Current liabilities			
Lease liability	19	-	1,742
Bank borrowings	20	39,156	43,030
Trade and other payables	21	30,843	32,673
Total current liabilities		69,999	77,445
Total liabilities		269,702	280,233
Total equity and liabilities		1,619,275	1,585,705

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

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

**Condensed consolidated statement of profit or loss
for the nine-month period ended 30 September 2021**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2021	2020	2021	2020
		AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)
Revenue from commercial operations		5,080	3,903	15,276	13,208
Direct operating expenses		(3,223)	(2,728)	(8,286)	(8,191)
Gross profit from commercial operations		1,857	1,175	6,990	5,017
Finance income		3,251	3,141	10,868	13,541
Finance costs		(1,462)	(1,745)	(4,023)	(6,637)
Net finance income		1,789	1,396	6,845	6,904
Dividend income		1,881	-	8,733	6,762
Changes in fair value of financial assets at fair value through profit or loss	10	16,236	24,035	24,310	(10,379)
Share of profits from an associate	14	221	-	661	-
Net gain/(loss) from investments		18,338	24,035	33,704	(3,617)
Total operating income		21,984	26,606	47,539	8,304
General and administrative expenses		(4,395)	(3,440)	(11,965)	(9,589)
Fair value loss on investment properties	6	-	-	-	(2,387)
Reversal of impairment on debt investments at amortised cost	9	-	-	-	442
Selling and marketing expenses		(225)	(163)	(544)	(472)
Other income		(186)	57	101	66
Profit/(loss) for the period		17,178	23,060	35,131	(3,636)
Basic and diluted earnings/(loss) per share (AED)	23	0.0075	0.0101	0.0154	(0.0016)

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 2021**

	Three-month ended 30 September		Nine-month ended 30 September	
	2021 AED '000 (unaudited)	2020 AED '000 (unaudited)	2021 AED '000 (unaudited)	2020 AED '000 (unaudited)
Profit/(loss) for the period	17,178	23,060	35,131	(3,636)
Other comprehensive income/(loss):				
<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	1,771	5,537	8,970	(8,986)
Total other comprehensive income/(loss)	1,771	5,537	8,970	(8,986)
Total comprehensive income/(loss) for the period	18,949	28,597	44,101	(12,622)

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 2021**

	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 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)
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Total comprehensive loss for the period	-	-	-	(3,636)	(8,986)	(12,622)
Treasury shares purchased (Note 15)	-	(6,420)	-	-	-	(6,420)
	-----	-----	-----	-----	-----	-----
Balance at 30 September 2020 (unaudited)	2,325,000	(15,609)	137,283	(997,732)	(54,806)	1,394,136
	=====	=====	=====	=====	=====	=====
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	-	-	-	35,131	-	35,131
Other comprehensive income for the period	-	-	-	-	8,970	8,970
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Total comprehensive income for the period	-	-	-	35,131	8,970	44,101
Transfer to retained earnings on disposal of financial assets at FVTOCI	-	-	-	(95)	95	-
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Balance at 30 September 2021 (unaudited)	2,325,000	(15,609)	137,283	(1,039,092)	(58,009)	1,349,573
	=====	=====	=====	=====	=====	=====

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 2021

	Notes	Nine-month ended 30 September	
		2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
Cash flows from operating activities			
Profit/(loss) for the period		35,131	(3,636)
<i>Adjustments for:</i>			
Change in fair value of financial assets at FVTPL	10	(24,310)	10,379
Depreciation of property and equipment	5	3,836	4,045
Share of profits from an associate	14	(661)	-
Net fair value loss on investment properties	6	-	2,387
Amortisation of borrowing cost	20	143	473
Provision for employees' end of service benefits	18	205	155
Loss on disposal of property and equipment	5	850	-
Gain on modification of lease liabilities	19	(466)	-
Reversal of impairment on debt investments at amortised cost	9	-	(442)
Finance income		(10,868)	(13,541)
Finance costs		3,880	6,164
Dividend income		(8,733)	(6,762)
Operating cash flows before changes in working capital		(993)	(778)
Increase in trade and other receivables		(3,580)	(4,086)
Increase in inventories		-	(6)
Increase in due from a related party		(19,436)	(794)
(Decrease)/increase in trade and other payables		651	(28,329)
Cash used in operating activities		(23,358)	(33,993)
Employees' end of service benefits paid	18	(5)	(20)
Net cash used in operating activities		(23,363)	(34,013)
Cash flows from investing activities			
Proceeds from sales of financial assets at FVTPL	10	38,362	35,656
Payments for investment properties under development*	7	(11,517)	(39,394)
Dividends received		7,195	6,762
Interest received		2,521	16,731
Proceeds from disposal of financial assets at fair value through other comprehensive income	8	1,818	-
Proceeds from sale of property and equipment	5	500	-
Payments for purchase of property and equipment	5	(279)	(290)
Purchase of debt investments at amortised cost		-	(10,000)
Payments for investment properties		-	(1,578)
Purchase of financial assets at FVTPL		-	(29,867)
Proceeds from restricted cash		-	8,194
Placement of wakala investment		-	(85,000)
Term deposits released		-	51,250
Net cash generated from/(used in) investing activities		38,600	(47,536)
Cash flows from financing activities			
Repayment of bank borrowings	20	(15,333)	(39,540)
Proceeds from bank borrowings	20	9,108	75,510
Finance costs paid	20	(2,896)	(4,930)
Principal payments of lease liability	19	(684)	(51)
Interest payments of lease liability	19	(188)	-
Payment of loan issuance cost	20	-	(40)
Treasury shares purchased	15	-	(6,420)
Net cash (used in)/generated from financing activities		(9,993)	24,529
Net increase/(decrease) in cash and cash equivalents		5,244	(57,020)
Cash and cash equivalents at 1 January		5,819	74,057
Cash and cash equivalents at 30 September	12	11,063	17,037

*includes consideration for movement of accrued expenses, retention payable and advances to contractors

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

**Condensed consolidated statement of cash flows
for the nine-month period ended 30 September 2021 (continued)**

	Notes	Nine-month ended 30 September	
		2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
<u>Non-cash transactions</u>			
Settlement of financial assets at FVTOCI against financial assets at FVTPL	8, 10	6,175	-
Settlement of financial assets at FVTOCI against accrued interest receivables	8, 11	107	-
Share dividends received from financial assets at FVTPL	10	125	-
Transfer of debt investments at amortised cost to FVTPL	9, 10	-	94,024
Purchase of financial assets at FVTOCI through a related party	8	11,164	-
Non-cash additions for investment properties under development		3,380	-

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 Group 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 nine-month period ended 30 September 2021 (continued)**

5 Property and equipment

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Carrying amount at the beginning of the period/year	101,479	106,501
Additions	279	376
Depreciation charge for the period/year	(3,836)	(5,398)
Modification adjustment (Note 19)	(3,959)	-
Disposals	(1,350)	-
	<hr/>	<hr/>
Carrying amount at the end of the period/year	92,613	101,479
	<hr/> <hr/>	<hr/> <hr/>

All of the Group's property and equipment are located in the UAE. Property and equipment include right-of-use assets over leased office space with a net carrying value of NIL as of 30 September 2021 (31 December 2020: AED 5,024 thousand) (Note 19).

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 20).

In 2021, the Group entered into an agreement with a third party to take possession of the existing fit-out and equipment of the Group's office premises with a net carrying value of AED 1,350 thousand for a total price of AED 500 thousand. The Group recognized AED 850 thousand loss on disposal of property and equipment.

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

	Nine-month ended 30 September	
	2021 AED'000 (unaudited)	2020 AED'000 (unaudited)
Direct operating expenses	2,391	2,472
General and administrative expenses	1,445	1,573
	<hr/>	<hr/>
	3,836	4,045
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

6 Investment properties

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	826,681	841,440
Additions	-	1,577
Transfer from investment properties under development (Note 7)	190,166	46,070
Decrease in fair value	-	(62,406)
	<hr/>	<hr/>
Balance at the end of the period/year	1,016,847	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 nine-month period ended 30 September 2021.

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 30 September 2021. Accordingly, an increase in expected rental rates by 10% would result in AED 396,716 thousand increase in the valuation, whilst a decrease of 10% would result in AED 82,786 thousand decrease in valuation of the revalued amount of Group's investment properties as of 30 September 2021.

In 2021, the Group has completed the development of the property. As a result, the Group transferred an amount of AED 190,166 thousand previously accounted under investment properties under development to investment properties during the period ended 30 September 2021 (Note 7).

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 nine-month period ended 30 September 2021, the Group recognised rental income from letting investment properties of AED 5,993 thousand (30 September 2020: AED 5,948 thousand).

Included in investment properties, 1) a building with a fair value of AED 141,563 thousand; and 2) a building and a land with a fair value of AED 190,166 thousand are mortgaged as a security for a loan obtained by the Group from a local bank (31 December 2020: AED 141,563 thousand and AED 178,780, respectively.) (Note 20).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

7 Investment properties under development

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	178,780	184,397
Additions	11,386	57,202
Transfer to investment properties (Note 6)	(190,166)	(46,070)
Net change in fair value	-	(16,749)
	<hr/>	<hr/>
Balance at the end of the period/year	-	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. The fair values of the investment properties are categorised into level 3 of the fair value hierarchy.

In 2021, the Group has completed the development of the property. As a result, the Group transferred an amount of AED 190,166 thousand previously accounted under investment properties under development to investment properties during the period ended 30 September 2021 (Note 6).

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.

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Unquoted equity securities (i)	68,742	64,436
Unquoted funds (ii)	31,403	23,749
Quoted equity securities	311	237
	<hr/> 100,456 <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; 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; and 3) an investment in an equity stake of an unlisted educational tech entity established in India.
- (ii) Comprised of 1) 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:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	88,422	109,676
Additions	11,164	-
Disposals	(8,100)	-
Net change in fair value recognised in OCI	8,970	(21,254)
	<hr/> 100,456 <hr/>	<hr/> 88,422 <hr/>
Less: non-current portion	(75,452)	(56,560)
	<hr/> 25,004 <hr/>	<hr/> 31,862 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

8 Financial assets at fair value through other comprehensive income (continued)

In 2021, the Group received cash and investment securities in line with the liquidation of its investments with a carrying value of AED 8,195 thousand for a total value of AED 8,100 thousand. The Group recognized AED 95 thousand loss on disposal of securities and subsequently transferred to retained earnings.

9 Debt investment at amortised cost

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	18,363	79,558
Additions	-	28,363
Disposals	-	(90,000)
Reversal of impairment loss	-	442
	<hr/>	<hr/>
Balance at the end of the period/year	18,363	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 30 September 2021 amounted to AED 1,377 thousand (30 September 2020: AED 4,588 thousand). Accrued interest on debt investment at amortised cost amounted to AED 1,382 thousand as at 30 September 2021 (31 December 2020: AED 5 thousand).

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 nine-month period ended 30 September 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:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Fixed income securities (i)	39,226	57,468
Quoted equity securities (ii)	107,653	94,402
Unquoted funds (iii)	93,504	96,265
	<hr/> 240,383 <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%.
- (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 nine-month period ended 30 September 2021 amounted to AED 3,452 thousand (30 September 2020: AED 3,480 thousand). Accrued interest on fixed income securities amounted to AED 848 thousand as at 30 September 2021 (31 December 2020: AED 1,297 thousand).

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	248,135	185,201
Additions	6,300	160,250
Disposals	(38,362)	(87,829)
Net change in fair value recognised in profit or loss	24,310	(9,487)
	<hr/> 240,383 <hr/>	<hr/> 248,135 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

11 Trade and other receivables

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Trade receivables	688	348
Accrued interest	6,169	6,263
Prepayments	770	630
Advances to suppliers	786	1,019
Other receivables	8,940	6,179
	<hr/> 17,353 <hr/>	<hr/> 14,439 <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 2021, advance to supplier includes payments made to main sub-contractor of AED 57 thousand (31 December 2020: AED 914 thousand) in respect of investment properties.

12 Cash and bank balances

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Cash on hand	38	3
Cash at bank	14,688	9,479
Term deposits	6,618	6,618
	<hr/> 21,344 <hr/>	<hr/> 16,100 <hr/>
Less: short-term deposits with original maturity of more than three months	(6,618)	(6,618)
Less: restricted cash	(3,663)	(3,663)
	<hr/> 11,063 <hr/>	<hr/> 5,819 <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% per annum (31 December 2020: 0.20% - 9.5% per annum).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

12 Cash and bank balances (continued)

Finance income on term deposits for the nine-month ended 30 September 2021 amounted to AED 17 thousand (30 September 2020: AED 2,502 thousand). Accrued interest on term deposits amounted to AED 19 thousand as at 30 September 2021 (31 December 2020: AED 2 thousand).

Restricted cash includes unclaimed dividends which were declared in 2012 and 2013 collectively amounting to AED 3,635 thousand (31 December 2020: AED 3,635 thousand) and a restricted cash placed in a local bank amounting to AED 28 thousand (31 December 2020: AED 28 thousand)

13 Wakala investment

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Wakala investments	85,000	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 at same interest rates with maturity date of 28 March 2024.

Finance income on Wakala investment for the nine-month ended 30 September 2021 amounted to AED 5,533 thousand (30 September 2020: AED 2,970 thousand). Accrued interest on term deposits amounted to AED 3,805 thousand as at 30 September 2021 (31 December 2020: AED 4,842 thousand).

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:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	7,404	-
Invested during the period/year	-	7,125
Share in profit during the period/year	661	279
Balance at the end of the period/year	8,065	7,404

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Total assets	20,162	18,509
Total liabilities	-	-
	<hr/>	<hr/>
Net assets	20,162	18,509
	<hr/> <hr/>	<hr/> <hr/>
Group's share in the net assets	8,065	7,404
	<hr/> <hr/>	<hr/> <hr/>
Profit for the period/year	1,653	698
	<hr/> <hr/>	<hr/> <hr/>
Group's share in the profit during the period/year	661	279
	<hr/> <hr/>	<hr/> <hr/>

15 Share capital

	30 September 2021 AED'000 (unaudited)	31 December 2020 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/>	<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.

As at 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 nine-month period ended 30 September 2021.

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	888	700
Charge for the period/year	205	208
Paid during the period/year	(5)	(20)
	<hr/>	<hr/>
Balance at the end of the period/year	1,088	888
	<hr/> <hr/>	<hr/> <hr/>

19 Lease liability 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 liability is as follows:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	5,109	6,507
Interest expense	188	346
Payments	(872)	(1,744)
Modification adjustment	(4,425)	-
	<hr/>	<hr/>
Balance at the end of the period/year	-	5,109
Less: non-current portion	-	(3,367)
	<hr/>	<hr/>
Current portion	-	1,742
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

19 Lease liability and right to use asset (continued)

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	5,024	6,570
Amortisation expense	(1,065)	(1,546)
Modification adjustment	(3,959)	-
	<hr/>	<hr/>
Balance at the end of the period/year	-	5,024
	<hr/> <hr/>	<hr/> <hr/>

In 2021, there was a modification to the lease of the Group which resulted in the termination of the lease, thereby decreasing the carrying amount of the right of use asset to reflect the termination the Group's lease contract.

The lease modification is not accounted for as a separate lease, and accordingly, at the date of effective date of lease modification, the Group has derecognized its lease liability.

The lease modification resulted to a gain on modification of AED 466 thousand.

20 Bank borrowings

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Term loan 1	131,149	136,748
Term loan 2	81,505	70,713
Term loan 3	25,117	34,102
	<hr/>	<hr/>
	237,771	241,563
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	(198,615)	(198,533)
	<hr/>	<hr/>
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	39,156	43,030
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)****20 Bank borrowings (continued)**

The term loans comprise of 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 30 September 2021, the Group has an unamortised loan arrangement fee of AED 1,351 thousand (31 December 2020: AED 1,452 thousand) and recognized finance costs of AED 2,846 thousand (30 September 2020: 4,403 thousand) in relation to this facility.

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 30 September 2021 is AED 78,741 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 6), 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 2021, the Group has an unutilised facility of AED 21,945 thousand (31 December 2020: AED 32,695 thousand).

As at 30 September 2021, the Group has an unamortised loan arrangement fee of AED 549 thousand (31 December 2020: AED 592 thousand) in relation to this facility and recognized finance costs of AED 1,642 thousand (30 September 2020: 1,077 thousand) which are capitalized to the cost of the development of the mortgaged property (Note 7).

Term loan 3

In 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 30 September 2021 is AED 25,117 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 30 September 2021, the Group has an unutilised facility of AED 43,883 thousand (31 December 2020: 35,000 thousand) and recognized finance costs of AED 648 thousand (30 September 2020: 266 thousand).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

20 Bank borrowings (continued)

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	241,563	198,195
<i>Cash flows</i>		
Loan drawdown	9,108	81,415
Loan repaid	(15,333)	(40,144)
Payment of accrued interest	-	(1,817)
<i>Other non-cash items</i>		
Amortisation of transaction cost	143	569
Accrual of interest	2,290	3,345
	<hr/>	<hr/>
Balance at the ending of the period/year	237,771	241,563
	<hr/> <hr/>	<hr/> <hr/>

21 Trade and other payables

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Trade payables	9	18
Retention payables	13,944	13,058
Advances from customers	7,949	6,832
Accruals	2,640	5,671
Unclaimed dividends	3,635	3,635
Other payables	2,666	3,459
	<hr/>	<hr/>
	30,843	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.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

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:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Cash and bank balances:		
Entities under common directorship	10,210	6,693
Shareholder	21	21
	<hr/> 10,231 <hr/>	<hr/> 6,714 <hr/>
Wakala investments:		
Entities under common directorship	85,000	85,000
	<hr/> 85,000 <hr/>	<hr/> 85,000 <hr/>
Financial assets at FVOCI:		
Entities under common directorship	88,891	88,185
Shareholder	191	204
	<hr/> 89,172 <hr/>	<hr/> 88,389 <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

22 Related party balances and transactions (continued)

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Financial assets at FVTPL:		
Entities under common directorship	124,367	131,118
Debt investments at amortised cost:		
Entity under common directorship	18,363	18,363
Due from a related party:		
Entity under common control	18,256	24
Investment in an associate:		
Entity under common directorship	8,065	7,404
Loan from a bank:		
Entities under common directorship	106,621	104,815
Lease liability:		
Entity under common control	-	5,109
Interest receivables:		
Entities under common directorship	5,014	5,441
Interest payable:		
Entities under common directorship	480	420
Other payables:		
Entities under common directorship	76	4
Other receivables:		
Entities under common directorship	88	-

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

22 Related party balances and transactions (continued)

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

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Purchase of financial assets at FTVPL:		
Entities under common directorship	-	61,267
	=====	=====
Net disposal of debt investments at amortised cost:		
Entities under common directorship	-	(61,638)
	=====	=====
Net term deposits uplifted:		
Entity under common directorship	-	(80,001)
	=====	=====
Wakala investments placed:		
Entities under common directorship	-	85,000
	=====	=====
Loan taken from a bank during the period/year:		
Entity under common directorship	9,108	81,172
	=====	=====
Loan payment during the period/year:		
Entity under common directorship	9,633	809
	=====	=====
Borrowing cost during the period/year:		
Entity under common directorship	1,702	1,890
	=====	=====
Net fund transfer (received from)/made to related parties:		
Entities under common directorship	(8,165)	19,575
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2021 (continued)**

22 Related party balances and transactions (continued)

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

	Nine-month ended 30 September	
	2021	2020
	AED'000	AED'000
	(unaudited)	(unaudited)
Interest expense on loan from a bank/ related party:		
Entities under common directorship	836	267
	=====	=====
Dividend income:		
Entities under common directorship	6,852	6,762
	=====	=====
Broker fees paid to related parties:		
Shareholder	60	105
	=====	=====
Interest income:		
Entities under common directorship	9,448	11,871
	=====	=====
Reversal of allowance on ECL recognised for debt investments at amortised cost:		
Entities under common directorship	-	(442)
	=====	=====

Key management compensation

	Nine-month ended 30 September	
	2021	2020
	AED'000	AED'000
	(unaudited)	(unaudited)
Short term benefits	1,598	1,575
Long term end of service benefits	71	56
Board of Directors' remuneration	-	555
	=====	=====
	1,669	2,186
	=====	=====

There were no loans provided to directors as of 30 September 2021 and 31 December 2020.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties in as at 30 September 2021 and 31 December 2020.

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

	Nine-month ended 30 September	
	2021	2020
	(unaudited)	(unaudited)
Profit/(loss) for the period (AED'000)	35,131	(3,636)
Weighted average number of ordinary shares outstanding (thousands)	2,288,542	2,288,542
Basic and diluted earnings/(losses) per share (AED)	0.0154	(0.0016)

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

As at 30 September 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 nine-month period ended 30 September 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 "CODM"). 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 30 September 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 nine-month period ended 30 September 2021 (continued)**

24 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
30 September 2020							
Revenue							
<i>Timing of revenue recognition</i>							
Overt time	-	5,948	6,977	-	-	-	12,925
At a point in time	-	-	283	-	-	-	283
	-	5,948	7,260	-	-	-	13,208
Direct operating expenses	-	(2,055)	(3,664)	-	-	-	(5,719)
Depreciation	-	-	(2,472)	-	-	-	(2,472)
Gross profit	-	3,893	1,124	-	-	-	5,017
Net finance income	-	-	-	-	6,904	-	6,904
Changes in fair value of financial assets at FVTPL	-	-	-	(10,379)	-	-	(10,379)
Dividend income	-	-	-	6,762	-	-	6,762
Total operating income/(loss)	-	3,893	1,124	(3,617)	6,904	-	8,304
General and administrative expenses	-	-	(1,269)	-	(6,747)	-	(8,016)
Depreciation	-	-	-	-	(1,573)	-	(1,573)
Selling and marketing expense	-	-	(433)	-	(39)	-	(472)
Loss on the valuation of properties	-	(2,387)	-	-	-	-	(2,387)
Impairment on debt investments at amortised cost	-	-	-	442	-	-	442
Other income	-	4	56	-	6	-	66
Profit/(loss) for the period	-	1,510	(522)	(3,175)	(1,449)	-	(3,636)
At 31 December 2020							
Total assets	185,271	829,863	97,720	454,138	19,200	(487)	1,585,705
Total liabilities	88,396	7,549	143,800	-	46,597	(6,109)	280,233

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 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 30 September 2021, the Group has capital commitments amounting to AED 9,961 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	
At 30 September 2021 (unaudited)					
Financial assets at FVTPL	240,383	146,880	-	93,503	240,383
Financial assets at FVOCI	100,456	311	31,403	68,742	100,456
	<u>340,839</u>	<u>147,191</u>	<u>31,403</u>	<u>162,245</u>	<u>340,839</u>
At 31 December 2020 (audited)					
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 nine-month period ended 30 September 2021 (continued)**

27 Fair value of financial instruments (continued)

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

	30 September 2021 AED'000	31 December 2020 AED'000
Balance at the beginning of the period/year	160,701	82,598
Additions	11,164	94,024
Disposals	(8,100)	-
Change in fair value	(1,520)	(15,921)
	<hr/>	<hr/>
Balance at the ending of the period/year	162,245	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. The Group's business operations in real estate renting out and hotel segment got affected due to the lowered economy activities, international travel restrictions and restrictions imposed in the local market. 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 nine-month period ended 30 September 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 30 September 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 30 September 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 28 October 2021.