ALPHA DHABI HOLDING PJSC
(formerly "Trojan Holding LLC")

Review report and interim condensed consolidated financial statements for the six-month period ended 30 June 2021

ALPHA DHABI HOLDING PJSC (formerly "Trojan Holding LLC")

Review report and interim condensed consolidated financial statements for the six-month period ended 30 June 2021

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALPHA DHABI HOLDING P.J.S.C (formerly "Trojan Holding LLC")

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Alpha Dhabi Holding PJSC (formerly "Trojan Holding LLC") (the "Company") and its subsidiaries (together referred to as the "Group"), as at 30 June 2021 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of 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.

Other matter

The comparative information presented in the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows and related explanatory information has not been audited or reviewed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Deloitte & Touche (M.E.)

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

Interim condensed consolidated statement of financial position as at 30 June 2021

	Notes	30 June 2021 (unaudited) AED ‘000	31 December 2020 (audited) AED ‘000
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	**6,426,565**	595,288
Goodwill and intangible assets	**6**	**923,140**	274
Biological assets		**19,719**	-
Right-of-use assets	**7**	**487,425**	70,838
Investment properties	**8**	**357,180**	109,687
Investment in associates	**9**	**630,513**	2,706
Investment in joint venture		**48,326**	7,658
Investment securities	**10**	**4,785,849**	-
Islamic financing assets	**11**	**1,365,882**	-
Contract assets	**13**	**278,867**	-
Bank deposits		**2,096**	1,893
Deferred tax assets		**13,843**	-
Retention receivable	**12**	**42,358**	-
Total non-current assets		**15,381,763**	788,344
Current assets			
Inventories		**600,459**	188,986
Development work-in-progress		**147,000**	146,760
Trade and other receivables	**12**	**6,675,494**	2,185,632
Contract assets	**13**	**5,624,416**	1,358,469
Due from related parties	**14**	**633,210**	94,849
Wakala deposits with Islamic financial institutions	**16**	**101,681**	-
Investment securities	**10**	**545,090**	-
Cash and bank balances	**15**	**4,546,369**	631,828
Total current assets		**18,873,719**	4,606,524
Total assets		**34,255,482**	5,394,868

Interim condensed consolidated statement of financial position (continued)
as at 30 June 2021

	Notes	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
EQUITY AND LIABILITIES			
Equity			
Share capital	21	**10,000,000**	300
Statutory reserve		**150**	150
Contributed capital		**-**	214,335
Restricted reserve		**135,749**	72,379
Investments revaluation reserve		**144,812**	-
Currency translation reserve		**(48,104)**	-
Hedging reserve		**668**	-
Retained earnings		**1,462,781**	727,819
Equity attributable to the Owners of the Parent		**11,696,056**	1,014,983
Non-controlling interests		**2,335,730**	30,477
Total equity		**14,031,786**	1,045,460
Non-current liabilities			
Lease liabilities	7	**450,796**	63,290
Loan from a related party	14	**13,300**	13,300
Provision for employees' end of service benefits		**644,395**	120,868
Bank borrowings	18	**4,602,953**	238,231
Derivative financial instruments	27.1	**45,564**	-
Total non-current liabilities		**5,757,008**	435,689
Current liabilities			
Margins against letters of guarantee	17	**1,062,240**	-
Contract liabilities	19	**1,664,051**	1,048,902
Trade and other payables	20	**8,597,494**	2,552,535
Bank borrowings	18	**812,741**	114,034
Lease liabilities	7	**24,532**	10,076
Due to related parties	14	**1,507,651**	43,652
Derivative financial instruments	27.1	**13,553**	-
Bank overdrafts	15	**784,426**	144,520
Total current liabilities		**14,466,688**	3,913,719
Total liabilities		**20,223,696**	4,349,408
Total equity and liabilities		**34,255,482**	5,394,868

Group Chief Financial Officer **Managing Director** **Chairman**

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

Interim condensed consolidated statement of profit or loss for the six-month period ended 30 June 2021

		6-months ended 30 June		3-months ended 30 June	
		2021	2020	**2021**	2020
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	Notes	**AED '000**	AED '000	**AED '000**	AED '000
Revenue	**22**	**5,499,470**	1,819,389	**4,484,234**	1,041,166
Direct costs		**(3,739,098)**	(1,667,202)	**(2,836,158)**	(988,465)
Gross profit		**1,760,372**	152,187	**1,648,076**	52,701
General and administrative expenses		**(271,406)**	(51,931)	**(246,217)**	(26,935)
Share of profit of joint ventures		**14,681**	-	**7,603**	-
Share of (loss)/profit from associates		**(13,843)**	644	**(14,121)**	707
Net changes in fair value of investments carried at fair value through profit and loss		**(26,301)**	-	**(26,301)**	-
Finance income		**4,091**	3,296	**3,296**	2,754
Finance costs		**(33,798)**	(10,154)	**(30,709)**	(6,346)
Other income		**167,659**	10,154	**160,023**	4,870
Foreign exchange gain		**120,253**	-	**120,253**	-
Profit before tax		**1,721,708**	104,196	**1,621,903**	27,751
Income tax benefit for the period		**4,181**	-	**4,181**	-
Profit after tax		**1,725,889**	104,196	**1,626,084**	27,751
Profit attributable to:					
Owners of the Company		**831,622**	104,910	**731,122**	28,448
Non-controlling interests		**894,267**	(714)	**894,962**	(697)
Profit after tax		**1,725,889**	104,196	**1,626,084**	27,751
Basic earnings per share in AED	**26**	**0.20**	104,910	**0.09**	28,448

Interim condensed consolidated statement of other comprehensive income for the six-month period ended 30 June 2021

	6-months ended 30 June		3-months ended 30 June	
	2021 (unaudited) AED '000	2020 (unaudited) AED '000	**2021 (unaudited) AED '000**	2020 (unaudited) AED '000
Profit after tax	**1,725,889**	104,196	**1,626,084**	27,751
Items that may be reclassified subsequently to profit or loss:				
Fair value gain on investments in debt instruments measured at FVTOCI	**2,451**	-	**2,451**	-
Fair value gain arising on hedging instruments during the period	**1,026**	-	**1,026**	-
Exchange differences arising on translation of foreign operations	**(112,628)**	-	**(112,628)**	-
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain on investments in equity instruments designated as FVTOCI	**140,000**	-	**140,000**	-
Total comprehensive income for the period	**1,756,738**	104,196	**1,656,933**	27,751
Total comprehensive income attributable to:				
Owners of the Company	**928,998**	104,910	**828,498**	28,448
Non-controlling interests	**827,740**	(714)	**828,435**	(697)
	1,756,738	**104,196**	**1,656,933**	**27,751**

Interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2021

	Share capital AED ‘000	Statutory reserve AED ‘000	Contributed capital AED ‘000	Restricted reserve AED ‘000	Investments revaluation reserve AED ‘000	Currency translation reserve AED ‘000	Hedging reserve AED ‘000	Retained earnings AED ‘000	Attributable to the Owners of the Group AED ‘000	Non-controlling interests AED ‘000	Total equity AED ‘000
Balance at 1 January 2020 (audited)	300	150	357,610	72,379	-		-	757,320	1,187,759	36,508	1,224,267
Total comprehensive income/ (loss) for the period	-	-	-	-			-	104,910	104,910	(714)	104,196
Balance at 30 June 2020 (unaudited)	**300**	**150**	**357,610**	**72,379**	**-**	**-**	**-**	**862,230**	**1,292,669**	**35,794**	**1,328,463**
Balance at 1 January 2021 (audited)	300	150	214,335	72,379	-	-		727,819	1,014,983	30,477	1,045,460
Profit for the period	-	-	-	-	-	-	-	831,622	831,622	894,267	1,725,889
Other comprehensive income/(loss) for the period	-	-	-	-	144,812	(48,104)	668	-	97,376	(66,527)	30,849
Total comprehensive income for the period	-	-	-	-	-	-	-	**831,622**	**928,998**	**827,740**	**1,756,738**
Equity arising from transfer of ownership of entities under common control (note 23)	-	-	9,752,071	-	-	-	-	-	9,752,071	2,454,174	12,206,245
Increase in share capital (note 21)	9,999,700	-	(9,966,406)	-	-	-		(33,294)	-	-	-
Non-controlling interests arising from transfer of entities under common control (note 23)	-	-	-	-	-	-	-	-	-	212,525	212,525
Dividend	-	-	-	-	-	-	-	-	-	(1,189,247)	(1,189,247)
Net movement in restricted reserve	-	-	-	63,366	-	-	-	(63,366)	-	-	-
Net movement in reserves	-	-	-	4	-	-	-	-	4	1	5
Non-controlling interests arising from formation of new company	-	-	-	-	-	-	-	-	-	60	60
Balance at 30 June 2021 (unaudited)	**10,000,000**	**150**	**-**	**135,749**	**144,812**	**(48,104)**	**668**	**1,462,781**	**11,696,056**	**2,335,730**	**14,031,786**

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

Interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2021

	6-month period ended 30 June	
	2021 (unaudited) AED '000	2020 (unaudited) AED '000
Cash flows from operating activities		
Profit before tax for the period	**1,721,708**	104,196
Adjustment for non-cash charges and other items:		
Depreciation of property, plant and equipment	**117,923**	45,013
Amortisation of intangible assets	**1,825**	121
Amortisation of right-of-use assets	**5,603**	3,622
Depreciation of investment properties	**3,011**	2,493
Provision for employees' end of service benefits	**24,797**	12,352
Remeasurement of biological assets	**129**	-
Share of loss/(profit) from associates	**13,843**	(644)
Share of profit from joint ventures	**(14,681)**	(194)
Write-off of property, plant and equipment	**37**	-
Loss on derivatives	**316**	-
Interest expense on lease liabilities	**1,512**	-
Gain on disposal of property, plant and equipment	**(45)**	-
Net changes in fair value of investments carried at fair value through profit and loss	**26,301**	-
Finance income	**(4,091)**	-
Finance costs	**32,286**	10,154
Provision for slow moving and obsolete inventories	**1,597**	-
Amortisation of borrowing costs	**267**	-
(Reversal)/charge impairment loss allowance on financial assets	**(78,464)**	261
	1,853,874	177,374
Movements in working capital		
Decrease/(increase) in inventories	**59,634**	(61,392)
Decrease/(increase) in trade and other receivables	**1,634,674**	(37,220)
Increase in contract assets	**(127,688)**	(304,604)
Decrease in due from related parties	**711,779**	19,101
Increase in Islamic financing assets	**(295,468)**	-
Increase in development-in-progress	**(240)**	-
Increase in contract liabilities	**615,149**	262,149
(Decrease)/increase in trade and other payables	**(275,219)**	229,429
(Decrease)/increase in due to related parties	**(1,372,546)**	18,661
Movement in deferred tax	**(400)**	-
Decrease in margins against letters of guarantee	**(97,141)**	-
Decrease in wakala deposits with Islamic financial institutions	**80,064**	-
Cash generated from operating activities	**2,786,472**	303,498
Employees' end of service benefit paid	**(23,066)**	(4,340)
Income tax paid	**(14,157)**	-
Net cash generated from operating activities	**2,749,249**	299,158

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

Interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2021 (continued)

	6-month period ended 30 June	
	2021 (unaudited) AED '000	2020 (unaudited) AED '000
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	**(130,320)**	(17,034)
Cash inflow on business combination of entities under common control	**1,095,420**	-
Proceeds from disposal of property, plant and equipment	**147**	-
Payments for purchases of investment properties	**-**	(22,883)
Payments for purchases of intangible assets	**(517)**	-
Dividend received from associates	**990**	540
Payments for purchases of investments	**(1,128)**	-
Proceeds from disposal of investments	**24,147**	10,945
Deposit placed with banks	**(145)**	-
Payment for right-of-use assets	**(4,066)**	-
Finance income received	**4,091**	-
Payment of derivatives	**(6,393)**	-
Net cash generated form/(used in) investing activities	**982,226**	(28,432)
Cash flows from financing activities		
Addition of lease liabilities	**1,993**	-
Repayment of bank borrowings	**(339,900)**	-
Proceeds from bank borrowings	**115,981**	5,306
Dividend paid to minority shareholders	**(89,247)**	-
Movement in minority interest	**61**	-
Finance costs paid	**(21,431)**	(10,155)
Payment of lease liabilities	**(4,225)**	(3,322)
Net cash used in financing activities	**(336,768)**	(8,171)
Net increase in cash and cash equivalents	**3,394,707**	262,555
Foreign currency translation	**(112,628)**	-
Cash and cash equivalent at the beginning of the period	**474,775**	387,358
Cash and cash equivalents at the end of the period (note 15)	**3,756,854**	649,913
Non-cash transactions:		
Acquisition of associate paid by Parent on behalf of the Company	**241,587**	-
Net assets transferred under common control transaction (note 23)	**11,118,483**	-
Dividend declared by Pure Health to non-controlling interests	**1,100,000**	-

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

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021

1 General information

Alpha Dhabi Holding PJSC (the "Company") (formerly "Trojan Holding LLC") is a Public Joint Stock Company registered in the Emirate of Abu Dhabi, United Arab Emirates. The Company's registered address is P.O. Box 111059, Abu Dhabi, United Arab Emirates.

Prior to April 2021, Trojan Holding LLC, as the Company was known then, was a limited liability company also registered in Abu Dhabi. During April 2021, the Board of Directors approved to change the name of the Company to Alpha Dhabi Holding and to increase its paid-up share capital to AED 10,000,000,000 (UAE Dirhams 10 billion). Additionally, on 10 May 2021, the shareholders approved to change the legal status of the Company from a limited liability company to a public joint stock company. The registration of the change in name and the increase of share capital was completed during the period ended 30 June 2021.

The Company's ordinary shares were listed on the Abu Dhabi Securities Exchange on 27 June 2021.

The principal activities of the Company and its subsidiaries ("the Group") carried out both in the UAE and aboard include:

- Medical services including management of testing laboratories with their related logistics, management of hospitals and medical clinics;
- Engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works;
- Engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries
- Oil and gas transmission engineering consultancy oil and gas production facilities operations and management services
- Islamic banking and financial services including Shariah compliant loans and deposits;
- Tourism related investments, development and management;
- Industrial production related investments, development and management;
- Forestry and natural vegetation management including farming, agricultural related investments and management;
- Production and supply of ready-mix concrete;
- Investment in a diverse range of industries;
- Ready mix and dry-mix concrete and mortar manufacturing; and
- Manufacturing, supply, installation and fabrication of aluminium and glass panels.

The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and were effective from the 2 January 2021. The Group shall apply and adjust their status in accordance with the provisions thereof by no later than one year from the date on which this Decree-Law takes effect.

2 Basis of preparation

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial assets carried at fair value through other comprehensive income, fair value through profit and loss, derivative financial instruments and biological assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed consolidated financial statements are prepared in United Arab Emirates Dirhams (AED), which is the Group's functional and presentation currency and all values are rounded to the nearest thousands (AED'000) except where otherwise stated.

These interim condensed consolidated financial statements as at 30 June 2021 include the financial performance and position of the Group as disclosed in its annual consolidated financial statements for the year ended 31 December 2020 and new subsidiaries acquired during the current period as disclosed in Note 23.

3 Application of new and revised International Financial Reporting Standards (IFRS)

a) Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2021.

- *Interest Rate Benchmark Reform –Phase 2*
  The amendments in Interest Rate Benchmark Reform- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

b) New standards and amendments issued but not yet effective

- *Classification of Liabilities as Current or Non-Current - amendments to IAS 1 (effective from 1 January 2023).* The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current;

3 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

b) New standards and amendments issued but not yet effective (continued)

- *Reference to the Conceptual Framework - Amendments to IFRS 3 (effective from 1 January 2022).* The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard;

- *Property, Plant and Equipment - Proceeds before Intended Use - amendments to IAS 16 (effective from 1 January 2022).* The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss;

- *Onerous Contracts - Cost of Fulfilling a Contract - amendments to IAS 37 (effective from 1 January 2022).* The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract);

- *IFRS 17: Insurance Contracts (effective from 1 January 2023).* IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2023;

- *Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture. (Effective date deferred indefinitely. Adoption is still permitted).

- *Annual Improvements to IFRS Standards 2018–2020 (effective from 1 January 2022).* The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective from January 1, 2022), IFRS 9 Financial Instruments (effective from January 1, 2022), IFRS 16 Leases (effective date not yet decided) and IAS 41 Agriculture (effective from January 1, 2022).

- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023).* The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

3 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

b) New standards and amendments issued but not yet effective (continued)

- *Definition of Accounting Estimates - Amendments to IAS 8 (effective from 1 January 2023).* The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The above stated new standards and amendments are not expected to have any significant impact on the interim condensed consolidated financial statements of the Group. There are no other applicable new standards and amendments to published standards or International Financial Reporting Interpretations Committee "IFRIC" interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial statements of the Group.

4 Summary of significant accounting policies

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020. In addition, results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

<u>Transactions under common control</u>

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Group are accounted for using the pooling of interest method and presented in these interim condensed consolidated financial statements as continuation of the Group's financial statements. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity at transferred date. The components of equity of the acquired entities are added to the same components within Group equity, except those which are eliminated on consolidation and for reserves which are added to restricted reserve. Any difference between the consideration paid and capital of the acquiree is recognised directly in equity.

These transactions are accounted for under the pooling of interest method, where the consolidated financial statements of the Company are presented as continuation of the existing entities on the principle of ultimate control and, therefore, outside the scope of IFRS 3 Business Combination.

4 Summary of significant accounting policies (continued)

Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill arising on the acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Group's assets in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Taxation

Income tax (expense) / benefit comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

4 Summary of significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the interim condensed consolidated statement of financial position.

Biological assets

Biological assets are recognised only when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the Group; and the fair value or cost of the net asset can be measured reliably.

Biological assets, for which fair values cannot be measured reliably; are measured at cost less depreciation and any accumulated impairment losses. The cost of a biological asset consists of its purchase price and other direct expenses directly attributable to the assets.

4 Summary of significant accounting policies (continued)

Islamic financing and investments – products, definitions and income recognition

Sharia is the Islamic law which is essentially derived from the Quran and Sunnah that governs beliefs and conducts of human beings. The Group incorporates the Sharia rules and principles in its activities.

Wakala investments

Wakala deposit is an agreement whereby the Group (the Muwakkil) provides certain amount of funds (the Wakala Capital) to an agent (the Wakeel) to invest it in a Sharia compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel, who is entitled to a fixed fee (the Wakala Fee) as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. The Muwakkil bears the loss unless caused by the default, negligence or violation of any of the terms and conditions of the Wakala by the Wakeel.

Estimated income from Wakala deposits is amortized on a time-apportioned basis over the period, adjusted by actual income when declared by the Wakeel, whereas the losses are charged to profit or loss on their declaration by the Wakeel.

Istisna'a

Istisna'a is a sale contract between two parties whereby one party (Sani' or seller) undertakes to construct, for the other party (Mustasni' or buyer), a specific asset or property according to certain pre-agreed specifications in consideration of a pre-determined price to be delivered during a pre-agreed period of time. The work undertaken is not restricted to be accomplished by the Sani' alone and the whole or part of the construction can be undertaken by third parties under the control and responsibility of the Sani'. Under an Istisna'a contract, the Group could be the Sani' or the Mustasni'.

Murabaha

A Murabaha Contract whereby the Group (the Seller) sells an asset to the Client (the Purchaser), on a deferred payment basis, after purchasing the asset, which the Seller has purchased and acquired, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha purchase price, payable by the Purchaser, comprises the cost of the asset and an agreed profit amount. The Purchaser usually pays the Murabaha Sale price on an instalment basis over the period of the Murabaha contract. Where the income is quantifiable, it is recognised on a time-apportioned basis over the period of the Murabaha contract.

Ijarah

Ijarah is an agreement whereby the Group (Lessor) leases an asset to the customer (Lessee) (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and promise to lease), against certain rental payments for specific lease term/periods, payable on a fixed or variable rental basis. Leased assets are usually residential properties or commercial real estate.

4 Summary of significant accounting policies (continued)

Islamic financing and investments – products, definitions and income recognition (continued)

Ijarah (continued)

The Ijarah agreement specifies the leased asset, duration of the lease term, as well as the basis for rental calculation, the timing of rental payments and responsibilities of both parties during the lease term. The customer provides the Group with an undertaking to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Group retains the ownership of the assets throughout the lease term. At the end of the lease term, upon fulfilment of all the obligations by the customer under the Ijarah agreement, the Group will sell the leased asset to the customer at a nominal value based on a sale undertaking given by the Group.

Income is recognized on an accrual basis over the lease term based on the fixed rental amount outstanding (which predominantly represents the cost of the leased asset).

Musharaka

Musharaka is used to provide venture capital or project finance. The Group and customer contribute towards the capital of the Musharaka. Usually a special purpose Group or a partnership is established as a vehicle to undertake the Musharaka. Profits are shared according to a pre-agreed profit distribution ratio but losses are borne according to the capital contributions. Capital contributions may be in cash or in kind, as valued at the time of entering into the Musharaka.

Estimated profit is amortized on a time-apportioned basis over the period, adjusted by actual profit when received, whereas the losses are charged to profit or loss on their declaration.

Sukuk

Sukuks are asset backed Sharia compliant trust certificates.

Financial instruments

The Group classifies its financial instruments in the following categories: financial assets or financial liabilities and measures them at fair value through profit or loss ("FVTPL"), amortised cost and fair value through other comprehensive income ("FVTOCI"). Management determines the classification of financial instruments at the time of initial recognition based on the requirements of IFRS 9.

Recognition and derecognition

Financial assets and financial liabilities are recognised in the Group's interim condensed consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Recognition and derecognition (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or is sold to another party. On derecognition of a financial asset (except for equity investments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised through other comprehensive income and accumulated in equity is recognized in the interim condensed consolidated statement of profit or loss.

Upon derecognition of equity instruments where the Group had elected FVTOCI option, gains or losses are not recognised in the interim condensed consolidated statement of profit or loss. Correspondingly, the Group transfers such gains or losses including their respective accumulated balance in reserves directly to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the interim condensed consolidated statement of profit or loss.

Measurement

Upon recognition, financial assets and financial liabilities are initially measured at fair value plus (in the case of a financial asset or financial liability not classified as FVTPL) transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets that are classified as FVTPL, the transaction costs are taken directly to the interim condensed consolidated statement of profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

These include cash and cash equivalents, wakala deposits, trade and other receivables, due from related parties, financing assets and other financial assets.

4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

These include Group's sukuk portfolio.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at fair value through profit and loss (FVTPL)

All financial assets other than those mentioned above are classified as measured at FVTPL. These includes Group's portfolio of investment securities and unquoted equity instruments

On initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are liabilities where the Group has a contractual obligation to deliver cash or another financial asset or exchange financial instruments under conditions that are potentially unfavourable to the Group.

Financial liabilities are subsequently measured at amortised cost, except for financial liabilities at FVTPL. These includes margin deposits, trade and other payables, contract and other liabilities.

FVTPL classification is applied financial liabilities designated as such at initial recognition. Gains and losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to the changes in credit risk of that liability) and partially in profit or loss (the remaining amount of change in the fair value of the liability). The Group has not designated any liability as FVTPL.

4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Business model assessment

- **Financial assets at amortised cost or at FVTOCI**

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how group of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated;
- reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Business model assessment (continued)

- **Financial assets at FVTPL**

These are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in profit or loss.

Assessment whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending costs and profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows
- leverage features
- prepayment and extension terms
- terms that limit the Group's claim to cash flows from specified assets
- features that modify consideration of the time value of money

4 Summary of significant accounting policies (continued)

Changes in judgements and estimation uncertainty

The preparation of these interim condensed consolidated financial statements, in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s annual consolidated financial statements for the year ended 31 December 2020, except as given below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. The carrying amount of goodwill at the reporting date is 879,599 thousand (2020: nil) (note 6) and the impairment recorded is Nil (2020: Nil).

Control over Pure Health Medical Supplier LLC

Note 23 describes that Pure Health Medical Supplier LLC (“Pure Health”) is a subsidiary of the Group even though the Group has only a 31.5 per cent ownership interest. The Group has held its 31.5 per cent ownership after a transfer under common control transaction as disclosed in note 23. The Group assessed whether or not it has control over Pure Health based on whether the Group has the practical ability to direct the relevant activities of Pure Health unilaterally. In making this judgement, the Group considered its absolute size of holding in Pure Health, the shareholdings owned by the Parent Company and the Group’s representation in the board of Pure Health. The Group concluded that it has a sufficiently dominant voting interest, directly and indirectly, and representation on the board to direct the relevant activities of Pure Health. Therefore, the Group has clearly established control over Pure Health and accordingly consolidated its results in these interim condensed consolidated financial statements as at 30 June 2021.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

5 Property, plant and equipment

	Land AED '000	Buildings AED '000	Machinery and equipment AED '000	Motor vehicles AED '000	Furniture and fixtures AED '000	Office equipment AED '000	Capital work in progress AED '000	Other assets AED '000	Leasehold improvement AED '000	Total AED '000
At 31 December 2020										
Cost	-	236,570	949,174	278,437	24,855	28,916	149,736	-	-	1,667,688
Accumulated deprecation	-	(145,425)	(665,515)	(212,653)	(23,241)	(25,566)	-	-	-	(1,072,400)
Net book value	-	91,145	283,659	65,784	1,614	3,350	149,736	-	-	595,288
Six-month period ended 30 June 2021										
Opening net book value	-	91,145	283,659	65,784	1,614	3,350	149,736	-	-	595,288
Depreciation charge	-	(20,926)	(45,476)	(30,330)	(5,003)	(6,162)	-	(9,033)	(993)	(117,923)
Assets arising under common control transaction (note 23)	225,233	1,215,387	967,174	2,953,992	50,718	80,122	287,484	12,003	26,488	5,818,601
Others/reclassification	-	(250)	-	124	-	112	432	-	-	418
Transfer	-	(1,583)	12,506	1,054	-	(2,318)	(9,659)	-	-	-
Write off	-	-	-	(17)	-	-	(20)			(37)
Addition	-	2,870	17,298	13,462	2,799	5,013	80,760	-	8,118	130,320
Disposals	-	-	-	(86)	-	(16)	-	-	-	(102)
Closing net book value	**225,233**	**1,286,643**	**1,235,161**	**3,003,983**	**50,128**	**80,101**	**508,733**	**2,970**	**33,613**	**6,426,565**
At 30 June 2021										
Cost	225,233	2,250,618	2,179,497	6,733,457	234,481	341,735	508,733	151,182	45,038	12,669,974
Accumulated depreciation	-	(963,975)	(944,336)	(3,729,474)	(184,353)	(261,634)	-	(148,212)	(11,425)	(6,243,409)
Net book value	**225,233**	**1,286,643**	**1,235,161**	**3,003,983**	**50,128**	**80,101**	508,733	**2,970**	**33,613**	**6,426,565**

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021(continued)

6 Goodwill and intangible assets

	30 June 2021 AED '000 (unaudited)	31 December 2020 AED '000 (audited)
Balance at the beginning of the period/year	**274**	464
Goodwill arising on transactions under common control (Note 23)	**879,598**	-
Intangible assets arising on transactions under common control (Note 23)	**44,576**	-
Additions	**517**	15
Amortisation charge for the period/year	**(1,825)**	(205)
Balance at the end of the period/year	**923,140**	274

Goodwill

As on 30 June 2021, goodwill has arisen on the acquisitions of:

(i) 100% interest in Murban (BVI) Holdings Inc. amounting to AED 404,761 thousand;
(ii) 100% shares of Hill View Resorts (Seychelles) Limited, Lindere Villas (Seychelles) Limited and Jayanne (Seychelles) Limited amounting to AED 46,910 thousand;
(iii) 80% shares in ANEWA Engineering Pvt LTD amounting to AED 5,057 thousand; and
(iv) 65.10% shares in National Marine Dredging Company PJSC amounting to AED 422,870 thousand.

Murban (BVI) Holdings

Goodwill of AED 404.7 million has been recognized on the acquisition of Sitax Holding Limited, Sitax Investment Ltd and I&T Management Private Limited. Fair value of the net assets acquired was AED 69.3 million and consideration paid was AED 474 million.

Hill View Resorts (Seychelles) Limited

Goodwill of AED 46.9 million has been recognized on the acquisition of Hill View Resorts (Seychelles) Limited for a total consideration of AED 143.8 million. Fair value of the net assets acquired was AED 96.9 million.

6 Goodwill and intangible assets

Goodwill (continued)

ANEWA Engineering Pvt LTD

Goodwill of AED 5.1 million has been recognized on the acquisition of an 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiaries NPCC Engineering Limited, India. As at the date of acquisition, the fair value of net assets acquired amounted to AED 12,749 thousand against the consideration of AED 7,692 thousand.

National Marine Dredging Company PJSC

Goodwill of AED 422.9 million has been recognized for the acquisition of 65.1% stake in National Marine Dredging Company PJSC through its wholly owned subsidiaries Sogno Commercial Investment – Sole Proprietorship LLC and WAS Two Commercial Investment – Sole Proprietorship LLC. As at the date of acquisition, the provisional fair values of the identifiable assets and liabilities assumed amounted to AED 4,962 million against the total equity of AED 4,539.1 million.

In accordance with IFRS 3 "Business Combinations", the acquisition is accounted for based on provisional fair values of the identifiable assets acquired and liabilities which will be finalised within 12 months from the date of acquisition. The finalization of the purchase price allocation may result in a change in fair value of assets and liabilities acquired.

Intangible assets:

Intangible asset mainly comprises of

- project under development and software of AED 32,519 thousand as on 30 June 2021; and
- licenses and software of AED 10,428 thousand as on 30 June 2021

7 Leases

Right-of-use assets

The movement in right-of-use assets during the period/year is as follows:

	30 June 2021 AED '000 (unaudited)	31 December 2020 AED '000 (audited)
At the beginning of the period/year	**70,838**	79,366
Addition during the period/year	**4,066**	-
Assets arising on transactions under common control (Note 23)	**418,124**	-
Amortisation for the period/year	**(5,603)**	(8,528)
At the end of the period/year	**487,425**	70,838

7 Leases (continued)

Lease liabilities

Movement of lease liabilities is as follows:

	30 June 2021 AED '000 (unaudited)	31 December 2020 AED '000 (audited)
At the beginning of the period/year	**73,366**	78,750
Add:		
Arising on transactions under common control (Note 23)	**402,682**	-
Additions	**1,993**	4,783
Interest expense	**1,512**	-
Less: payment of lease liabilities	**(4,225)**	(10,167)
At the end of the period/year	**475,328**	73,366

Lease liabilities as of 30 June 2021 and 31 December 2020 are presented in the interim condensed consolidated statement of financial position as follows:

	30 June 2021 AED '000 (unaudited)	31 December 2020 AED '000 (audited)
Amounts due for settlement within 12 months	**24,532**	10,076
Amounts due for settlement after 12 months	**450,796**	63,290
	475,328	73,366

8 Investment properties

	AED ‘000
Cost	
At 1 January 2020	268,938
Transfer to a related party	(139,978)
Additions during the year	1,185
Transfers	(5,346)
At 31 December 2020	124,799
Assets arising under common control transactions (Note 23)	283,421
At 30 June 2021	**408,220**
Accumulated depreciation	
At 1 January 2020	15,113
Charge for the year	9,583
Transfer to a related party	(9,584)
At 31 December 2020	15,112
Charge for the period	3,011
Arising under common control transactions (Note 23)	32,917
At 30 June 2021	**51,040**
Carrying amount	
At 30 June 2021	**357,180**
At 31 December 2020	109,687

Investment properties as on 30 June 2021 and 31 December 2020 comprise of land, residential properties and hospitality assets in United Arab Emirates, Iraq and Seychelles.

For plots of land and residential properties, the last external valuation was performed by an independent valuer not connected with the Group as on 31 December 2020.

For residential and hospitality property, an internal valuation was performed on 31 December 2020.

There has been no significant change in fair value at 30 June 2021, and the fair values approximate the carrying value as on that date.

The investments are classified as a level 3 investments in the fair value hierarchy. There have been no transfers between levels during the period.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

9 Investment in associates

	30 June 2021 AED '000 (unaudited)	31 December 2020 AED '000 (audited)
At the beginning of the period/year	**2,706**	4,092
Arising under common control transactions (Note 23)	**400,660**	-
Acquired during the period *	**241,980**	-
Share of (loss)/profit for the period/year	**(13,843)**	954
Dividends received	**(990)**	(2,340)
At the end of the period/year	**630,513**	2,706

All of the below associates are accounted for using the equity method in these interim condensed consolidated financial statements as set out in the Group's accounting policies. Details of the Group's associates at the reporting date are as follows:

Name of associates	**Proportion of ownership interest and voting power held** **30 June 2021**	31 December 2020	**Place of registration and operation**	**Principal activities**
Century Real Estate Management LLC	**18%**	18%	U.A.E.	Management of labour camps and accommodation
Abu Dhabi Mountain Gate Property Investment LLC	**18%**	18%	U.A.E.	Real estate investment
Al Jazira Technical Solutions & Consulting LLC	**35%**	35%	U.A.E.	Consulting in computer devices and equipment
Principia SAS	**33%**	-	France	Engineering and consultancy
Canal Sugar S.A.E.	**33%**	-	Egypt	Sugar farming and production
Response Plus Medical Services LLC *	**40%**	-	U.A.E.	Healthcare services

* The Group acquired its entire stake in Response Plus Medical Services LLC for a consideration of AED 241.6 Million.

Notes to the interim condensed consolidated financial statements
for the six-month period ended 30 June 2021 (continued)

9 Investment in associates (continued)

Latest available financial information of the Group's two major associates as of period the ended 30 June 2021 are summarised below:

	Canal Sugar S.A.E. AED '000 (unaudited)	Response Plus Medical Services LLC AED '000 (unaudited)	Total AED '000 (unaudited)
Non-current assets	**2,875,020**	**11,731**	**2,886,751**
Current assets	**144,906**	**319,512**	**464,418**
Total assets	**3,019,926**	**331,243**	**3,351,169**
Non-current liabilities	**297,140**	**6,709**	**303,849**
Current liabilities	**1,635,610**	**127,861**	**1,763,471**
Total liabilities	**1,932,750**	**134,570**	**2,067,320**
Net assets	**1,087,176**	**196,673**	**1,283,849**
Group's share of net assets	**358,768**	**78,669**	**437,437**
Revenue	**23,261**	**48,214**	**71,475**
(Loss)/profit for the period	**(17,686)**	**8,550**	**(9,136)**

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

10 Investment securities

Financial assets carried at fair value through profit or loss and financial assets carried at fair value through other comprehensive income as of 30 June 2021 are classified as follows:

30 June 2021 (unaudited)	**Quoted AED '000**	**Unquoted AED '000**	**Total AED '000**
Financial assets carried at fair value through profit and loss			
Equity instruments	368,295	554,919	**923,214**
Investment in funds	18,741	-	**18,741**
Amortized cost debt instrument	-	7	**7**
	387,036	**554,926**	**941,962**
Financial assets carried at fair value through other comprehensive income			
Equity instruments	3,849,071	129	**3,849,200**
Sukuk	541,625	-	**541,625**
	4,390,696	129	**4,390,825**
Less: impairment loss allowances	-	(1,848)	**(1,848)**
	4,777,732	**553,207**	**5,330,939**

Notes to the interim condensed consolidated financial statements
for the six-month period ended 30 June 2021 (continued)

10 Investment securities (continued)

	AED '000
Financial assets carried at fair value through profit and loss	
Non-Current	**396,872**
Current	**545,090**
Financial assets carried at fair value through other comprehensive income	
Non-Current	**4,388,977**
Current	**-**
	5,330,939
Non-Current	**4,785,849**
Current	**545,090**
Total	**5,330,939**

ECL impairment on the sukuk is included in revaluation reserve for debt investments carried at FVTOCI and recognised in other comprehensive income.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

10 Investment securities (continued)

	30 June 2021 AED (unaudited) AED '000	31 December 2020 AED (audited) AED '000
<u>Quoted securities</u>		
FVTPL investments		
At the beginning of the period/year	**-**	-
Arising from common control transactions (Note 23)	**412,251**	-
Additions during the period	**1,086**	
Unrealised loss on change in fair value	**(26,301)**	-
At the end of the period/year	**387,036**	-
FVTOCI investments		
At the beginning of the period/year	**-**	-
Arising from common control transactions (Note 23)	**4,271,902**	-
Disposal during the period	**(23,657)**	
Less: Impairment gain/(loss)	**336**	
Unrealised gain of change in fair value	**142,115**	-
At the end of the period/year	**4,390,696**	-
<u>Unquoted securities</u>		
FVTPL investments		
At the beginning of the period/year	**-**	-
Arising from common control transactions (Note 23)	**554,919**	-
At the end of the period/year	**554,919**	-
FVTOCI investments		
At the beginning of the period/year	**-**	-
Arising from common control transactions (Note 23)	**105**	-
Additions during the period	**43**	
Foreign exchange gain/(loss)	**(19)**	-
At the end of the period/year	**129**	-
Debt instruments at amortised cost		
At the beginning of the period/year	**-**	-
Arising from common control transactions (Note 23)	**499**	-
Disposal during the period	**(490)**	
Unrealised gain change in fair value	**(2)**	-
At the end of the period/year	**7**	-

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

11 Islamic financing assets

	30 June 2021 AED (unaudited) AED '000	31 December 2020 AED (audited) AED '000
Murabaha financing	**1,557,784**	-
Ijarah financing	**222,977**	-
Other financing	**8,204**	-
Total financing	**1,788,965**	-
Deferred income	**(292,867)**	-
Profit in suspense	**(2,362)**	-
Total	**1,493,736**	-
Less: impairment loss allowance	**(127,854)**	-
	1,365,882	-

Allocation and maturity profile of Ijarah financing as on 30 June 2021 is as follow;

	30 June 2021 AED (unaudited) AED '000	31 December 2020 AED (audited) AED '000
Not later than one year	**23,380**	-
Later than one year but not later than five years	**105,221**	-
Later than five years	**116,254**	-
Gross Ijarah	**244,855**	-
Less: Deferred income	**(21,878)**	-
Net Ijarah	**222,977**	-
Net Present value		
Not later than one year	**20,801**	-
Later than one year but not later than five years	**93,154**	-
Later than five years	**109,022**	-
Total net present value	**222,977**	-

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

11 Islamic financing asset (continued)

Movement in loss allowance during the period/year ended is as follow.

	30 June 2021 AED (unaudited) AED '000	**31 December 2020 AED (audited) AED '000**
At the beginning of the period/year	**-**	**-**
Arising from common control transactions	**127,293**	
Charge for the period/year	**561**	**-**
At the end of the period/year	**127,854**	**-**

12 Trade and other receivables

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Trade receivables	**4,296,136**	1,196,683
Less: impairment loss allowance	**(326,423)**	(126,908)
Net trade receivables	**3,969,713**	1,069,775
Retention receivables	**976,380**	937,985
Less: impairment loss allowance	**(44,346)**	(53,666)
Net retention receivable	**932,034**	884,319
Advances to suppliers	**743,122**	110,264
Less: impairment loss allowance	**-**	(1,798)
Net advances to suppliers	**743,122**	108,466
Prepayments and deposits	**355,816**	94,097
Other receivables	**674,809**	28,975
	6,675,494	2,185,632
Non-current		
Retention receivables	**42,358**	-

12 Trade and other receivables (continued)

The Group measures the provision for impairment of trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the individual debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and retention receivables in accordance with the simplified approach set out in IFRS 9.

	AED '000
Trade and retention receivables	
At 1 January 2020	**152,374**
Net re-measurement of loss allowance	**28,200**
At 1 January 2021	**180,574**
Net re-measurement of loss allowance	**(80,163)**
Arising from common control transactions	**270,358**
At 30 June 2021	**370,769**

13 Contract assets

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Contract assets		
Contract assets	**6,328,800**	1,384,027
Contract costs	**906,252**	-
Less: impairment loss allowance	**(1,331,769)**	(25,558)
	5,903,283	1,358,469

Contract assets includes those with related parties of AED 650.5 million (2020: 287 million).

Contract costs have been incurred on elements of one of the Group's major projects, on which the Group is not contractually entitled to recognise revenue until the various work packages are completed and handed over. While the work packages have yet to be handed over, during 2021 a significant number of packages are scheduled to be completed and handed over, which will result in a winding down of the balance throughout the remainder of this year.

Allocation of contracts assets into current and non-current is as under:

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Contract assets		
Current	**5,624,416**	1,358,469
Non-current	**278,867**	-
	5,903,283	1,358,469

The Group measures the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry.

13 Contract assets (continued)

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	Total AED '000
Balance as at 1 January 2020	15,809
Net re-measurement of loss allowance	9,749
Balance as at 1 January 2021	**25,558**
Arising from common control transactions	**1,289,240**
Net re-measurement of loss allowance	**16,971**
Balance as at 30 June 2021	**1,331,769**

14 Related parties

Related parties are the Shareholders, key management and the entities in which the Shareholders have the ability to control or exercise significant influence in the operating and financial decisions. The Group maintains balances with the related parties that arise from commercial transactions at agreed rates between related parties as follows:

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Due from related parties:		
Joint ventures	**352,863**	-
Entity managed by key management personnel	**158,618**	-
Subsidiary of a parent company	**94,276**	83,953
Others	**82,317**	80,597
	688,074	164,550
Less: impairment loss allowance	**(54,864)**	(69,701)
	633,210	94,849

14 Related parties (continued)

	30 June 2021 (unaudited) AED ‘000	31 December 2020 (audited) AED ‘000
Due to related parties:		
Shareholders of a subsidiary (non-controlling interests)	**1,100,000**	-
Shareholder	**242,210**	-
Joint venture partner	**34,094**	27,061
Entities under common ownership	**61,645**	-
Others	**69,702**	15,591
	1,507,651	43,652
Loan from a related party	**13,300**	13,300
Contract assets (note 13)	**650,493**	287,000
Contract liabilities – amounts related to construction contracts (note 19)	**11,745**	15,314

Loan from a related party is to finance the working capital requirements of the Group. The loan is subject to interest at the rate of 7.19% per annum (31 Dec 2020: 7.19% per annum). The lender waived the interest accrued on the loan in the current period.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

14 Related parties (continued)

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed AED '000	Individually Assessed AED '000	Total AED '000
Due form related parties			
Balance as at 1 January 2020	3,710	84,197	**87,907**
Net re-measurement of loss allowance	(228)	1,927	**1,699**
Write off during the year	-	(19,905)	**(19,905)**
Balance as at 1 January 2021	3,482	66,219	**69,701**
Net re-measurement of loss allowance	2,572	(17,409)	**(14,837)**
Balance as at 30 June 2021	**6,054**	**48,810**	**54,864**

Significant transactions with related parties during the period comprise:

	6 months ended 30 June		3 months ended 30 June	
	2021	2020	**2021**	2020
	AED '000 (unaudited)	AED '000 (unaudited)	**AED '000 (unaudited)**	AED '000 (unaudited)
Revenue	**394,327**	86,698	**211,701**	76,643
Purchase of goods and services	**88,552**	53,835	**59,872**	27,989
Key management compensation	**85,528**	6,240	**82,378**	771
Dividend declared	**1,100,000**	-	**1,100,000**	-

Dividend was declared during the period ended 30 June 2021, by a subsidiary to the owners of the Company prior to listing on the Abu Dhabi Securities Exchange.

Revenue generated from related parties and purchases of goods and services are based on terms and conditions as agreed between the parties.

15 Cash and bank balances

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Cash in hand	**36,587**	6,018
Cash at bank	**2,605,999**	611,004
Treasury bills	**102,504**	-
Short term deposits	**1,808,670**	14,811
Cash and bank balances	**4,553,760**	631,833
Less: impairment loss allowance	**(7,391)**	(5)
Cash and bank balances	**4,546,369**	631,828
Less: bank overdrafts	**(784,426)**	(144,520)
Less: short term deposit having maturity more than six months	**(12,480)**	(12,538)
Add: impairment loss allowance	**7,391**	5
Cash and cash equivalents	**3,756,854**	474,775

Fixed deposits are held by the banks are restricted deposits for issuance of letters of guarantee and are not available for day to day operations of the Group. Interest is earned on these deposits carries interest ranges from 0.5% to 2% (31 December 2020: 0. 5% to 2%).

Bank overdraft facilities were availed from various banks. In prior years, bank overdraft facilities were obtained from local banks which are secured by approved payment certificate received from projects. Bank overdrafts are payable on demand. The interest rates payable on bank overdrafts are linked to the inter-bank lending rates.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due.

16 Wakala deposits with Islamic financial institutions

Wakala deposits include AED 101.7 million mainly invested in financial institutions in UAE (2020: AED nil). These deposits carry profit rates ranging from 1.0% to 4.50% (2020: nil) per annum. The impairment allowance on such Wakala placement amounts to AED 7.6 million (2020: nil).

17 Margins against letters of guarantee

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Labour guarantees*	**1,049,342**	-
Corporate guarantees**	**12,898**	-
	1,062,240	-

* These are 100% margins collected by the Group on issuance of letters of guarantee in favour of the Ministry of Human Resources and Emiratisation (MOHRE) on behalf of its customers.

** These represent varying margins against corporate letters of guarantee.

18 Bank borrowings

Bank borrowings included in the statement of financial position comprise the following:

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Term loan facilities	**5,081,071**	127,300
Murabaha financing facility	**100,000**	-
Other facilities	**234,623**	224,965
	5,415,694	352,265

18 Bank borrowings (continued)

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Allocation of bank borrowings is as under;		
Non-current	**4,602,953**	238,231
Current	**812,741**	114,034
	5,415,694	352,265

The bank borrowings presented in the condensed interim statement of financial position as on 30 June 2021 and 31 December 2020 consist of the following:

Loan type	**Currency**	**Year of maturity**	**30 June 2021 (unaudited) AED '000**	31 December 2020 (audited) AED '000
Term loan 1	AED	2023	**96,467**	127,300
Term loan 2	AED	2028	**641,821**	-
Term loan 3	EUR	2030	**272,308**	-
Term loan 4	USD	2027	**1,505,807**	-
Term loan 5	AED	2022	**154,168**	-
Term loan 6	USD	2025	**244,170**	-
Term loan 7	USD	2028	**367,250**	-
Term loan 8	AED	2028	**299,080**	-
Term loan 9	AED	2024	**1,500,000**	-
Murabaha financing facility	AED	2025	**100,000**	-
Other facilities 1	AED	(*)	**96,205**	98,352
Other facilities 2	AED	2023	**138,418**	126,613
			5,415,694	**352,265**

(*) 48 months from drawdown date

Interest on above bank borrowings charged at the rates ranges from 1.25% to 3% plus 3 months to 6 months EIBOR/EURIBOR.

18 Bank borrowings (Continued)

The above bank borrowings are secured against various securities provided to banks as per the terms of the agreement including, but not limited to, mortgage over certain non-financial assets of the Group, pledged in favor of the bank for assets acquired under the financing facilities. Also, the facilities stipulate certain financial and non-financial restrictive covenants on borrowings including but not limited to conditions like settled from the proceeds of the specific projects for which this loan was obtained, minimum net worth requirements, maximum leverage ratios and financial ratios.

19 Contract liabilities

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Amounts related to construction contracts (i)	**457,363**	211,158
Amounts received in advances from customers (ii)	**1,206,688**	837,744
	1,664,051	1,048,902

(i) Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the input method.

(ii) Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer paid for the goods before the promised goods and service provided to the customer, the transaction price received by the Group is recognised as contract liability until the control of promised goods and services transferred to the customer.

19 Contract liabilities (continued)

Amounts related to construction contracts from external customers and related parties as on period/year end are as under;

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Amounts related to construction contracts		
- third parties	**445,618**	195,844
- related parties (note 14)	**11,745**	15,314
	457,363	211,158

20 Trade and other payables

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Trade payables	**2,346,474**	802,712
Accruals and other payables	**4,772,799**	729,312
Deferred revenue	**119,639**	-
Provision for project expenses	**591,147**	502,164
Retentions payable	**395,460**	306,742
Provision for project delays	**175,857**	175,857
Notes payable	**72,230**	28,999
Dividend payable	**22,382**	-
Provision for onerous contracts	**101,506**	6,749
	8,597,494	2,552,535

The average credit period on purchases is approximately 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is charged on trade and other payables.

21 Share capital

In April 2021, in Annual General Meeting approved to increase the share capital of the Company to AED 10 billion comprises of 10 billion ordinary shares with par value of AED 1 each as follows, IHC Capital Holding LLC 45%, Infinity Wave Holding LLC by 45% and Chimera Investment LLC by 10%, by capitalising the contributed capital which arise under common control transaction (refer Note 23).

As at 30 June 2021, the shareholding interest was as follows:

	30 June 2021		
	% of holding	**No. of Shares (in thousands)**	**Value AED'000**
IHC Capital Holding L.L.C	**44%**	**4,400,000**	**4,400,000**
Infinity Wave Holding LLC	**44%**	**4,400,000**	**4,400,000**
Others	**12%**	**1,200,000**	**1,200,000**
	100%	**10,000,000**	**10,000,000**

Movement in share capital during the current period is as follows:

	30 June 2021 (unaudited) AED '000
At the beginning of the period	**300**
New share capital introduced	**9,999,700**
At the end of the period	**10,000,000**

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

22 Revenue

The Group derives its revenue from contracts with customers in respect of construction contracts overtime and sales of goods at point in time as follow:

	6 months ended 30 June		**3 months ended 31 March**	
	2021	**2020**	2021	2020
	AED '000	**AED '000**	AED '000	AED '000
	(unaudited)	**(unaudited)**	(unaudited)	(unaudited)
Disaggregation of revenue – over time				
Construction contracts	**2,100,819**	1,581,575	1,131,172	861,226
Revenue from services	**317,641**	-	317,641	-
Industrial service	**1,033,188**	-	1,033,188	-
Laboratory services	**71,886**	-	71,886	-
Rental income	**18,046**	-	18,046	-
Disaggregation of revenue – point in time				
Laboratory and hospital management services	**1,714,519**	-	1,714,519	-
Revenue from hotel operations	**81,570**	-	81,570	-
Sale of goods	**95,743**	237,814	50,153	179,940
Investment income	**66,058**	-	66,059	-
	5,499,470	1,819,389	4,484,234	1,041,166

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2021 and 2020 are as set out below.

	30 June 2021	30 June 2020
	(unaudited)	(audited)
	AED '000	AED '000
Unsatisfied performance obligations		
Construction contracts	**8,619,675**	10,144,351
Revenue from services	**27,565,669**	-
Industrial service	**9,578,652**	-
	45,763,996	10,144,351

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control

Details of the subsidiaries acquired under common control transactions during the period are as follows:

Name of subsidiary	Date of Acquisition	Proportion of equity acquired % June 2021	Principal activity
Murban Energy Limited (i)	1 April 2021	100%	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.
Mawarid Holding Investment L.L.C (ii)	1 April 2021	70%	Forestry, tourism and agriculture
Sogno Commercial Investment – Sole Proprietorship LLC *	1 June 2021	100%	Investment holding
W A S TWO Commercial Investment – Sole Proprietorship LLC *	1 June 2021	100%	Investment holding
Sublime Commercial Investment – Sole Proprietorship.	1 April 2021	100%	Investment holding
Pure Health Medical	1 April 2021	31.5%	Health care technology and management services

* These wholly owned subsidiaries of the Company collectively hold 65.1% ownership interest of National Marine Dredging Company PJSC (NMDC).

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Details of the assets and liabilities recognised at the date of transfer of ownership are as follows:

	Murban Energy Limited	Mawarid Holding Investment L.L.C	Sogno Commercial Investment and W S Two Commercial Investment	Sublime Commercial Investment – Sole Proprietorship.	Pure Health Medical	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Date of acquisition	1 April 2021	1 April 2021	1 June 2021	1 April 2021	1 April 2021	
<u>Assets acquired and liabilities recognised at the date of the acquisition</u>						
Non-current assets						
Property, plant and equipment	1,428,677	163,119	4,137,592	-	89,213	**5,818,601**
Intangible and Goodwill	451,672	33,634	427,927	-	10,941	**924,174**
Biological assets	-	19,848		-	-	**19,848**
Right-of-use assets	58,494	26,340	317,346	-	15,944	**418,124**
Investment in associates	376,454	-	24,206	-	-	**400,660**
Investment in joint ventures	-	-	25,988	-	-	**25,988**
Investment Properties	31,319	219,185	-	-	-	**250,504**
Deferred tax assets	8,182	-	5,261	-	-	**13,443**
Islamic financing assets	-	1,070,975	-	-	-	**1,070,975**
Investment in assets carried at FVTOCI	-	977,917	-	3,688,350	-	**4,666,267**
Retention receivable	-	66,671	34,703	-	-	**101,374**
Contract assets	-	-	-	-	254,262	**254,262**
Current assets						
Inventories	15,364	51,607	320,589	-	85,144	**472,704**
Trade and other receivables	245,276	572,274	3,200,220	-	1,967,588	**5,985,358**
Contract assets	-	46,745	4,106,004	-	27,085	**4,179,834**
Due from related parties	1,203,417	41,951	-	-	72,769	**1,318,137**
Cash and bank balances	502,795	555,143	702,019	5,081	112,566	**1,877,604**
Investments in fair value through profit and loss	539,477	-	32,084	-	-	**571,561**
Wakala deposits with Islamic financial institutions	-	181,023	-	-	-	**181,023**
Total assets	**4,861,127**	**4,026,432**	**13,333,939**	**3,693,431**	**2,635,512**	**28,550,441**

23 Transactions under common control (continued)

	Murban Energy Limited	Mawarid Holding Investment L.L.C	Sogno Commercial Investment and W S Two Commercial Investment	Sublime Commercial Investment – Sole Proprietorship LLC	Pure Health Medical	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Non-current liabilities						
End of service benefits	8,402	69,890	438,176	-	5,326	**521,794**
Lease liabilities	40,172	23,479	307,669	-	9,502	**380,822**
Bank borrowings	817,201	597,610	1,556,876	1,500,000	62,940	**4,534,627**
Other non-current liabilities	-	61,461	-	-	-	**61,461**
Loan from a related party	-	-	-	-	82,833	**82,833**
Current liabilities						
Lease liabilities	7,138	1,935	8,402	-	4,385	**21,860**
Borrowings	130,274	113,634	1,271,117		27,271	**1,542,296**
Due to related parties	186,687	8,605	-	34,892	1,264,774	**1,494,958**
Margins against letter of guarantees	-	1,159,381	-	-	-	**1,159,381**
Trade and other Payables	153,523	1,101,804	4,730,781	-	345,531	**6,331,639**
Total liabilities	**1,343,397**	**3,137,799**	**8,313,021**	**1,534,892**	**1,802,562**	**16,131,671**
Net assets at the date of transfer	**3,517,730**	**888,633**	**5,020,918**	**2,158,539**	**832,950**	**12,418,770**
Less: net assets attributable to Non-Controlling interest	-	**(209,701)**	**(2,824)**	-	-	**(212,525)**
Net assets attributable to owners of the Group	**3,517,730**	**678,932**	**5,018,094**	**2,158,539**	**832,950**	**12,206,245**

Net asset as on the date of transfer under common control allocated as:	
Contributed capital	**9,752,071**
Allocated to non-controlling interest	**2,454,174**
	12,206,245

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

(i) Following are the subsidiaries which the Company controls through its partially owned subsidiary Mawarid Holding Investment LLC.

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
1	Telal Resort L.L.C	**100%**	U.A.E	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; investment in, incorporation and management of tourist enterprises.
2	Aqua Power Technology L.L.C	**100%**	U.A.E	Trading in agricultural machinery, equipment and supplies.
3	Mawarid Services Company L.L.C	**100%**	U.A.E.	Facilities management services, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.
4	Barari Natural Resources L.L.C	**100%**	U.A.E.	Forest and park management, parks construction and maintenance and trading in agricultural machinery.
5	Mawarid Center for Research and Scientific Laboratories L.L.C.	**100%**	U.A.E.	Veterinarian hospital and research activities
6	Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship L.L.C	**100%**	U.A.E.	Investment, and management of tourist enterprises, commercial, and industrial enterprises, and agricultural enterprises.
7	Mawarid Nurseries	**100%**	U.A.E	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
8	Pure Health (FZE)	**90%**	U.A.E.	Trading in pharmaceuticals and related products.
9	Pure Health Medical Supplies (FZE)	**90%**	U.A.E.	General trading and trading in pharmaceuticals and related products.
10	Pure CS IT Infrastructure L.L.C	**90%**	U.A.E.	IT Infrastructure
11	Aafaq Islamic Finance P.S.C	**79.8%**	U.A.E.	Financing and investing activities that are conducted in accordance with Islamic Sharia Laws
12	National Bank of Sudan	**61.13%**	The Republic of Sudan	Financing and investing activities
13	Mawarid Security Services L.L.C	**100%**	U.A.E.	General security services and public security guarding services.
14	Emirates Safety Laboratory L.L.C	**100%**	U.A.E.	Compliance certification for building construction products
15	Dicon Investment L.L.C.	**100%**	U.A.E.	Investment in industrial, agricultural and commercial enterprises and management
16	Al Twasol Al Mutamiz Guidance L.L.C[1]	**100%**	U.A.E.	Workers and employees guidance centre
17	Twasol Business Men Service L.L.C – Dubai	**100%**	U.A.E	Administrative services, businessmen services, Transactions follow-up services, Non-specialized facilities management, Typing and documents photocopying services.
18	Twasol Business Men Services L.L.C – Ajman	**100%**	U.A.E	Administrative services, business services, transactions follow-up services, non-specialized facilities management, typing and documents photocopying services.
19	Info Nine Smart Solutions L.L.C	**80%**	U.A.E	Designing computer systems and communication equipment

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
20	Twasol Business Men Services L.L.C – Br Abu Dhabi	**100%**	U.A.E	Administrative services, business services, transactions follow-up services, non-specialized facilities management, typing and documents photocopying services.
21	Best Twasol Government Services L.L.C	**100%**	U.A.E	Administrative services, business services, transactions follow-up services, non-specialized facilities management, typing and documents photocopying services.
22	Al Forsan Tadbeer Center L.L.C – Dubai	**100%**	U.A.E	Administrative services, business services, transactions follow-up services, non-specialized facilities management, typing and documents photocopying services.
23	Dicon of Twafouq Services L.L.C	**100%**	U.A.E	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratization (MOHRE).
24	Two Five 55 Healthcare Investment L.L.C.	**90%**	U.A.E.	Investment in commercial enterprise & management and healthcare enterprise & development
25	Pure Health Medical Billing Services L.L.C	**90%**	U.A.E.	Medical billing services
26	Union Health Facilities Management L.L.C.	**90%**	U.A.E.	Facilities management services
27	Campaign facilities management	**100%**	U.A.E	Facilities management services
28	Mawarid Hotels and hospitality LLC	**100%**	U.A.E.	Management of Hotels, tourist resorts and hotel apartments

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
29	Mawarid International Development Company LLC	**100%**	U.A.E.	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment and real estate enterprises.
30	Magenta Investments LLC	**80%**	U.A.E.	Investment in healthcare enterprises & development and commercial enterprises & management
31	Pure Capital Investment LLC	**90%**	U.A.E.	Investment in Commercial Enterprises & Management
32	Magenta Medical Investment LLC	**100%**	U.A.E.	Investment in healthcare enterprises & development
33	Magenta Medical Requisites Trading LLC	**100%**	U.A.E.	Trading of Paper products, medical and surgical articles & requisites, laboratories tools & requisites, para pharmaceutical products and equipment for people of determination.

23 Transactions under common control (continued)

(ii) Following are the subsidiaries which the Company controls through its wholly owned subsidiary Murban Energy Limited.

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
1	Abu Dhabi United Hospitality LLC	**100%**	UAE	Tourism investments, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering
2	St. Regis Saadiyat AUH	**100%**	UAE	Hotels
3	Al Wathba Luxury Collection Desert Resorts	**100%**	UAE	Fitness club, relaxation and massage centre
4	Le Noir Café	**100%**	UAE	Foodstuff catering, hospitality services and restaurants
5	Etihad International Hospitality	**100%**	UAE	Hospitality services, cleaning services, onshore and offshore gas field and facilities services and foodstuff catering.
6	Intl Fresh Harvest Fruits and Vegetables Trading	**100%**	UAE	Trading of foodstuff
7	Hill View (Seychelles) Limited	**100%**	Seychelles	Hotel resort
8	Lindere Villas (Seychelles) Limited	**100%**	Seychelles	Dormant entity
9	Jayanne (Seychelles) Limited	**100%**	Seychelles	Dormant entity
10	Murban BVI Holding Inc. (BVI)	**100%**	British Virgin Island	Holding company (dormant entity)
11	Sitax Investment Ltd (BVI)	**100%**	British Virgin Island	Holding company (dormant entity)
12	Sitax Holding Ltd (BVI)	**100%**	British Virgin Island	Holding company (dormant entity)
13	I&T Management Pvt. Ltd (Maldives)	**100%**	British Virgin Island	Tourist resort operation

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

(iii) As stated above, Sogno Commercial Investment – Sole Proprietorship LLC and WAS Two Commercial Investment collective hold ownership interest in National Marine Dredging Company PJSC (NMDC) of 65.1%. Accordingly, following are the subsidiaries which the Company controls through NMDC.

Sr. No.	Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
1	National Petroleum Construction Company PJSC ("NPCC")	**100%**	UAE	Engineering Construction and Procurement
2	Emarat Europe Fast Building Technology System Factory L.L.C. (Emarat Europe)	**100%**	UAE	Manufacturing and supply of precast concrete
3	National Marine Dredging Company (Industrial)	**100%**	UAE	Manufacturing of steel pipes and steel pipe fittings and holding 1% investment in the Group's subsidiaries
4	ADEC Engineering Consultancy L.L.C.	**100%**	UAE	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services
5	Abu Dhabi Marine Dredging Co S.P.C.	**100%**	Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts
6	National Marine and Infrastructure India Private Limited	**100%**	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Following are the subsidiaries where the Company has indirect control through its partially owned subsidiaries NMDC in NPCC.

Name of subsidiary	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
Subsidiaries of NPCC			
National Petroleum Construction Co. (Saudi) LTD.	**100%**	Saudi Arabia	Engineering Construction and procurement
NPCC Engineering Limited	**100%**	India	Engineering
ANEWA Engineering Pvt. Ltd.	**80%**	India	Engineering

Further these interim condensed consolidated financial statements include the following Branches, Joint ventures and joint operations and their effective ownership as at 30 June 2021 are listed below:

Name of entity	Percentage of ownership 30 Jun 2021	Country of incorporation	Principal activities
Branches of NMDC			
National Marine Dredging Company	**Branch**	Saudi Arabia	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	**Branch**	Egypt	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	**Branch**	Maldives	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	**Branch**	UAE	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	**Branch**	UAE	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

23 Transactions under common control (continued)

Name of subsidiary	Percentage of ownership 30 Jun 2021	Principal activities
Joint Venture of NMDC		
The Challenge Egyptian Emirates Egypt Marine Dredging Company	**49%**	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
Joint Operations of NPCC		
Technip – NPCC - Satah Full Field	**50%**	Engineering, Procurement and Construction
NPCC – Technip – UZ-750(EPC-1)	**40%**	Engineering, Procurement and Construction
NPCC – Technip UL -2	**50%**	Engineering, Procurement and Construction
NPCC – Technip AGFA	**50%**	Engineering, Procurement and Construction
NPCC – Technip JV – US GAS CAP FEED	**50%**	Engineering, Procurement and Construction

24 Contingent liabilities

	30 June 2021 (unaudited) AED '000	31 December 2020 (audited) AED '000
Letter of guarantees	**10,672,605**	4,347,759
Letters of credit	**301,506**	478,853
Capital commitments	**412,444**	106,301
Performance guarantees	**24,409**	**-**

The above bank guarantees, and letters of credit are issued in the normal course of business.

Capital commitments is in respect of construction of Trojan labour camp at Al Qudra International Village, Al Khatim Abu Dhabi.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

25 Segment information

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of financial performance and internal reports about components of the Group in order to allocate resources to the segment and to assess its performance. For operating purposes, the Group is organised into following business segments or revenue streams:

(i) Industrial income which provide dredging and associated land reclamation works
(ii) Construction and real estate, which provides contraction work relating to commercial and residential buildings, infrastructure development and civil construction works and rental income from properties
(iii) Health care, provide provides medical laboratory management services, residency visa testing and laboratory diagnostics distribution
(iv) Services, other and unallocated which comprise management services, hotel room rental income and from related ancillary activities and investment and Islamic finance income

The following table presents revenue and profit information for the Group's operating segments:

	Industrial AED '000	**Construction and real estate AED '000**	**Healthcare AED '000**	**Services, others and unallocated AED '000**	**Eliminations AED '000**	**Total AED '000**
For the period ended 30 June 2021						
Contract revenue	1,033,188	2,192,015	1,786,406	489,905	(2,044)	**5,499,470**
Direct cost	(887,266)	(2,000,705)	(607,981)	(245,190)	2,044	**(3,739,098)**
Gross profit	145,922	191,310	1,178,425	244,715	-	**1,760,372**
General and administrative expenses	(10,731)	(35,001)	(97,304)	(128,370)	-	**(271,406)**
Other income	(8,289)	10,048	(65)	165,965	-	**167,659**
Net movement in the fair value through Profit and loss	(464)	-	-	(25,837)	-	**(26,301)**
Finance income	-	1,637	-	2,454	-	**4,091**
Finance cost	(4,782)	(14,607)	(2,971)	(11,438)	-	**(33,798)**
Share of profit of joint venture	1,146	13,535	-	-	-	**14,681**
Share of profit from associate	-	424	3,420	(17,687)	-	**(13,843)**
Foreign exchange gain/(loss)	11,533	-	-	108,720	-	**120,253**
Profit before tax	134,335	167,346	1,081,505	338,522	**-**	**1,721,708**
Corporate income tax	8,841	-	-	(4,660)	-	**4,181**
Profit after tax	**143,176**	**167,346**	**1,081,505**	**333,862**	**-**	**1,725,889**

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

25 Segment information (continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2021.

At 30 June 2021	Industrial AED '000	Construction and Real Estate AED '000	Healthcare AED '000	Services, Others and Unallocated AED '000	Eliminations AED '000	Total AED '000
Segment non-current assets	4,967,926	4,913,523	649,315	4,850,999	-	**15,381,763**
Segment current assets	8,300,037	4,505,071	2,406,184	3,783,527	(121,100)	**18,873,719**
Segment non-current liabilities	2,232,095	1,916,931	14,222	1,593,760	-	**5,757,008**
Segment current liabilities	5,870,434	3,589,001	2,226,824	2,901,529	(121,100)	**14,466,688**

The Group has aggregated its geographical segments into UAE and International. UAE segment includes projects in the UAE, while International segment includes operations in Egypt, Kingdom of Saudi Arabia, Bahrain, India, Kuwait, Maldives, Seychelles and East Africa

The following table shows the Group's geographical segment analysis

	30 June 2021 (unaudited)		
	UAE AED '000	International AED '000	Total AED '000
Revenue	5,157,268	342,202	**5,499,470**
Gross Profit	1,712,052	48,320	**1,760,372**
Non-Current Assets	13,532,732	1,849,031	**15,381,763**

26 Basic and Diluted Earnings Per Share Attributable to Equity Holders of the Parent

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

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

	6-months ended 30 June		3-months ended 30 June	
	2021 (unaudited)	2020 (unaudited)	**2021 (unaudited)**	2020 (unaudited)
Profit for the period attributable to equity holders of the parent – AED '000	**831,622**	104,910	**731,122**	28,448
Weighted average number of ordinary shares issued (million)	**4,099**	0.001	**8,153**	0.001
Basic earnings per share (AED)	**0.20**	104,910	**0.09**	28,448

No figure for diluted earnings per share has been presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

27 Fair value of financial assets and liabilities

The Group follows the below hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets and liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

The Group uses Level 1, 2 and 3 hierarchies for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2021 (continued)

27 Fair value of financial assets and liabilities (continued)

27.1 Derivative financial instruments

In order to reduce their exposure to interest rate fluctuations on variable interest bearing loans and borrowings (Note 17) the Group has entered into interest rate swap arrangements with counter-party banks excluding margins for a notional amount that matches the outstanding interest bearing loans and borrowings. The Group is required to pay a fixed rate of 3.15% to 4.27% per annum and receive a EIBOR per annum. The derivative instrument had a negative fair value of AED 55.3 million at 30 June 2021 in the condensed interim consolidated statement of financial position. The derivative instruments were not designated as cash flow hedges. The following table summarises certain information relating to the derivatives as of 31 December 2020 and 30 June 2021:

	Notional amount		**Derivative liabilities**		**Derivative assets**		**Fix leg on instrument**	
	2021 AED'000	2020 AED'000	**2021 AED'000**	2020 AED'000	**2021 AED'000**	2020 AED'000	**2021**	2020
Mawarid Holdings Investments LLC	606,627	-	55,384	-	-	-	3.85%	-

28 Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the six months period ended 30 June 2021 and 2020.

29 Approval of interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by management and authorised for issue on 28 July 2021.