

**Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates
Independent auditor's report on review of
condensed interim financial statements
For the three months period ended
March 31, 2020 (Unaudited)**

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Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates

General information

Principal office address : Digdaga
P. O. Box: 184
Ras Al Khaimah, United Arab Emirates
T: +971 72462222
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Website : www.rapco.co.ae

The Board of Directors	Name	Nationality	Designation
	Shaikh Mohamed Humaid Abdulla Mohamed Alqasemi	Emarati	Chairman
	Mubarak Ali Mubarak Alshamsi	Emarati	Deputy Chairman
	Abdulla Khalfan Mohammed Alshraiqi Almehrzi	Emarati	Member of the Board of Directors
	Ahmed Omar Salem Alkarbi	Emarati	Member of the Board of Directors
	Mohammed Hasan Mohammed Alshamsi Alawadhi	Emarati	Member of the Board of Directors

The Auditor : Crowe Mak
P.O. Box 6747
Dubai - United Arab Emirates

Ref: FJ/A2588/August 2020

Independent auditor's report on review of condensed interim financial statements

To,
The Shareholders
Ras Al Khaimah Poultry & Feeding Co. P.S.C.
P. O. Box: 184
Ras Al Khaimah - United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim financial statements of **Ras Al Khaimah Poultry & Feeding Co. P.S.C.** (the "Entity") which comprise condensed interim statement of financial position as at March 31, 2020 and the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements 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.

Conclusion

Based on our review, nothing has come to our attention that cause us to believe that the accompanying March 31, 2020 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

For, Crowe Mak



Zayd Khalid Maniar

Partner

Registration Number 579

Dubai, U.A.E.

August 06, 2020


Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of financial position as at March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

	Notes	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Assets			
Property, plant and equipment	4	5,168,643	4,300,000
Investment properties	5	87,730,000	87,730,000
Investments in associates	6	83,387,041	83,279,082
Investments at fair value through Other Comprehensive Income (FVTOCI)	7	95,390,164	124,614,782
Financial assets at amortised cost	8	16,814,003	17,056,682
Loans to a related party	9	3,000,000	3,000,000
Total non-current assets		291,489,851	319,980,546
Biological assets	10	1,563,658	1,423,903
Inventories	11	555,751	1,719,376
Trade and other receivables	12	7,564,774	7,094,533
Due from related parties	9	1,203,308	1,076,338
Loans to a related party	9	5,000,000	6,000,000
Cash and bank balances	13	19,259,041	15,320,527
Total current assets		35,146,532	32,634,677
Total assets		326,636,383	352,615,223
Equity and liabilities			
Share capital		86,400,000	86,400,000
Reserves		139,088,431	139,088,431
Cumulative changes in fair value of investments carried at FVTOCI		34,639,855	63,864,473
Retained earnings		34,793,483	32,172,761
Total equity		294,921,769	321,525,665
Employees' end of service benefits	15	3,110,400	3,023,437
Total non-current liabilities		3,110,400	3,023,437
Unclaimed dividends		23,571,475	23,571,475
Trade and other payables	16	5,032,739	4,494,646
		28,604,214	28,066,121
Total liabilities		31,714,614	31,089,558
Total equity and liabilities		326,636,383	352,615,223

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

The independent auditor's report on review of these condensed interim financial statements is set out on pages 2.

The condensed interim financial statements on pages 3-17 were approved on August 06, 2020 by Board of Directors and signed on their behalf by:


 Shaikh Mohamed Humaid Abdulla Mohamed Alqasemi
 Chairman


 Mohamed Elsiddig Elimam Abdelgadir
 General Manager

Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of profit or loss and other comprehensive income
For the three months period ended March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

	Three months period ended March 31, 2020 (Unaudited)	Three months period ended March 31, 2019 (Unaudited)
Revenue	5,118,353	8,406,551
Cost of sales	<u>(4,704,899)</u>	<u>(8,710,586)</u>
Gross profit / (loss)	413,454	(304,035)
General and administrative expenses	(1,138,949)	(1,632,960)
Selling and distribution expenses	(787,287)	(1,153,864)
Investment income	3,980,251	3,358,162
Share of profit / (loss) of associates	107,959	(41,129)
Other income	59,717	151,616
Finance costs	<u>(14,423)</u>	<u>(95,638)</u>
Net profit for the period	2,620,722	282,152
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Decrease in fair value of investments carried at fair value through other comprehensive loss	(29,224,618)	(23,458,470)
	<u>(29,224,618)</u>	<u>(23,458,470)</u>
Total comprehensive (loss) for the period	<u>(26,603,896)</u>	<u>(23,176,318)</u>
Basic earnings per share	14 <u>0.030</u>	<u>0.003</u>

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

Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of changes in equity
For the three months period ended March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

	Share capital	Reserves	Cumulative changes in fair value of investments carried at FVTOCI	Retained earnings	Total equity
Balance as at December 31, 2018 (Audited)	86,400,000	139,088,431	73,121,025	51,223,707	349,833,163
Profit for the period	-	-	-	282,152	282,152
Other comprehensive loss	-	-	(23,458,470)	-	(23,458,470)
Total comprehensive loss for the period	-	-	(23,458,470)	282,152	(23,176,318)
Balance as at March 31, 2019 (Unaudited)	86,400,000	139,088,431	49,662,555	51,505,859	326,656,845
Balance as at December 31, 2019 (Audited)	86,400,000	139,088,431	63,864,473	32,172,761	321,525,665
Profit for the period	-	-	-	2,620,722	2,620,722
Other comprehensive loss	-	-	(29,224,618)	-	(29,224,618)
Total comprehensive loss for the period	-	-	(29,224,618)	2,620,722	(26,603,896)
Balance as at March 31, 2020 (Unaudited)	86,400,000	139,088,431	34,639,855	34,793,483	294,921,769

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

Ras Al Khaimah Poultry & Feeding Co. P.S.C.
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of cash flows
For the three months period ended March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

	Three months period ended March 31, 2020 (Unaudited)	Three months period ended March 31, 2019 (Unaudited)
Cash flows from operating activities		
Net profit for the period	2,620,722	282,152
<i>Adjustments for:</i>		
Share of (profit) / loss of associates	(107,959)	41,129
Depreciation on property, plant and equipment	21,094	565,572
Dividend income	(2,000,000)	(1,750,000)
Interest income	(607,489)	(526,875)
Finance costs	14,423	95,638
Provision for employees' end of service benefits	192,771	92,286
Operating profit / (loss) before changes in operating assets and liabilities	133,562	(1,200,098)
<i>(Increase) / decrease in current assets</i>		
Inventories	1,163,625	753,482
Biological assets	(139,755)	727,504
Trade and other receivables	(470,241)	(457,133)
Due from related parties	(126,970)	596,573
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	538,093	(1,585,109)
Net cash from / (used in) operations	1,098,314	(1,164,781)
Employees' end of services benefits paid	(105,808)	(13,577)
Finance costs paid	(14,423)	(95,638)
Net cash from / (used in) operating activities	978,083	(1,273,996)
Cash flows from investing activities		
Purchase of financial assets at amortised cost	-	(16,989,525)
Purchase of property, plant and equipment	(889,737)	(455,777)
Proceed from loan to a related party	1,000,000	-
Interest received	850,168	526,875
Dividend received	2,000,000	1,750,000
Proceeds from disposal of fixed deposits with maturity over three months	-	18,401,889
Net cash from investing activities	2,960,431	3,233,462
Cash flows from financing activities		
Dividend paid	-	(1,440)
Net cash (used in) financing activities	-	(1,440)
Net increase in cash and cash equivalents	3,938,514	1,958,026
Cash and cash equivalents, beginning of the period	4,618,156	1,706,532
Cash and cash equivalents, end of the period	8,556,670	3,664,558

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

1 Legal status and business activities

- 1.1** **Ras Al Khaimah Poultry & Feeding Co. P.S.C, Ras Al Khaimah** ("the Entity") is public shareholding company, facilitated under Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah. The Entity was incorporated on January 11, 1978 and operates under industrial license no. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Entity are traded on the Abu Dhabi Securities Exchange.
- 1.2** The principal activities of the Entity are the agricultural, manufacturing and trading activities and other technical production activities relating to poultry production.
- 1.3** The address of the Entity's registered office is in Digdaga P.O. Box 184, Ras Al Khaimah, United Arab Emirates.
- 1.4** The management and control are vested with Mr. Mohamed Elsiddig Elimam Abdelgadir, General Manager, Sudani National.
- 1.5** These condensed interim financial statements incorporate the operating results of the Entity's license no. 302.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity.

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties, biological assets and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed interim financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2019.

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended December 31, 2019.

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2019.

The condensed result for the three months period ended March 31, 2020 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2020.

The preparation of these condensed interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended December 31, 2019.

3 Significant accounting policies

The accounting policies used in the preparation of condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2019. Certain amendments to accounting standards and annual improvements, as disclosed in the Entity's most recent annual financial statements for the year ended December 31, 2019, are applicable to the Entity but do not have any material impact on these condensed interim financial information.

3.1 Critical accounting judgements and key sources of estimation uncertainty

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

- Current fair value of another instrument that is substantially the same;
The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

4 Property, plant and equipment

During the period, additions to property, plant and equipment amounted to AED 889,737 (three months period ended March 31, 2019: AED 455,777) and depreciation for the three months period ended March 31, 2020 amounted to AED 21,094 (three months period ended March 31, 2019: AED 565,572).

All property, plant and equipment are located in U.A.E.

5 Investment properties

	March 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Plots of land	54,230,000	54,230,000
Buildings	33,500,000	33,500,000
	87,730,000	87,730,000

Movements during the period / year are as follows:

Balance at the beginning of the period / year	87,730,000	89,840,000
Changes in fair value unrealised recognised in profit or loss	-	(2,110,000)
Balance at the end of the period / year	87,730,000	87,730,000

6 Investments in associates

	Percentage of ownership interest		March 31, 2020	December 31, 2019
	2020	2019	(Unaudited)	(Audited)
Ras Al Khaimah Packaging Co. Ltd. (L.L.C.)	50.00%	50.00%	7,992,343	7,885,551
RAK AMI Hotel FZ-LLC	27.75%	27.75%	75,394,698	75,393,531
			83,387,041	83,279,082

Principal activity of Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) is manufacturing of carton boxes and containers and wholesale trading of paper.

Principal activity of RAK AMI Hotel FZ-LLC is real estate development construction.

The summarized financial information of associates, accounted for using the equity method, is as follows:

	March 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Movement in investments in associates are as follows:		
Balance at the beginning of the period / year	7,885,551	8,030,926
Share of (loss)/profit	106,792	(145,375)
Balance at the end of the period/year	7,992,343	7,885,551

The summarised financial information below of Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) represents amounts shown in its financial statements prepared in accordance with IFRS. The financial information of RAK AMI Hotel FZ LLC (the "Hotel") represents merely the Entity's share of the Hotel's capital as the Hotel has not yet commenced its commercial operations.

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

6 Investments in associates (continued)

Associate's financial information - Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), UAE

	March 31, 2020	December 31,
	(Unaudited)	2019
		(Audited)
Current assets	12,899,573	11,588,080
Non-current assets	16,441,791	16,847,811
Total assets	29,341,364	28,435,891
Current liabilities	5,328,925	9,079,459
Non-current liabilities	8,027,755	3,585,331
Total liabilities	13,356,680	12,664,790
Net assets	15,984,684	15,771,101
Proportion of Entity's ownership interest in the associate	50%	50%
Carrying amount of Entity's interest in associate	7,992,343	7,885,551
	Three months	For the year
	period ended	December 31,
	March 31, 2020	2019
	(Unaudited)	Audited
Revenue for the period / year	5,205,571	19,124,285
Profit / (loss) for the period / year	213,584	(290,750)
Proportion of the Entity's ownership interest in the associate	50.00%	50.00%
Share in the net profit / (loss) of the associate	106,792	(145,375)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) is recognised in these condensed interim financial statements.

Net assets of the associate	15,984,684	15,771,101
Proportion of ownership interest	50.00%	50.00%
Carrying amount of Entity's interest in associate	7,992,343	7,885,551

Associate financial information RAK AMI Hotel FZ LLC, U.A.E

	March 31, 2020	December 31,
	(Unaudited)	2019
		(Audited)
Current assets	32,030,180	43,505,180
Non-current assets	268,582,468	262,883,877
Total assets	300,612,648	306,389,057
Total liabilities	8,920,042	14,700,658
Shareholder's current account	20,000,000	20,000,000
Net assets	271,692,606	271,688,399
Proportion of Entity's ownership interest in the associate	27.75%	27.75%
Carrying amount of Entity's interest in associate	75,394,698	75,393,531

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

	Three months period ended March 31, 2020 (Unaudited)	For the year December 31, 2019 Audited
Revenue for the period / year	7,414	-
Profit / (Loss) for the period / year	4,206	(59,805)
Proportion of the Entity's ownership interest in the associate	27.75%	27.75%
Share in the net profit / (loss) of the associate	1,167	(16,596)

7 Investments at fair value through Other Comprehensive Income (FVTOCI)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Quoted investments	75,225,164	104,449,782
Unquoted investments	20,165,000	20,165,000
	95,390,164	124,614,782

The value of the above unquoted investments has not been changed from December 31, 2019.

The movements of investments at fair value through Other Comprehensive Income are as follows:

Balance at the beginning of the period / year	124,614,782	133,871,334
Decrease in fair value	(29,224,618)	(9,256,552)
Balance at the end of the period / year	95,390,164	124,614,782

The cumulative changes in fair value of investments designated at FVTOCI amounting to AED 34,639,855 as at March 31, 2020 (December 31, 2019: AED 63,864,473) are shown under equity.

8 Financial assets at amortised cost

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Opening balance	17,056,682	-
Additions during the period / year	-	16,882,000
Accrued Interest	284,884	329,932
Interest received during the period / year	(527,563)	(155,250)
Balance at the end of the period / year	16,814,003	17,056,682

Investments at amortised costs comprise of DIB TIER 1 SUKUK 3 LTD bond issued by Dubai Islamic Bank on January 17, 2019. The bonds are perpetual with a fixed interest rate of 6.75% per annum. The first call date of the bonds is January 22, 2025.

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

9 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, "Related party disclosures". Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

a) Due from related parties	March 31, 2020	December 31,
	(Unaudited)	2019
		(Audited)
Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), Associate, U.A.E	681,873	709,655
Al Bustan Import of Foodstuff LLC, Entity under common control, U.A.E	521,435	366,683
	1,203,308	1,076,338

b) Loans to a related party

Ras Al Khaimah Packaging Co. Ltd. LLC	8,000,000	9,000,000
Less: Due within 12 months from the reporting date	(5,000,000)	(6,000,000)
Due after 12 months from the reporting date	3,000,000	3,000,000

A long term loan was granted to Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) of AED 16 million to finance the construction of its new plant. The loan is repayable in six annual instalments of AED 2 million for the first two years and AED 3 million for the remaining four years commencing from December 2016. The loan is unsecured and carries interest rate of 4% per annum effective 1 August 2015 onwards.

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	Three months	Three months
	period ended	period ended
	March 31, 2020	March 31, 2019
	(Unaudited)	Audited
Sales	406,912	157,430
Purchases	110,741	502,721
Interest income	82,959	108,493
Settlement of a loan instalment by a related party	1,000,000	-

d) Key management personnel compensations

The compensation of key management personnel is as follows:

Salaries (General Manager)	90,000	90,000
	90,000	90,000

10 Biological Assets

	March 31, 2020	December 31,
	(Unaudited)	2019
		(Audited)
Eggs laying chickens	1,296,233	1,173,113
Broiler chickens	267,425	250,790
	1,563,658	1,423,903

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

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Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

11 Inventories	March 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Spare parts and others	2,114,665	3,732,762
Finished goods	2,159,435	1,729,523
Filling and packaging materials	46,450	15,005
Medicines and vaccinations	113,506	120,391
	4,434,056	5,597,681
Less: Allowance for slow moving inventories	(3,878,305)	(3,878,305)
	555,751	1,719,376

The above inventories are located at warehouses at Ras Al Khaimah, United Arab Emirates.

Movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of the period / year	3,878,305	3,878,305
Balance at the end of the period / year	3,878,305	3,878,305

12 Trade and other receivables	Mar 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Trade receivables	3,187,414	2,968,902
Notes receivables	2,916,976	1,975,500
	6,104,390	4,944,402
Less: Allowance for doubtful debts	(761,994)	(761,994)
	5,342,396	4,182,408
Prepayments	5,426	189,532
Advances to suppliers	211,883	1,023,092
Staff loan and advances	742,956	764,713
Accrued interest	672,820	433,556
Other receivables	589,293	501,232
	7,564,774	7,094,533

13 Cash and bank balances	Mar 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Cash in hand	76,386	105,446
Cash at banks		
Current accounts	7,107,402	742,235
Call deposits	1,372,882	3,770,475
Fixed deposits	10,702,371	10,702,371
	19,259,041	15,320,527
Less: Fixed deposits with maturity over 3 months from the date of placement	(10,702,371)	(10,702,371)
	8,556,670	4,618,156

Ras Al Khaimah Poultry & Feeding Co. P.S.C.

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2020

(Unaudited)

(In Arab Emirates Dirham)

14 Basic earnings per share	Three months period ended March 31, 2020	Three months period ended March 31, 2019
Profit for the period	2,620,722	282,152
Weighted average number of shares	86,400,000	86,400,000
Basic earnings per share	0.030	0.003

15 Employees' end of service benefits	Mar 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	3,023,437	3,357,723
Add: charge for the period / year	192,771	771,085
Less: paid during the period / year	(105,808)	(1,105,371)
Balance at the end of the period / year	3,110,400	3,023,437

16 Trade and other payables	Mar 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
Trade payables	1,775,616	1,738,012
Unearned revenue	1,134,453	852,068
Accrued expenses and other payables	975,203	1,027,541
Staff provisions	727,203	620,732
Notes payable	223,507	60,875
Advances from customers	196,757	195,418
	5,032,739	4,494,646

Notes to the condensed interim financial statements for the three months period ended March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

18 Contingent liabilities	Mar 31, 2020 (Unaudited)	Dec 31, 2019 (Audited)
Letter of guarantee	200,000	200,000

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial information as of reporting date.

19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Entity is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2019.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

March 31, 2020 (Unaudited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted equities	75,225,164	-	-	75,225,164
Unquoted equities	-	-	20,165,000	20,165,000
Non-financial assets:				
Investment properties	-	-	87,730,000	87,730,000
	<u>75,225,164</u>	<u>-</u>	<u>107,895,000</u>	<u>183,120,164</u>

Notes to the condensed interim financial statements for the three months period ended March 31, 2020 (Unaudited)
(In Arab Emirates Dirham)

19 Fair value measurement (continued)

December 31, 2019 (Audited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted equities	104,449,782	-		104,449,782
Unquoted equities	-	-	20,165,000	20,165,000
Non-financial assets:				
Investment properties	-	-	87,730,000	87,730,000
	<u>104,449,782</u>	<u>-</u>	<u>107,895,000</u>	<u>212,344,782</u>