

**National Marine Dredging
Company PJSC**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

PERIOD ENDED 30 SEPTEMBER 2019
(UNAUDITED)

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019 (unaudited)

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**REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF NATIONAL MARINE DREDGING COMPANY PJSC**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of National Marine Dredging Company (the “Company”) and its subsidiaries (together referred to as the “Group”), comprising the interim condensed consolidated statement of financial position as at 30 September 2019, and the related interim condensed consolidated statements of income, and comprehensive income for the three and nine month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended, and the explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “*Interim Financial Reporting* (IAS 34)”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of 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. Consequently, it 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.

Basis of qualified conclusion

Trade and other receivables at 30 September 2019 include unbilled receivables relating to certain contracts with the Government of Abu Dhabi, its departments or its related parties. We were unable to obtain sufficient and appropriate evidence to support the recoverability of amounts totaling AED 474,770 thousand (verbal contracts) and AED 154,603 thousand (signed contracts) included in these balances. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF NATIONAL MARINE DREDGING COMPANY PJSC
continued

Conclusion

Based on our review, except for the possible effects of the matters as described in the *Basis of Qualified Conclusion* paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matters

- As stated in note 4 to the accompanying interim condensed consolidated financial statements, unbilled receivables include an amount of AED 600,000 thousand recognised on the basis of claims submitted to a customer in prior periods. The final amount of claim is still under negotiation and is subject to a review by a consultant, the finalization of which could have a significant impact on the amount of receivables recognized. Our conclusion is not qualified in respect of this matter.

- We refer to note 2.3 to the interim condensed consolidated financial statements which discloses the significant judgement made by management in relation to the recognition of revenue over time from unsigned contracts in accordance with the requirements of IFRS 15 “Revenue from Contracts with Customers”. Our conclusion is not qualified in respect of this matter.



Signed by:
Mohammad Mobin Khan
Partner
Ernst & Young
Registration No 532

12 November 2019
Abu Dhabi

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

		<i>30 September</i> <i>2019</i> <i>AED '000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2018</i> <i>AED '000</i> <i>(Audited)</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,390,607	1,052,584
Goodwill and other intangible assets		36,276	49,805
Investment in a joint venture		17,851	16,869
Financial assets at fair value through other comprehensive income		42,963	46,645
Deferred tax assets		5,926	5,410
Retention receivables		<u>5,027</u>	<u>19,109</u>
Total non-current assets		<u>1,498,650</u>	<u>1,190,422</u>
Current assets			
Inventories		360,475	238,640
Trade and other receivables	4	3,781,904	3,122,843
Financial assets at fair value through profit or loss		27,862	26,000
Cash and bank balances	5	<u>210,962</u>	<u>106,933</u>
		4,381,203	3,494,416
Assets held for sale		<u>1,478</u>	<u>56,553</u>
Total current assets		<u>4,382,681</u>	<u>3,550,969</u>
TOTAL ASSETS		<u>5,881,331</u>	<u>4,741,391</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		250,000	250,000
Share premium		341,500	341,500
Reserves		681,671	682,109
Retained earnings		2,214,169	2,105,332
Proposed dividend		<u>-</u>	<u>55,000</u>
Total equity		<u>3,487,340</u>	<u>3,433,941</u>
Non-current liabilities			
Provision for employees' end of service benefits		110,028	97,641
Term loan	6	135,524	-
Long term lease liabilities	2.2	<u>8,292</u>	<u>-</u>
Total non-current liabilities		<u>253,844</u>	<u>97,641</u>
Current liabilities			
Trade and other payables	7	1,570,283	881,149
Bank overdrafts	5	<u>569,864</u>	<u>328,660</u>
Total current liabilities		<u>2,140,147</u>	<u>1,209,809</u>
Total liabilities		<u>2,393,991</u>	<u>1,307,450</u>
TOTAL EQUITY AND LIABILITIES		<u>5,881,331</u>	<u>4,741,391</u>




Mohamed Thani Murshed Al Rumaithi
CHAIRMAN


Yasser Nasr Zaghoul
CHIEF EXECUTIVE OFFICER


Sreemont Prasad Barua
CHIEF FINANCIAL OFFICER

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended

	Notes	3 months ended 30 September		9 months ended 30 September	
		2019	2018	2019	2018
		AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)	AED '000 (unaudited)
Contract revenue	8	776,483	345,698	1,721,241	1,068,078
Contract costs		<u>(716,980)</u>	<u>(283,303)</u>	<u>(1,577,805)</u>	<u>(942,289)</u>
GROSS PROFIT		59,503	62,395	143,436	125,789
General and administrative expenses		(18,010)	(16,131)	(67,338)	(72,311)
Foreign currency exchange gain (loss)		9,188	(2,534)	33,506	(2,615)
Fair value gain (loss) on financial assets at fair value through profit or loss		1,510	658	1,862	(874)
Finance (costs) income, net		(132)	(435)	1,054	(2,217)
Share of profit of a joint venture		202	-	982	-
Other income, net		<u>1,029</u>	<u>2,473</u>	<u>13,539</u>	<u>12,704</u>
Profit before tax		<u>53,290</u>	<u>46,426</u>	<u>127,041</u>	<u>60,476</u>
Income tax expense on foreign operations	9	<u>(4,011)</u>	-	<u>(10,704)</u>	<u>(3,780)</u>
PROFIT FOR THE PERIOD		<u>49,279</u>	<u>46,426</u>	<u>116,337</u>	<u>56,696</u>
Basic and diluted earnings per share in AED	10	<u>0.20</u>	<u>0.19</u>	<u>0.47</u>	<u>0.23</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
PROFIT FOR THE PERIOD	49,279	46,426	116,337	56,696
Other comprehensive income (loss)				
<i>Items that will not be reclassified to the consolidated statement of income:</i>				
Gain (loss) on revaluation of investment in financial assets carried at fair value through other comprehensive income	5,655	1,719	(3,674)	(9,820)
<i>Items that may be subsequently reclassified to the consolidated statement of income</i>				
Exchange differences arising on translation of foreign operations	<u>2,212</u>	<u>3,245</u>	<u>3,236</u>	<u>399</u>
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>7,867</u>	<u>4,964</u>	<u>(438)</u>	<u>(9,421)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>57,146</u>	<u>51,390</u>	<u>115,899</u>	<u>47,275</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September

	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>	<i>Reserves AED '000</i>	<i>Retained earnings AED '000</i>	<i>Proposed dividend AED '000</i>	<i>Total equity AED '000</i>
Balance at 1 January 2018 (Audited)	250,000	341,500	695,062	2,044,373	50,000	3,380,935
Profit for the period	-	-	-	56,696	-	56,696
Other comprehensive loss	-	-	(9,421)	-	-	(9,421)
Total comprehensive (loss) income for the period	-	-	(9,421)	56,696	-	47,275
Dividends (note 11)	-	-	-	(5,000)	(50,000)	(55,000)
Balance at 30 September 2018 (Unaudited)	<u>250,000</u>	<u>341,500</u>	<u>685,641</u>	<u>2,096,069</u>	-	<u>3,373,210</u>
Balance at 1 January 2019 (Audited)	250,000	341,500	682,109	2,105,332	55,000	3,433,941
Profit for the period	-	-	-	116,337	-	116,337
Other comprehensive loss	-	-	(438)	-	-	(438)
Total comprehensive (loss) income for the period	-	-	(438)	116,337	-	115,899
Dividends (note 11)	-	-	-	(7,500)	(55,000)	(62,500)
Balance at 30 September 2019 (Unaudited)	<u>250,000</u>	<u>341,500</u>	<u>681,671</u>	<u>2,214,169</u>	-	<u>3,487,340</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

National Marine Dredging Company PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended

	<i>9 months ended 30 September</i>	
	<i>2019</i>	<i>2018</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>AED '000</i>	<i>AED '000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the period	127,041	56,696
Adjustments for:		
Depreciation of property, plant and equipment	119,287	116,881
Amortisation of intangibles	-	597
Gain on disposal of property, plant and equipment	(4,487)	(7,621)
Fair value (gain) loss on financial assets at fair value through profit or loss	(1,862)	874
Share of profit of a joint venture	(982)	-
Dividend income	(2,674)	(1,467)
(Reversal) allowance for expected credit losses	(91,271)	96,256
Other provisions	(7,561)	(19,902)
Finance (income) costs, net	(1,054)	2,217
Provision for employees' end of service benefits	<u>11,718</u>	<u>8,516</u>
	148,155	253,047
Interest expense paid	(16,518)	(7,646)
Employees' end of service benefit paid	<u>(2,521)</u>	<u>(3,147)</u>
	129,116	242,254
Working capital changes:		
Change in inventories	(121,835)	(13,654)
Change in trade and other receivables	(534,663)	(383,991)
Change in trade and other payables	<u>688,335</u>	<u>92,432</u>
Net cash from (used in) operating activities	<u>160,953</u>	<u>(62,959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(399,854)	(106,845)
Investment in treasury bonds	(20,850)	-
Interest received	17,892	3,361
Investment in joint venture	-	(2,156)
Proceeds from disposal of property, plant and equipment	25,750	13,853
Dividend income	<u>2,674</u>	<u>1,467</u>
Net cash used in investing activities	<u>(374,388)</u>	<u>(90,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loan	135,524	-
Dividends paid (note 11)	<u>(62,500)</u>	<u>(56,159)</u>
Net cash from (used in) financing activities	<u>73,024</u>	<u>(56,159)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(140,411)	(209,438)
Cash and cash equivalents at 1 January	(221,727)	50,165
Foreign exchange translation adjustment	<u>3,236</u>	<u>399</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER (note 5)	<u>(358,902)</u>	<u>(158,874)</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

National Marine Dredging Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

1 GENERAL INFORMATION

National Marine Dredging Company (the “Company”) is a public shareholding company incorporated in the Emirate of Abu Dhabi. The Company was incorporated by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi. The registered address of the Company is P.O. Box 3649, Abu Dhabi, United Arab Emirates.

The Company is primarily engaged in the execution of dredging contracts and associated land reclamation works in the territorial waters of the UAE, principally under the directives of the Government of Abu Dhabi (the “Government”), a major shareholder. The Group also operates in other jurisdictions in the region including Bahrain, Egypt, Saudi Arabia and India through its subsidiaries, branches and joint operations.

The interim financial information of the Company as at and for the period of nine months ended 30 September 2019 includes the financial performance and position of the Company and its below mentioned subsidiaries and branches (together referred to as the “Group”).

<i>Name</i>	<i>Country of incorporation</i>	<i>Percentage holding</i>		<i>Principal activities</i>
		<i>September 2019</i>	<i>December 2018</i>	
Subsidiaries				
Emarat Europe Fast Building Technology System Factory L.L.C. (Emarat Europe)	UAE	100%	100%	Manufacturing and supply of precast concrete
National Marine Dredging Company (Industrial)	UAE	100%	100%	Manufacturing of steel pipes and steel pipe fittings and holding 1% investment in the Group’s subsidiaries to comply with the local regulations
ADEC Engineering Consultancy L.L.C.	UAE	100%	100%	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services
Abu Dhabi Marine Dredging Co S.P.C.	Bahrain	100%	100%	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts
National Marine and Infrastructure India Private Limited	India	100%	100%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
Branches				
National Marine Dredging Company (NMDC)	Saudi Arabia	Branch		Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	Egypt	Branch		Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	Maldives	Branch		Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Marine Dredging Company	Abu Dhabi	Branch		Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
Joint Venture				
The Challenge Egyptian Emirates Marine Dredging Company	Egypt	49%		Dredging and associated land reclamation works, civil engineering, port contracting and marine construction

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These interim condensed consolidated financial statements are presented in UAE Dirham (AED) which is the currency of primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

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 2018. In addition, results for the nine month period ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

Unbilled receivables represent 45% (2018: 55%) of the total assets of the Group and 61% (2018: 73%) of the total current assets of the Group as at 30 September 2019. The interim condensed consolidated financial statements have been prepared under the going concern assumption considering the Group is expecting the recovery of the unbilled receivables and has secured a financing facility to ensure short term and long term liquidity to meet its working capital requirements and project commitments. Management believes that all unbilled receivables are recoverable within twelve months from the reporting date and accordingly these balances are classified under current assets.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of following new standards and interpretations effective as of 1 January 2019.

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

Annual improvements 2015-2017 cycle

- IFRS 3 Business Combinations
- IFRS 11 Joint Arrangements
- IAS 12 Income Taxes
- IAS 23 Borrowing Costs

The Group applied, for the first time, IFRS 16 Leases. As required by IAS 34, the nature and effect of these changes are disclosed below. The other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
continued**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**
continued**Impact on adoption of IFRS 16**

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application on 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 as at 1 January 2019 is as follows:

	<i>AED'000</i>
Assets	
Recognition of right-of-use asset (land)	23,643
Derecognition of intangible asset in respect of favourable lease	(13,529)
Prepayments	<u>(420)</u>
Total assets	<u>9,694</u>
Liabilities	
Recognition of lease liabilities	<u>9,694</u>
Total liabilities	<u>9,694</u>
Total adjustment on equity:	
Retained earnings	<u>—</u>
	<u><u>—</u></u>

Nature of the effect of adoption of IFRS 16

The Group has lease contracts (as lessee), which prior to the adoption of IFRS 16, the Group had classified at the inception date as operating leases. The leased assets were not capitalised and the lease payments were recognised as rent expense in the profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under 'trade and other receivables' and 'trade and other payables' respectively. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related intangibles in respect of favorable lease of AED 13,529 thousand, prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
continued**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**
continued**Impact on adoption of IFRS 16** continued**Nature of the effect of adoption of IFRS 16** continued

The Group also applied the available practical expedients wherein it:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

Operating lease commitments as at 31 December 2018 (AED'000)	13,554
Incremental borrowing rate as at 1 January 2019	4.5%
Discounted operating lease commitments at 1 January 2019 (AED'000)	9,694
Adjustment of commitments relating to leases of low value assets (AED'000)	-
Lease liabilities as at 1 January 2019 (AED'000)	<u>9,694</u>

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. As a result, ROU recognised as at 30 September 2019 is depreciated over period of 16 years representing the remaining lease term. Right-of-use assets are subject to impairment.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
continued**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**
continued**Impact on adoption of IFRS 16** continued**Summary of new accounting policies** continued*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use asset and lease liabilities and the movements during the period:

	<i>Right-of-use (land) AED'000</i>	<i>Lease liabilities AED'000</i>
As at 1 January 2019	23,643	9,694
Depreciation expense	(1,082)	-
Interest expense	-	320
Payments	-	(876)
As at 30 September 2019	<u>22,561</u>	<u>9,138</u>

The Group recognised rent expense from short-term leases of AED 9,678 thousand for the nine months ended 30 September 2019.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
continued**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**
continued**Impact on adoption of IFRS 16** continued

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss continued

Lease liabilities is analysed in the interim consolidated statement of financial position as follows:

	<i>30 September 2019 AED'000 (Unaudited)</i>
Current liabilities	846
Non-current liabilities	<u>8,292</u>
Total	<u>9,138</u>

Current portion of lease liabilities is included in trade and other payables.

2.3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, 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 applied in the consolidated financial statements for the year ended 31 December 2018, except for IFRS 16 Leases, wherein the incremental borrowing rate used in calculating the lease liabilities as of 1 January 2019 is considered a key source of estimation uncertainty.

Determining whether unsigned (verbal) agreements meet the definition of contract under IFRS 15:

Certain projects for the Government of Abu Dhabi, its department or related parties, are executed on the basis of verbally agreed terms (including an estimate of total project cost and timelines) in line with the Group's historical business practice. Management considers such unsigned (verbal) agreements to meet the definition of a 'contract with customer' under IFRS 15.

National Marine Dredging Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

3 PROPERTY, PLANT AND EQUIPMENT

	<i>AED'000</i>
Cost	
At 1 January 2018 (Audited)	3,275,915
Additions	122,612
Disposals	(201,225)
Transfers from assets 'classified as held for sale'	63,468
Exchange differences	<u>(33)</u>
At 1 January 2019 (Audited)	3,260,737
Effect of change in accounting policy (note 2.2) (i)	23,643
Additions	399,854
Disposals	(72,626)
Transfers from assets 'classified as held for sale'	<u>94,097</u>
At 30 September 2019 (Unaudited)	<u>3,705,705</u>
Accumulated depreciation	
At 1 January 2018 (Audited)	2,206,288
Charge for the period	154,044
Disposals	(187,336)
Transfers from assets 'classified as held for sale'	35,153
Exchange differences	<u>4</u>
At 1 January 2019 (Audited)	2,208,153
Charge for the period	119,287
Disposals	(51,363)
Transfers from assets 'classified as held for sale'	<u>39,021</u>
At 30 September 2019 (Unaudited)	<u>2,315,098</u>
Net carrying amount	
At 30 September 2019 (Unaudited)	<u>1,390,607</u>
At 31 December 2018 (Audited)	<u>1,052,584</u>

- (i) This represents right-of-use assets (land) amounting to AED 23,643 thousand relating to a land on which the factory buildings are constructed (refer note 2.2)

National Marine Dredging Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

4 TRADE AND OTHER RECEIVABLES

	<i>30 September 2019 (Unaudited) AED'000</i>	<i>31 December 2018 (Audited) AED'000</i>
Trade receivables, net of allowance for expected credit loss	720,146	206,067
Retention receivables – current portion	41,459	14,312
Unbilled receivables, net of allowance for expected credit loss	2,663,120	2,602,448
Deposits and prepayments	53,285	15,080
Other receivables	<u>303,894</u>	<u>284,936</u>
	<u>3,781,904</u>	<u>3,122,843</u>

Receivables, net are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

In 2018, the Group terminated its operations under a contract with a customer due to an ongoing dispute in relation to the scope of work and the Group's performance obligations under the contract. The Group had previously issued a performance guarantee in relation to the contract, and has certain outstanding receivable balances from the customer in relation to work performed under the contract. Final settlement with the customer for the recovery of the outstanding balance has been concluded in the current period, and the related receivables and payables balances have been adjusted, with no notable impact to the profit or loss for the year.

Unbilled receivables, net of provision for expected credit loss, are analysed as follows:

	<i>30 September 2019 (Unaudited) AED'000</i>	<i>31 December 2018 (Audited) AED'000</i>
<i>Unsigned contracts</i>		
- Government of Abu Dhabi and its related entities	635,173	975,278
- Joint Venture	<u>18,751</u>	<u>12,578</u>
	<u>653,924</u>	<u>987,856</u>
<i>Signed contracts</i>		
- Government of Abu Dhabi and its related entities	1,835,909	1,057,218
- Joint Ventures	162,412	509,089
- Other entities	<u>10,875</u>	<u>48,285</u>
	<u>2,009,196</u>	<u>1,614,592</u>
	<u>2,663,120</u>	<u>2,602,448</u>

Unbilled receivables include AED 474,770 thousand (31 December 2018: AED 769,313 thousand) and AED 1,399,297 thousand (31 December 2018: AED 904,247 thousand), outstanding for a period exceeding one year, from unsigned and signed contracts respectively.

Unbilled receivables include AED 306,142 thousand and AED 961,894 thousand recognized as revenue during the period from unsigned and signed contracts respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2019

4 TRADE AND OTHER RECEIVABLES continued

Unbilled receivables include an amount of AED 600,000 thousand (AED 2018: AED 600,000 thousand) recognized on the basis of claims submitted to a customer in prior periods. The final amount of the claims is still under negotiation and is subject to a review by a consultant, the finalization of which could have a significant impact on the amount of receivables recognized. While the final amount of the claims is still under negotiation and is subject to a review by the customer, management confirms that the final amount expected to be realized upon settlement of the claim will be in excess of the amounts of receivables recognized in the books.

Allowance for expected credit loss

The Group recognises lifetime expected credit loss (ECL) for trade and unbilled receivables using the simplified approach. To determine the expected credit losses all debtors are classified into four categories:

- Category I – billed receivables and unbilled receivables from government related companies;
- Category II – private companies with low credit risk;
- Category III – private companies with high credit risk; and
- Category IV – debtors at default.

These are adjusted for factors that are specific to the 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, including time value of money, where appropriate.

Trade and retention receivables as at 30 September 2019 (Unaudited)

	<i>Categories</i>				<i>Total</i> <i>AED'000</i>
	<i>I</i> <i>AED'000</i>	<i>II</i> <i>AED'000</i>	<i>III</i> <i>AED'000</i>	<i>IV</i> <i>AED'000</i>	
Expected credit loss rate	0 to 1%	1 to 20%	20 to 99%	100%	
Estimated total gross carrying amount	688,148	80,608	1,823	42,800	813,379
Lifetime expected credit loss	<u>(1,698)</u>	<u>(1,612)</u>	<u>(637)</u>	<u>(42,800)</u>	<u>(46,747)</u>
Net trade and retention receivables	<u>686,450</u>	<u>78,996</u>	<u>1,186</u>	<u>=</u>	<u>766,632</u>

Trade and retention receivables as at 31 December 2018 (Audited)

	<i>Categories</i>				<i>Total</i> <i>AED'000</i>
	<i>I</i> <i>AED'000</i>	<i>II</i> <i>AED'000</i>	<i>III</i> <i>AED'000</i>	<i>IV</i> <i>AED'000</i>	
Expected credit loss rate	0 to 1%	1 to 20%	20 to 99%	100%	
Estimated total gross carrying amount	139,760	93,375	93,160	43,921	370,216
Lifetime expected credit loss	<u>(418)</u>	<u>(1,868)</u>	<u>(84,521)</u>	<u>(43,921)</u>	<u>(130,728)</u>
Net trade and retention receivables	<u>139,342</u>	<u>91,507</u>	<u>8,639</u>	<u>=</u>	<u>239,488</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

4 TRADE AND OTHER RECEIVABLES continued

Unbilled receivables as at 30 September 2019 (Unaudited)

	<i>Categories</i>				<i>Total</i> <i>AED'000</i>
	<i>I</i> <i>AED'000</i>	<i>II</i> <i>AED'000</i>	<i>III</i> <i>AED'000</i>	<i>IV</i> <i>AED'000</i>	
Expected credit loss rate	0 to 1%	1 to 20%	20 to 99%	100%	
Estimated total gross carrying amount	2,661,384	11,073	-	32,618	2,705,075
Lifetime expected credit loss	<u>(9,115)</u>	<u>(222)</u>	<u>-</u>	<u>(32,618)</u>	<u>(41,955)</u>
Net unbilled receivables	<u>2,652,269</u>	<u>10,851</u>	<u>-</u>	<u>-</u>	<u>2,663,120</u>

Unbilled receivables as at 31 December 2018 (Audited)

	<i>Categories</i>				<i>Total</i> <i>AED'000</i>
	<i>I</i> <i>AED'000</i>	<i>II</i> <i>AED'000</i>	<i>III</i> <i>AED'000</i>	<i>IV</i> <i>AED'000</i>	
Expected credit loss rate	0 to 1%	1 to 20%	20 to 99%	100%	
Estimated total gross carrying amount	2,598,188	9,024	17,484	26,997	2,651,693
Lifetime expected credit loss	<u>(7,791)</u>	<u>(180)</u>	<u>(14,277)</u>	<u>(26,997)</u>	<u>(49,245)</u>
Net unbilled receivables	<u>2,590,397</u>	<u>8,844</u>	<u>3,207</u>	<u>-</u>	<u>2,602,448</u>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Trade receivables are considered past due once they have passed their contracted due date. Management has not recognised an expected credit loss in respect of delays in recovery of receivables expected to be recovered in full in the future as these are expected to be recovered in the short term and therefore no discounting adjustment is required.

5 CASH AND CASH EQUIVALENTS

	<i>30 September</i> <i>2019</i> <i>(Unaudited)</i> <i>AED'000</i>	<i>31 December</i> <i>2018</i> <i>(Audited)</i> <i>AED'000</i>	<i>30 September</i> <i>2018</i> <i>(Unaudited)</i> <i>AED'000</i>
Cash in hand	2,521	1,765	4,563
Cash at banks			
- Current accounts	58,498	53,847	58,482
- Short term deposits	<u>149,943</u>	<u>51,321</u>	<u>80,950</u>
Cash and bank balances	210,962	106,933	143,995
Less: bank overdrafts	(569,864)	(328,660)	(301,208)
Less: cash margin	<u>-</u>	<u>-</u>	<u>(1,661)</u>
Cash and cash equivalents	<u>(358,902)</u>	<u>(221,727)</u>	<u>(158,874)</u>

Short term deposits have maturities less than three months. These deposits, and the bank overdraft facilities, carry interest at prevailing market interest rates.

National Marine Dredging Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

6 TERM LOAN

On 8 July 2019 NMDC signed an agreement for a EUR 65.67 million facility with Cooperatieve Rabobank UA for financing the construction of a new Hopper Dredger, with a 10 year tenor. Under the terms of the agreement, the repayment of the loan will commence after six months of the delivery of the vessel. Accordingly, the entire amount drawn down during the period has been classified as a non-current liability in these interim condensed consolidated financial statements

7 TRADE AND OTHER PAYABLES

	<i>30 September 2019 (Unaudited) AED'000</i>	<i>31 December 2018 (Audited) AED'000</i>
Trade payables	586,771	191,960
Accrued liabilities	460,624	304,075
Advances from customers	341,772	166,383
Provisions	45,361	52,922
Dividends payable	24,716	28,006
Gross amount due to customers on construction contracts	38,012	1,771
Retentions payable	6,379	12,384
Lease liabilities	846	-
Other payables	<u>65,802</u>	<u>123,648</u>
	<u>1,570,283</u>	<u>881,149</u>

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

8.1 REVENUE BY PROJECT TYPE

	<i>Nine months ended (unaudited)</i>		
	<i>30 September 2019 UAE AED'000</i>	<i>30 September 2019 International AED'000</i>	<i>30 September 2019 Group AED'000</i>
	Energy	248,779	-
Environment	43,911	147,246	191,157
Seaborne trade	660,914	84,082	744,996
Tourism	44,952	229,170	274,122
Urban development	164,486	746	165,232
Other	<u>96,955</u>	<u>-</u>	<u>96,955</u>
Total	<u>1,259,997</u>	<u>461,244</u>	<u>1,721,241</u>
	<i>Nine months ended (unaudited)</i>		
	<i>30 September 2018 UAE AED'000</i>	<i>30 September 2018 International AED'000</i>	<i>30 September 2018 Group AED'000</i>
	Energy	50,095	41,896
Environment	114,963	120,826	235,789
Seaborne trade	230,941	258,401	489,342
Tourism	64,232	13,096	77,328
Urban development	91,464	24,624	116,088
Other	<u>57,540</u>	<u>-</u>	<u>57,540</u>
Total	<u>609,235</u>	<u>458,843</u>	<u>1,068,078</u>

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8 REVENUE FROM CONTRACTS WITH CUSTOMERS continued

8.2 REVENUE BY ACTIVITY

	<i>Nine months ended 30 September (unaudited)</i>		
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>UAE</i>	<i>International</i>	<i>Group</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Dredging and reclamation	570,492	228,371	798,863
Marine construction	443,841	232,874	676,715
Other	<u>245,663</u>	<u>-</u>	<u>245,663</u>
Total	<u>1,259,996</u>	<u>461,245</u>	<u>1,721,241</u>

	<i>Nine months ended 30 September (unaudited)</i>		
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>UAE</i>	<i>International</i>	<i>Group</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Dredging and reclamation	362,273	382,027	744,300
Marine construction	189,422	76,777	266,199
Other	<u>57,541</u>	<u>38</u>	<u>57,579</u>
Total	<u>609,236</u>	<u>458,842</u>	<u>1,068,078</u>

8.3 TIMING OF REVENUE RECOGNITION

	<i>Nine months</i>	<i>Nine months</i>
	<i>period ended</i>	<i>period ended</i>
	<i>30 September</i>	<i>30 September</i>
	<i>2019</i>	<i>2018</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Services transferred at a point in time	-	-
Services transferred over time	<u>1,721,241</u>	<u>1,068,078</u>
Total revenue from contracts with customers	<u>1,721,241</u>	<u>1,068,078</u>

9 TAXATION

	<i>Nine months</i>	<i>Nine months</i>
	<i>period ended</i>	<i>period ended</i>
	<i>30 September</i>	<i>30 September</i>
	<i>2019</i>	<i>2018</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current income tax expense	10,188	3,780
Relating to origination and reversal of temporary differences	<u>516</u>	<u>-</u>
Income tax expense	<u>10,704</u>	<u>3,780</u>

10 EARNINGS PER SHARE

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

The weighted average number of ordinary shares outstanding at the end of the reporting period was 250,000,000 shares (30 September 2018: 250,000,000 shares). There are no potentially dilutive instruments therefore the basic and diluted earnings per share are the same.

11 DIVIDENDS

At the annual general meeting held on 21 April 2019, the shareholders approved a dividend of AED 0.25 per share for a total of AED 62.5 million (2018: AED 55 million) and remuneration of the Board of Directors amounting to AED 11 million, relating to year ended 31 December 2018.

12 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the Government of Abu Dhabi, Directors and key management personnel, management entities engaged by the Group and those enterprises over which the Government of Abu Dhabi, Directors, the Group or its affiliates can exercise significant influence or which can exercise significant influence over the Group. In the ordinary course of business, the Group provides services to, and receives services from, such enterprises on terms agreed by management. The Group derives significant portion of its UAE revenue from the Government of Abu Dhabi, its departments and related entities and its joint venture.

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>30 September 2019 (Unaudited) AED'000</i>	<i>31 December 2018 (Audited) AED'000</i>
<i>Balances with Government of Abu Dhabi and related entities:</i>		
Trade and other receivables	<u>2,775,593</u>	<u>2,171,840</u>
<i>Balance with shareholders (excluding Government of Abu Dhabi and related entities):</i>		
Trade and other receivables	1,626	13,452
Trade and other payables	1,000	1,000
<i>Due from joint venture for project related work:</i>		
Trade and other receivables	561,657	554,090
Financial assets at fair value through other comprehensive income	42,963	46,645

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12 RELATED PARTY BALANCES AND TRANSACTIONS continued

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<u>3 months ended 30 September</u>		<u>9 months ended 30 September</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>Government and related entities</i>				
Revenue earned during the period	695,560	180,635	1,417,002	572,655
<i>Joint venture</i>				
Revenue earned during the period	44,952	125,647	164,771	258,254

Transactions with key management personnel

	<u>3 months ended 30 September</u>		<u>9 months ended 30 September</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>Key management compensation</i>	<u>2,847</u>	<u>1,343</u>	<u>5,152</u>	<u>3,728</u>

Other related party transactions

Abu Dhabi Municipality (the "Municipality") had granted the Company the right to use the land at the Company's base facilities in Musaffah free of charge. Subsequently, starting 2005 the Municipality charges an amount of AED 240 thousand per annum for the use of this land. The charge had been revised to AED 1,799 thousand per annum during 2017. On adoption of IFRS 16 on 1 January 2019, the Group has recognised right-of-use asset of AED 23,643 thousand related to this lease (refer note 2.2).

13 CONTINGENCIES AND COMMITMENTS

	<u>30 September</u>	<u>31 December</u>
	<u>2019</u>	<u>2018</u>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>AED'000</i>	<i>AED'000</i>
Bank guarantees	<u>1,783,224</u>	<u>1,034,801</u>
Letters of credit	<u>377,050</u>	<u>17,332</u>
Capital commitments	<u>196,461</u>	<u>3,792</u>

Capital commitments comprise mainly of capital expenditure which has been contractually agreed with suppliers for future periods for new build vessels or the refurbishment of existing vessels.

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS**Fair value measurement recognized in the interim condensed consolidated statement of financial position**

The fair values of the Group's financial assets and liabilities as at 30 September 2019 are not materially different from their carrying values at the same date.

The following table provides the fair value measurement hierarchy of the Group's financial assets which are measured at fair value as at 30 September 2019 and 31 December 2018:

	<i>Fair value measurement</i>			
	<i>Total</i> <i>AED'000</i>	<i>Quoted prices</i> <i>in Active</i> <i>markets</i> <i>(Level 1)</i> <i>AED'000</i>	<i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>AED'000</i>	<i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>AED'000</i>
<i>As at 30 September 2019(Unaudited)</i>				
Financial assets at fair value through other comprehensive income (FVTOCI)	42,963	42,963	-	-
Financial assets at fair value through profit or loss (FVTPL)	27,862	26,919	-	943
<i>As at 31 December 2018 (Audited)</i>				
Financial assets at fair value through other comprehensive income (FVTOCI)	46,645	46,645	-	-
Financial assets at fair value through profit or loss (FVTPL)	26,000	25,057	-	943

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

15 SEGMENT INFORMATION**Geographical segment information**

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, Bahrain, India and Maldives.

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15 SEGMENT INFORMATION continued

Geographical segment information continued

The following table shows the Group's geographical segment analysis:

	<i>9 months ended 30 September 2019 (Unaudited)</i>		
	<i>UAE</i> <i>AED'000</i>	<i>International</i> <i>AED'000</i>	<i>Group</i> <i>AED'000</i>
Segment revenue	1,706,763	461,244	2,168,007
Intersegment revenue	-	-	(446,766)
Revenue	<u>1,706,763</u>	<u>461,244</u>	<u>1,721,241</u>
Segment gross profit			143,436
Share of profit of a joint venture			982
General and administrative expenses			(67,338)
Fair value gain on financial assets at fair value through profit or loss			1,862
Finance income, net			1,054
Foreign currency exchange gain			33,506
Other income			<u>13,539</u>
Profit before tax for the period			127,041
Income tax expense on foreign operations			<u>(10,704)</u>
Profit after tax			<u>116,337</u>
	<i>At 30 September 2019 (Unaudited)</i>		
	<i>UAE</i> <i>AED'000</i>	<i>International</i> <i>AED'000</i>	<i>Group</i> <i>AED'000</i>
Total assets	<u>4,491,765</u>	<u>1,389,566</u>	<u>5,881,331</u>
Total liabilities	<u>1,187,821</u>	<u>1,206,170</u>	<u>2,393,991</u>
Equity	<u>3,423,860</u>	<u>63,480</u>	<u>3,487,340</u>
	<i>9 months ended 30 September 2018 (Unaudited)</i>		
	<i>UAE</i> <i>AED'000</i>	<i>International</i> <i>AED'000</i>	<i>Group</i> <i>AED'000</i>
Segment revenue	710,162	375,312	1,085,474
Intersegment revenue	-	-	(17,396)
Revenue			<u>1,068,078</u>
Segment gross profit	<u>98,038</u>	<u>27,751</u>	125,789
General and administrative expenses			(76,091)
Fair value loss on financial assets at fair value through profit or loss			(874)
Finance costs			(2,217)
Foreign currency exchange loss			(2,615)
Other income, net			<u>12,704</u>
Profit for the period			<u>56,696</u>
	<i>At 31 December 2018 (Audited)</i>		
	<i>UAE</i> <i>AED'000</i>	<i>International</i> <i>AED'000</i>	<i>Group</i> <i>AED'000</i>
Total assets	<u>3,709,393</u>	<u>1,031,998</u>	<u>4,741,391</u>
Total liabilities	<u>323,987</u>	<u>983,463</u>	<u>1,307,450</u>

16 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period presentation. Such reclassifications have no effect on the previously reported profit or equity of the Group.

17 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by Board of Directors and authorised for issue on 12 November 2019.