

# **International Holding Company PJSC**

INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS

SIX MONTHS PERIOD ENDED 30 JUNE 2021



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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INTERNATIONAL HOLDING COMPANY PJSC**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of International Holding Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2021, comprising of the interim consolidated statement of financial position as at 30 June 2021, and the related interim consolidated statements of profit or loss and comprehensive income for the three months and six months period then ended and the related interim consolidated statements of changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and fair 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 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 causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

Signed by:  
Raed Ahmad  
Partner  
Ernst & Young  
Registration No 811

8 August 2021  
Abu Dhabi

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

		<i>(Unaudited)</i> 30 June 2021 <i>AED'000</i>	<i>(Audited)</i> 31 December 2020 <i>AED'000</i>
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<b>8,456,764</b>	1,566,985
Intangible assets and goodwill		<b>1,304,462</b>	507,404
Right-of-use assets		<b>715,695</b>	88,431
Investment properties	5	<b>1,821,118</b>	1,293,721
Investment in associates and joint ventures	6	<b>818,492</b>	438,733
Investments in financial assets	7	<b>5,117,387</b>	447,057
Receivables from Islamic financing activities	9	<b>1,365,882</b>	-
Contract assets	10	<b>278,867</b>	-
Trade and other receivables		<b>180,143</b>	267,011
Due from related parties	14.1	<b>4,706</b>	4,706
Loan to related parties	14.1	<b>21,200</b>	1,200
Deferred tax assets		<b>15,781</b>	38
		<b><u>20,100,497</u></b>	<b><u>4,615,286</u></b>
<b>Current assets</b>			
Inventories		<b>1,062,794</b>	406,959
Development work in progress		<b>834,564</b>	680,312
Biological assets		<b>25,442</b>	5,480
Investment in financial assets	7	<b>1,727,354</b>	622,525
Due from related parties	14.1	<b>796,850</b>	344,738
Loan to a related party	14.1	<b>5,000</b>	-
Contract assets	10	<b>5,702,732</b>	155,773
Trade and other receivables		<b>11,709,010</b>	2,598,744
Cash and bank balances	11	<b>15,461,344</b>	3,665,334
		<b><u>37,325,090</u></b>	<b><u>8,479,865</u></b>
Assets held for sale	8	<b>890,582</b>	917,129
		<b><u>38,215,672</u></b>	<b><u>9,396,994</u></b>
<b>TOTAL ASSETS</b>		<b><u>58,316,169</u></b>	<b><u>14,012,280</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	<b>1,821,429</b>	1,821,429
Merger reserve		<b>7,818,782</b>	2,119,615
Statutory reserve		<b>332,085</b>	332,085
Cumulative changes on revaluation of investments		<b>100,031</b>	49,322
Currency translation reserve		<b>(20,356)</b>	969
Hedging reserve		<b>305</b>	-
Retained earnings		<b>5,893,465</b>	3,145,427
		<b><u>15,945,741</u></b>	<b><u>7,468,847</u></b>
Equity attributable to owners of the Company		<b><u>15,945,741</u></b>	<b><u>7,468,847</u></b>
Non-controlling interests		<b><u>9,870,033</u></b>	<b><u>353,086</u></b>
		<b><u>25,815,774</u></b>	<b><u>7,821,933</u></b>
<b>Total equity</b>		<b><u>25,815,774</u></b>	<b><u>7,821,933</u></b>

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

At 30 June 2021

		<i>(Unaudited)</i> <b>30 June</b> 2021 <i>AED'000</i>	<i>(Audited)</i> <i>31 December</i> 2020 <i>AED'000</i>
	<i>Notes</i>		
<b>EQUITY AND LIABILITIES</b> continued			
<b>Non-current liabilities</b>			
Employees' end of service benefit		782,020	114,889
Lease liabilities		646,120	72,559
Borrowings		5,354,460	743,053
Trade and other payables		157,191	219,882
Derivative financial instruments		45,564	-
Due to related parties	14.1	43,782	125,082
Loan from a related party	14.1	885,240	-
Deferred tax liabilities		<u>795</u>	<u>795</u>
		<u><b>7,915,172</b></u>	<u><b>1,276,260</b></u>
<b>Current liabilities</b>			
Due to related parties	14.1	6,365,036	656,673
Lease liabilities		70,329	15,950
Borrowings		1,857,215	183,106
Margins against letter of guarantee		1,062,240	-
Derivative financial instruments		13,553	-
Contract liabilities	15	1,859,227	216,840
Trade and other payables		<u>13,357,062</u>	<u>3,598,535</u>
		<b>24,584,662</b>	<b>4,671,104</b>
Liabilities directly associated with assets held for sale	8	<u>561</u>	<u>242,983</u>
		<u><b>24,585,223</b></u>	<u><b>4,914,087</b></u>
<b>Total liabilities</b>		<u><b>32,500,395</b></u>	<u><b>6,190,347</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>58,316,169</b></u>	<u><b>14,012,280</b></u>



Chief Financial Officer



Managing Director



Director

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months and six months period ended 30 June 2021

	Notes	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Revenue	16	<b>7,649,842</b>	1,743,633	<b>9,926,138</b>	2,456,737
Cost of revenue		<b>(4,542,892)</b>	(1,066,198)	<b>(5,865,211)</b>	(1,573,915)
<b>GROSS PROFIT</b>		<b>3,106,950</b>	677,435	<b>4,060,927</b>	882,822
General and administrative expenses		<b>(566,642)</b>	(104,991)	<b>(762,157)</b>	(188,757)
Selling and distribution expenses		<b>(8,711)</b>	(10,610)	<b>(34,521)</b>	(39,483)
Share of profit from investment in associates and joint ventures	6	<b>(5,939)</b>	135,388	<b>436,155</b>	148,912
Investment and other income		<b>379,205</b>	10,800	<b>700,904</b>	25,068
Gain on acquisition of subsidiaries	12.2	-	-	<b>5,273</b>	-
Gain on disposal of a subsidiary	12.3	-	-	<b>6,411</b>	-
Finance costs		<b>(43,479)</b>	(6,876)	<b>(56,106)</b>	(15,384)
Profit before tax		<b>2,861,384</b>	701,146	<b>4,356,886</b>	813,178
Income tax benefit for the period		<b>4,141</b>	172	<b>4,206</b>	358
<b>PROFIT FOR THE PERIOD</b>		<b><u>2,865,525</u></b>	<u>701,318</u>	<b><u>4,361,092</u></b>	<u>813,536</u>
<b>Attributable to:</b>					
Owners of the Company		<b>1,287,134</b>	670,259	<b>2,619,806</b>	782,453
Non-controlling interests		<b>1,578,391</b>	31,059	<b>1,741,286</b>	31,083
<b>PROFIT FOR THE PERIOD</b>		<b><u>2,865,525</u></b>	<u>701,318</u>	<b><u>4,361,092</u></b>	<u>813,536</u>
<b>Basic earnings per share (AED)</b>	18	<b><u>0.71</u></b>	<u>0.37</u>	<b><u>1.44</u></b>	<u>0.43</u>

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months period ended 30 June 2021

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<b>PROFIT FOR THE PERIOD</b>	<b>2,865,525</b>	701,318	<b>4,361,092</b>	813,536
<b>Other comprehensive income (loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange difference on translation of foreign operations	(112,236)	(489)	(111,950)	(1,584)
Change in fair value of hedging instruments	1,030	-	1,030	-
Change in the fair value of financial assets at fair value through other comprehensive income (note 7)	2,449	-	2,449	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Change in the fair value of financial assets at fair value through other comprehensive income (note 7)	<u>162,672</u>	<u>(948)</u>	<u>201,021</u>	<u>(8,030)</u>
<b>Total other comprehensive income (loss)</b>	<b><u>53,915</u></b>	<b><u>(1,437)</u></b>	<b><u>92,550</u></b>	<b><u>(9,614)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>2,919,440</u></b>	<b><u>699,881</u></b>	<b><u>4,453,642</u></b>	<b><u>803,922</u></b>
<b>Attributable to:</b>				
Owners of the Company	1,354,764	668,920	2,726,031	773,156
Non-controlling interests	<u>1,564,676</u>	<u>30,961</u>	<u>1,727,611</u>	<u>30,766</u>
	<b><u>2,919,440</u></b>	<b><u>699,881</u></b>	<b><u>4,453,642</u></b>	<b><u>803,922</u></b>

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2021

	<i>Attributable to equity holders of the Company</i>									
	<i>Share capital</i> AED'000	<i>Merger reserve</i> AED'000	<i>Statutory reserve</i> AED'000	<i>Cumulative changes on revaluation of investments</i> AED'000	<i>Currency translation reserve</i> AED'000	<i>Hedging reserve</i> AED'000	<i>Retained earnings</i> AED'000	<i>Total</i> AED'000	<i>Non controlling-interests</i> AED'000	<i>Total</i> AED'000
Balance at 1 January 2020 (audited)	1,821,429	(219,722)	45,191	8,394	(287)	-	517,476	2,172,481	22,428	2,194,909
Profit for the period	-	-	-	-	-	-	782,453	782,453	31,083	813,536
Other comprehensive loss for the period	-	-	-	(8,030)	(1,267)	-	-	(9,297)	(317)	(9,614)
Total comprehensive income (loss) for the period	-	-	-	(8,030)	(1,267)	-	782,453	773,156	30,766	803,922
Business combination of entities										
under common control	-	1,690,755	-	-	-	-	-	1,690,755	647	1,691,402
Acquisition of associates	-	54,750	-	-	-	-	-	54,750	-	54,750
Acquisition of subsidiary	-	-	-	-	-	-	-	-	38,393	38,393
Balance at 30 June 2020 (unaudited)	<u>1,821,429</u>	<u>1,525,783</u>	<u>45,191</u>	<u>364</u>	<u>(1,554)</u>	<u>-</u>	<u>1,299,929</u>	<u>4,691,142</u>	<u>92,234</u>	<u>4,783,376</u>
Balance at 1 January 2021 (audited)	1,821,429	2,119,615	332,085	49,322	969	-	3,145,427	7,468,847	353,086	7,821,933
Profit for the period	-	-	-	-	-	-	2,619,806	2,619,806	1,741,286	4,361,092
Other comprehensive income for the period	-	-	-	127,245	(21,325)	305	-	106,225	(13,675)	92,550
Total comprehensive income for the period	-	-	-	127,245	(21,325)	305	2,619,806	2,726,031	1,727,611	4,453,642
Disposal of investments carried at fair value through other comprehensive income	-	-	-	(76,536)	-	-	76,536	-	-	-
Business combination of entities										
under common control (note 12.1)	-	5,226,836	-	-	-	-	-	5,226,836	8,678,240	13,905,076
Acquisition of subsidiaries (note 12.2)	-	-	-	-	-	-	-	-	32,950	32,950
Acquisition of investment in financial assets carried at fair value through profit and loss (note 7)	-	542,537	-	-	-	-	-	542,537	-	542,537
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(934,906)	(934,906)
Acquisition of non-controlling interest (note 12.5)	-	15,146	-	-	-	-	51,696	66,842	(127,221)	(60,379)
Disposal of partial interest in subsidiaries (note 12.4)	-	(85,352)	-	-	-	-	-	(85,352)	85,352	-
Share based payments (note 12.4)	-	-	-	-	-	-	-	-	52,000	52,000
Disposal of a subsidiary (note 12.3)	-	-	-	-	-	-	-	-	705	705
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	2,216	2,216
Balance at 30 June 2021 (unaudited)	<u>1,821,429</u>	<u>7,818,782</u>	<u>332,085</u>	<u>100,031</u>	<u>(20,356)</u>	<u>305</u>	<u>5,893,465</u>	<u>15,945,741</u>	<u>9,870,033</u>	<u>25,815,774</u>

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2021

	Notes	Six months period ended 30 June	
		2021 AED'000	2020 AED'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>4,356,886</b>	813,178
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use asset		<b>172,955</b>	48,341
Amortisation of intangible assets		<b>16,930</b>	31,922
Depreciation of investment properties		<b>29,259</b>	24,833
Amortisation of biological asset		<b>2,200</b>	3,255
Share of profit from investment in associates and joint ventures	6	<b>(436,155)</b>	(148,912)
Change in the fair value of financial assets carried at fair value through profit or loss	7.2	<b>(308,025)</b>	-
Gain on acquisition of subsidiaries	12.2	<b>(5,273)</b>	-
Gain on disposal of a subsidiary	12.3	<b>(6,411)</b>	-
Impairment of property, plant and equipment		-	2,347
Provision for employees' end of service benefit		<b>44,385</b>	29,029
Gain on disposal of property, plant and equipment		<b>(2,793)</b>	(242)
Gain on disposal of investment properties		<b>(648)</b>	-
Loss on disposal of intangibles assets		<b>54</b>	-
Loss on disposal of biological assets		<b>208</b>	-
Allowance for slow moving inventories		<b>8,749</b>	40,790
(Reversal of) allowance for expected credit losses		<b>(1,416)</b>	20,608
Share based payments	17	<b>46,000</b>	-
Interest and dividend income		<b>(198,889)</b>	(8,273)
Finance costs		<b>56,106</b>	15,384
<b>Operating cash flows before working capital changes</b>		<b>3,774,122</b>	872,260
Working capital changes:			
Decrease (increase) in inventories		<b>99,701</b>	(374,589)
Increase in biological assets		<b>(2,522)</b>	(3,174)
Decrease (increase) in due from related parties		<b>989,472</b>	(316,099)
Increase in contract assets		<b>(78,635)</b>	-
Increase in trade and other receivables		<b>(1,129,070)</b>	(660,832)
Increase in development work in progress		<b>(9,141)</b>	(7,086)
Decrease in deferred tax		<b>13,443</b>	-
Increase in receivables from Islamic financial activities		<b>(294,907)</b>	-
Movement in assets held for sale		<b>16,719</b>	-
Increase in due to related parties		<b>3,932,901</b>	354,357
(Decrease) increase in other long-term liabilities		<b>(62,691)</b>	166,562
Increase in other contract liabilities		<b>770,574</b>	-
Decrease in margin against letter of guarantee		<b>(97,141)</b>	-
Increase in trade and other payables		<b>968,240</b>	617,260
Cash generated from operations		<b>8,891,065</b>	648,659
Employees' end of service benefit paid		<b>(29,413)</b>	(10,650)
Tax paid		<b>(11,537)</b>	-
Finance costs paid		<b>(44,527)</b>	(12,170)
<b>Net cash generated from operating activities</b>		<b>8,805,588</b>	625,839



# International Holding Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2021

	Notes	Six months period ended 30 June	
		2021 AED'000	2020 AED'000
<b>INVESTING ACTIVITIES</b>			
Movement in term deposits and wakala deposits with original maturities of more than three months		(238,421)	(70,491)
Increase in loan to related parties		(25,000)	-
Additions to property, plant and equipment	4	(451,272)	(63,459)
Additions to intangible assets		(18,726)	(1,241)
Proceeds from sale of property, plant and equipment		139,769	1,023
Proceeds from sale of investment properties		1,227	-
Additions to assets held for sale		-	(20,512)
Net cash outflow on acquisition of an associate		-	(12,215)
Acquisition of non-controlling interest	12.5	(60,379)	-
Additions to investment properties	5	(5,934)	(220,456)
Dividends received from associates and joint ventures	6	552,424	4,445
Investment in associates and joint venture	6	(241,735)	-
Proceed from disposal of a subsidiary, net of cash disposed	12.3	305,819	-
Payment against acquisition of subsidiaries, net of cash acquired	12.2	(33,835)	(185,963)
Business combination of entities under common control	12.1	3,157,087	389,542
Purchase of investment in financial assets	7.1 & 7.2	(83,759)	(28,665)
Proceeds from sale of financial assets		218,831	-
Interest and dividends received		<u>158,947</u>	<u>7,973</u>
Net cash generated from (used in) investing activities		<u>3,375,043</u>	<u>(200,019)</u>
<b>FINANCING ACTIVITIES</b>			
Net (repayment) proceeds from bank borrowings		(1,234,792)	7,637
Loan from a related party		885,240	-
Dividends paid to non-controlling interest		(934,906)	(317)
Proceeds from share-based payments	17	6,000	-
Repayment of lease liabilities		<u>(26,841)</u>	<u>(14,228)</u>
Net cash used in financing activities		<u>(1,305,299)</u>	<u>(6,908)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>			
		<b>10,875,332</b>	<b>418,912</b>
Cash and cash equivalents at beginning of the period		<b>3,460,353</b>	1,284,853
Effect of foreign exchange rate changes		<u>(111,950)</u>	<u>(189)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	11	<b><u>14,223,735</u></b>	<b><u>1,703,576</u></b>

The attached notes 1 to 23 form part of these interim condensed consolidated financial statements.

# International Holding Company PJSC

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 1 GENERAL INFORMATION

International Holding Company PJSC (the “Company”) is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness The Ruler of Abu Dhabi on 23 November 1998.

The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements include the results of operations and financial position of International Holding Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”). The main activities of the Group are:

- management services and investing in diversified projects;
- trading in fish and fish products, exporting, preserving fish products and other sea living resources through cooling and freezing;
- sport enterprises investment, institution, management services;
- catering services and general trading of foodstuff;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management and development related services of plots and real estate;
- performing technical, commercial and contracting services related to marine works;
- importing, maintaining, trading and other services relating to spare parts, industrial machineries and equipment;
- health care services, operating medical laboratories, and distributing medical supplies and devices;
- personal care and grooming services; and
- motorcycle trading, repairing and rentals.
- Medical services including management of testing laboratories with their related logistics, management of hospital 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 productions facilities operations and management services;
- Islamic banking and financial services including shariah compliant loans and deposits;
- Tourism 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 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 interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 8 August 2021.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### **2 BASIS OF PREPARATION** continued

#### **2.1 Statement of compliance** continued

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. In addition, results for the period ended 30 June 2021 are not necessarily indicative of the results for the year ending 31 December 2021.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets through other comprehensive income, investments in financial assets through profit or loss, biological assets and derivative financial instruments which are stated fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

#### **2.2 Basis for consolidation**

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of the Company's subsidiaries as at 30 June 2021 and 31 December 2020 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
IHC Holdings RSC Limited	United Arab Emirates	Investment Company.	100%	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management.	100%	100%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<b>2021</b>	<b>2020</b>
Alliance Foods Company LLC	United Arab Emirates	Trading, processing and packing of seafood products.	<b>100%</b>	100%
Alliance Food Security Holdings LLC	United Arab Emirates	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	<b>80%</b>	80%
ESG Emirates Stallions Group PJSC (Formerly "Emirates Stallions Properties LLC")	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	<b>85%</b>	100%
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Technical, commercial and contracting services specifically marine work contract.	<b>100%</b>	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	<b>100%</b>	100%
Century Real Estate Management LLC	United Arab Emirates	Labour camp management.	<b>90.10%</b>	82%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in Property, plant and equipment of fish farming.	<b>80%</b>	80%
Alliance Food Security Holdings USA	United States of America	Animal feed trading.	<b>80%</b>	80%
Forrajes San Mateo S.L.U.	Spain	Trading and production of animal feed.	<b>80%</b>	80%
Asmak Holding Company Limited	United Arab Emirates	Holding companies and investment in commercial enterprises and management.	<b>100%</b>	100%
The Gombos Company LLC	United States of America	Trading and production of animal feed.	<b>50%</b>	50%

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment.	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	75.30%	71.98%
Zee Store PJSC	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	74.29%	71.18%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	100%	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	100%	100%

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<b>2021</b>	<b>2020</b>
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	<b>80%</b>	80%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	United Arab Emirates	Storehouses and warehouses management and operations.	<b>100%</b>	100%
Multiply Group (formerly "Multiply Marketing Consultancy LLC")	United Arab Emirates	Advertisement designing and production services.	<b>90%</b>	100%
WFC Holding - sole proprietorship LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	<b>100%</b>	100%
Workforce Connexion LLC	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	<b>100%</b>	100%
Corporate Solutions Consultants LLC	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	<b>100%</b>	100%
Multi Serve Typing and Transactions Follow Up LLC	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	<b>100%</b>	100%
AGRINV SPV RSC	United Arab Emirates	Investment Company.	<b>100%</b>	100%
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	<b>99.99%</b>	99.99%
Royal Technology Solutions LLC	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services.	<b>100%</b>	100%
Bedashing Holding Company LLC	United Arab Emirates	Investment Company.	<b>100%</b>	100%
Dashing International Group - Sole proprietorship LLC	United Arab Emirates	Company representation.	<b>100%</b>	100%
Bedashing Beauty Lounge - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	<b>100%</b>	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	<b>100%</b>	100%
Nippers & Scissors training Centre - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	<b>100%</b>	100%
Easy Lease Motorcycle Rental PJSC	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	<b>47.07%</b>	45.07%
Uplift Delivery Services LLC	United Arab Emirates	Renting and delivery services.	<b>67%</b>	67%
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	<b>100%</b>	100%

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
TSL Properties LLC	United Arab Emirates	Development project ownership, sales & leasing.	100%	100%
Eltizam Asset Management LLC	United Arab Emirates	Services management holding company.	100%	100%
Tafawuq Facilities Management LLC	United Arab Emirates	Facilities management services.	100%	100%
Tafawuq Facilities Management Co. LLC	Oman	Facilities management services.	70%	70%
ThreeSixty Communities Estate LLC	United Arab Emirates	Owner association management.	100%	100%
ThreeSixty Communities Management for Owners Associations LLC	United Arab Emirates	Owner association management.	100%	100%
Orion Tek Innovations LLC (formerly "ThreeSixty Energy LLC")	United Arab Emirates	Utility billing and collection services.	100%	100%
800TEK Facilities Management LLC	United Arab Emirates	Organisation and management of events.	100%	100%
Omnibus Real Estate Brokerage LLC	United Arab Emirates	Real estate brokerage services.	100%	100%
Omnibus Estate Services - Sole Proprietorship LLC	United Arab Emirates	Real estate brokerage services.	100%	100%
ThreeSixty Communities Estate LLC	Oman	Owner association management.	70%	70%
Wadi Adventures LLC	United Arab Emirates	Adventure Park.	100%	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Tamouh Hotels and Resorts LLC	United Arab Emirates	Management and operation of hotels and hotel apartments.	100%	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	51%	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	60%	60%
Tamouh Integrated Business Services LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Qausar Energy Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Alpha Technologies Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
IHC West Investment – Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	100%	100%
Tamouh Healthcare LLC	United Arab Emirates	Ownership of medical facilities.	100%	100%
Medi Q Healthcare LLC	United Arab Emirates	Investment, incorporation and management of healthcare service projects.	51%	51%



# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and researches, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches.	<b>85%</b>	85%
Quant Lase Lab LLC	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.	<b>80%</b>	80%
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy.	<b>100%</b>	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction.	<b>100%</b>	100%
Royal Development Company d.o.o Beograd-Vracar	Serbia	Hotel accommodation.	<b>100%</b>	100%
Anse La Mouche Property Development LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	<b>99.99%</b>	99.99%
Al Seer Marine Supplies and Equipment Company LLC	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	<b>85%</b>	100%
Al Seer Marine Boats Building LLC	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	<b>100%</b>	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Ship management and operations, onshore and offshore oil and gas fields and facilities services and building of motorboats. Yachts management and running.	<b>100%</b>	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Training and rehabilitation of marine cadres, technical training on electrical devices, computer software and security training.	<b>100%</b>	100%
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food stuff catering to private and public sector organisations.	<b>60%</b>	60%
West Investments SPV RSC Ltd.	United Arab Emirates	Investment Company.	<b>100%</b>	100%
Abu Dhabi Mountain Gate LLC	United Arab Emirates	Real estate enterprise investment, development, institution and management.	<b>70%</b>	-
Fooj Fire Fighting Services LLC (i)	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations	<b>75%</b>	-
Retiro Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	<b>100%</b>	-
Playa Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	<b>100%</b>	-
Apex Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	<b>60%</b>	-
IHC Education Holding LLC (i)	United Arab Emirates	Education services enterprises investment, institution and management.	<b>100%</b>	-

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
CH Artillgence LLC (i)	United Arab Emirates	Holding company	100%	-
Medi Q Healthcare & Clinic LLC (i)	United Arab Emirates	Health services and commercial enterprises investment, institution and management	51%	-
Afkar Financial & Property Investments LLC (ii)	United Arab Emirates	Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.	60%	-
2XL Furniture – Sharjah (ii)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	60%	-
2XL Home LLC ( <i>formerly 2XL Furniture &amp; Home Décor LLC</i> ) (ii)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	60%	-
2XL Furniture LLC (ii)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	60%	-
Boudoir Interiors LLC (ii)	United Arab Emirates	Interior design implementation works and sale of furniture.	60%	-
The Central Tents Company LLC (ii)	United Arab Emirates	Retail sale of tents and shades and event management.	60%	-
Apex National Investment LLC – Sole Proprietorship LLC (ii)	United Arab Emirates	Enterprises investments, institutions and management.	60%	-
R R Facility Management SP LLC (ii)	United Arab Emirates	Building maintenance, camps and labour accommodation management, and real estate development, lease and management services.	60%	-
Royal Horizon Holding LLC (ii)	United Arab Emirates	Holding Company.	60%	-
Overseas Foodstuff Trading – Sole Proprietorship LLC (ii)	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	60%	-
Royal Horizon General Trading – Sole Proprietorship LLC (ii)	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	60%	-
Royal Horizon Fazaa Stores LLC (ii)	United Arab Emirates	Retail and wholesale consumer stores.	60%	-
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC (ii)	United Arab Emirates	General trading, importing, exporting, retail sale of wood products.	60%	-
Fixis Technical Services LLC (ii)	United Arab Emirates	security system and equipment trading installation and maintenance	100%	-
Yallow Technologies LLC(i)	United Arab Emirates	Computer Systems & Communication Software Trading Equipment	62.5%	-
1885 Delivery Services LLC(ii)	United Arab Emirates	Delivery Service	70%	-

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
EDE Research Institute Limited(i)	United Arab Emirates	Diagnostics, Imaging & IT, Information Systems Consultancy & Workflow & Solutions	50%	-
Emirates Driving Company*(ii)	United Arab Emirates	Drivers training and road safety education	48.01%	-
Tabieah Property Investments LLC(ii)	United Arab Emirates	Real estate enterprises investment, institution and management	100%	-
Shory Technology LLC(i)	United Arab Emirates	Information Technology Network Services	70%	-
IHC Healthcare Holding LLC(i)	United Arab Emirates	Health Services Enterprises Investment, Institution and Management	100%	-
Blink Biz Holding LLC(i)	United Arab Emirates	Commercial Service, Real estate, Industrial, contracting and other type of business	70%	-
Emirates International Gas LLC(i)	United Arab Emirates	Production bottling and storage of compressed natural gas, liquefied petroleum gas, propane, butane, and aerosol propellant.	50%	-
Spranza Commercial Investment - Sole Proprietorship LLC(ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
Alpha Dhabi Holding PJSC (Formerly known as Trojan Holding LLC)**(ii)	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and abroad, primarily through its subsidiaries.	45.72%	-
Alpha Dhabi Industries Holding L.L.C.* (ii)	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management	100%	-
National Marine Dredging Company PJSC(ii)	United Arab Emirates	Dredging and associated land reclamation worka, civil engineering, port contracting and marine construction	65%	-
Sogno Commercial Investment Sole Proprietorship (ii)	United Arab Emirates	Investment holding	100%	-
Was Two Commercial Investment Sole Proprietorship(ii)	United Arab Emirates	Investment holding	100%	-
Alpha Dhabi Health Holding. L.L.C. (ii)	United Arab Emirates	Health services and commercial enterprises Investment, Institution and Management	100%	-
Pure Health Medical Supplies LLC(ii)	United Arab Emirates	Health care technology and management services.	63%	-
Alpha Dhabi Partners Holding L.L.C. (ii)	United Arab Emirates	Commercial enterprises Investment, Institution and Management	100%	-
Sublime Commercial Investment - Sole Proprietorship LLC (Aldar) (ii)	United Arab Emirates	Investment holding	100%	-
Mawarid Holding Investment LLC(ii)	United Arab Emirates	Forestry, tourism, and agriculture	70%	-
Aqua Power Technology LLC(ii)	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	100%	-

\* Emirates Driving Company is a subsidiary by virtue of the Group being the single largest shareholder at 48.01%, with the remaining 51.99% being dispersed amongst 433 shareholders, of which none hold more than 5% of the voting rights.

\*\* Alpha Dhabi Holding PJSC is a subsidiary of the Group by virtue of contractual arrangement between the shareholders.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Barari Natural Resources LLC(ii)	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	100%	-
Campaign facilities management services LLC(ii)	United Arab Emirates	Facilities management services	100%	-
Dicon Investment LLC(ii)	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management	100%	-
Best Twasol Government Services LLC(ii)	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialized facilities management, Typing and documents photocopying services.	100%	-
Dicon of Twafouq Services LLC(ii)	United Arab Emirates	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratization (MOHRE).	100%	-
Info Nine Smart Solutions LLC(ii)	United Arab Emirates	Designing computer systems and communication equipment	80%	-
Twasol Business Men Service LLC(ii)	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialized facilities management, Typing and documents photocopying services.	100%	-
Al Forsan Tadbeer Centre LLC(ii)	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialized facilities management, Typing and documents photocopying services.	100%	-
Al Tawasol Al Mutamiz Guidance LLC(ii)	United Arab Emirates	Workers and employee's guidance centre	100%	-
Emirates Safety Laboratory LLC(ii)	United Arab Emirates	Compliance certification for building construction products	100%	-
Mawarid Hotels and hospitality LLC(ii)	United Arab Emirates	Management of Hotels, tourist resorts and hotel apartments.	100%	-
MawaridInternational Development Company LLC(ii)	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	100%	-
Mawarid Nurseries(ii)	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	100%	-
Mawarid Security Services LLC(ii)	United Arab Emirates	General security services and public security guarding services.	100%	-

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Mawarid Services Company LLC(ii)	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	100%	-
Telal Resort LLC(ii)	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises	100%	-
Magenta Investments LLC(ii)	United Arab Emirates	Investment in healthcare enterprises & development and commercial enterprises & management	80%	-
Aafaq Islamic Finance PSC(ii)	United Arab Emirates	Financing and investing activities that are conducted in accordance with Islamic Shari'a Laws	80%	-
National Bank of Sudan (Sudan) (ii)	The Republic of Sudan	Financing and investing activities	77%	-
Pure Capital Investment LLC(ii)	United Arab Emirates	Investment in Commercial Enterprises & Management	90%	-
Alpha Dhabi Construction Holding L.L.C. (ii)	United Arab Emirates	Infrastructure and commercial enterprises Investment, Institution and Management	100%	-
Alpha Dhabi Commercial Investment- Sole Proprietorship LLC( formerly Trojan Commercial Investment ) (ii)	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management	100%	-
Trojan General Contracting LLC(ii)	United Arab Emirates	Building projects contracting	100%	-
Royal Advance Electro mechanical Works(ii)	United Arab Emirates	Electromechanical services	100%	-
Al Maha Modular Industries LLC(ii)	United Arab Emirates	Ready-made building manufacturing	100%	-
Hi-Tech Concrete Products LLC (KSA) (ii)	United Arab Emirates	Construction	100%	-
Trojan Developments LLC(ii)	United Arab Emirates	Real Estate	100%	-
National Projects and Construction LLC(ii)	United Arab Emirates	Construction	100%	-
Reem Emirates Aluminum LLC(ii)	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes	100%	-

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Trojan Property Investments LLC(ii)	United Arab Emirates	Real estate enterprises investment, institution and management	100%	-
Ersa General Contracting LLC(ii)	United Arab Emirates	Building projects contracting.	100%	-
HI-Tech Concrete Products LLC(ii)	United Arab Emirates	Building and selling of properties and lands and general contracting	100%	-
HI-Tech Emirats For General Contracting(ii)	United Arab Emirates	Building projects contracting	100%	-
HI-Tech Line Building Construction – DXB(ii)	United Arab Emirates	Building projects contracting	100%	-
Phoenix Timber Factory LLC(ii)	United Arab Emirates	Timber Products	100%	-
Reem Ready Mix LLC(ii)	United Arab Emirates	Building projects contracting.	60%	-
Alpha Dhabi Hospitality Holding L.L.C. (ii)	United Arab Emirates	Entertainment and commercial enterprises Investment, Institution and Management	100%	-
Murban Energy Limited(ii)	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	100%	-
Murban BVI Holding Inc (BVI) (ii)	British Virgin Island	Holding company (dormant entity)	100%	-
Sitax Investment Ltd (BVI) (ii)	British Virgin Island	Holding company (dormant entity)	100%	-
Sitax Holding Ltd (BVI) (ii)	British Virgin Island	Holding company (dormant entity)	100%	-
I & T Management Private Limited(ii)	British Virgin Island	Tourist resort operation	100%	-
Hill View Resorts Seychelles(ii)	Seychelles	Hotel resort	100%	-
Lindere Villa Limited(ii)	Seychelles	Previously manages presidential villas, now a dormant entity	100%	-
Jayanne Limited(ii)	Seychelles	Dormant entity	100%	-
Etihad International Hospitality LLC(ii)	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	100%	-
Int'l Fresh Harvest Fruits and Vegetables Trading - Sole Proprietorship LLC(ii)	United Arab Emirates	Trading of foodstuff	100%	-

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 2 BASIS OF PREPARATION continued

#### 2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Abu Dhabi United Hospitality(ii)	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering	100%	-
Magenta Medical Investment LLC(ii)	United Arab Emirates	Investment in healthcare enterprises & development	99%	-
Magenta Medical Requisites Trading LLC(ii)	United Arab Emirates	Trading of Paper products, medical and surgical articles & requisites, laboratories tools & requisites, para pharmaceutical products and equipment for people of determination.	99%	-
<b>Discontinued operations:</b> Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	100%	100%
<b>Disposed Subsidiary</b> Trust International Group LLC (note 12.3)	United Arab Emirates	Sale of spare parts and repairs for military equipment.	-	100%
R Med Medical Supplies LLC (note 12.3)	United Arab Emirates	Drug store, trading of medical and surgical articles.	-	52%

- (i) These are subsidiaries of the Group, incorporated during the period.  
(ii) Subsidiaries acquired during the period (note 12).

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020, except for the adoption of the following new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform - Phase 2: *Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

#### 3.1 New standards, interpretations and amendments adopted by the Group continued

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

In addition to the accounting policies applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020, the Group has adopted the following accounting policies in preparation of the interim condensed consolidated financial statements due to acquisition of new subsidiaries during the period.

#### **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.

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.



**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

**3.1 New standards, interpretations and amendments adopted by the Group** continued

**Islamic financing and investments – products, definitions and income recognition** continued

*Ijarah* continued

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.

**3.2 Significant accounting estimates and judgements**

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

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 are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 June 2021 (Unaudited)

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

**3.2 Significant accounting estimates and judgements** continued

*Impact of novel coronavirus (COVID-19)*

The outbreak of COVID-19 continues to progress and evolve, causing disruption to business and economic activity. There has been macro-economic uncertainty with regards to prices and demand for commodities. However, the scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition. The Group is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward.

The currently known impacts of COVID-19 on the Group are slight delays in customers collections due to COVID-19 but management is closely monitoring the situation and has kept adequate provision for expected credit losses. The management does not anticipate a future material impact of this outbreak on the Group's consolidated financial statements at this stage.

**4 PROPERTY, PLANT AND EQUIPMENT**

During the period, additions to property, plant and equipment amounted to AED 451,272 thousand (six months period ended 30 June 2020: AED 63,495 thousand), excluding property, plant and equipment acquired through business combinations and depreciation and impairment charge for the six months period ended 30 June 2021 amounted to AED 146,146 thousand (six months period ended 30 June 2020: AED 42,225 thousand). Property, plant and equipment acquired through business combinations amounted to AED 6,709,810 thousand (note 12) (six months period ended 30 June 2020: AED 215,927 thousand).

**5 INVESTMENT PROPERTIES**

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Land	<b>664,392</b>	135,213
Leased properties	<b>1,625,724</b>	1,655,975
Properties under development	<b><u>292,200</u></b>	<u>212,763</u>
	<b><u>2,582,316</u></b>	<u>2,003,951</u>
Less: accumulated depreciation and impairment loss	<b><u>(761,198)</u></b>	<u>(710,230)</u>
	<b><u>1,821,118</u></b>	<u>1,293,721</u>

During the period, additions to investment properties amounted to AED 5,934 thousand (six months period ended 30 June 2020: AED 220,456 thousand), excluding investment properties acquired through business combinations and depreciation charge for the six months period ended 30 June 2021 amounted to AED 29,259 thousand (six months period ended 30 June 2020: AED 24,833 thousand). Investment properties acquired through business combination amounted to AED 580,609 thousand (note 12) (six months period ended 30 June 2020: AED 1,193,716 thousand).

Management believes the fair value of investment properties did not materially change during the six months period ended 30 June 2021 and that it approximates the carrying value as at reporting date.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2021</i>	<i>2020</i>
<b>Associates:</b>				
Abu Dhabi Mountain Gate LLC (vii)	Real estate enterprise investment, development, institution and management.	UAE	-	47%
Tafseer Contracting & General Maintenance Company LLC (i)	Real estate enterprise investment, development, institution and management.	UAE	20%	20%
Pure Health Medical Supplies LLC (vii)	Operating medical laboratories and distributing medical supplies	UAE	-	31.5%
Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	20%	20%
Viola Communications LLC	Commercial publication printing	UAE	50%	50%
Noopl Inc.(ii)	Integrated solution company	USA	-	40%
Canal Sugar S.A.E (iii)	Sugar farming and production	Egypt	33%	-
Principia SAS (iii)	Engineering and consultancy services	France	33%	-
Response Plus Medical Services LLC	Healthcare services and medical facilities	UAE	40%	-
Sawaeed Employment LLC (iv)	Manpower and investment solutions	UAE	26.58%	-
<b>Joint ventures:</b>				
Lazio Real Estate Investment LLC (v)	Real estate enterprise investment, development, institution and management	UAE	65%	65%
Progressive Real Estate Dev. LLC	Real estate enterprise investment, development, institution and management	UAE	65%	65%
Bunya LLC	Real estate enterprise	UAE	34%	34%
China Railway Construction (vi)	Construction	UAE	49%	-
The Challenge Egyptian Emirates Marine Dredging Company (vi)	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction	Egypt	49%	-

(i) **Tafseer Contracting & General Maintenance Company LLC (“Tafseer”)**  
Tafseer Contracting & General Maintenance Company LLC, an associate, is under liquidation. As at 30 June 2021, the carrying amount of the investments is nil (31 December 2020: nil).

(ii) **Noopl Inc. (“Noopl”)**  
Noopl is an associate of Trust International Group (“Trust”), a subsidiary of the Group, which was entirely disposed during the period (note 12.3).

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(iii) **Canal Sugar S.A.E and Principia SAS**

During the period, Canal Sugar S.A.E and Principia SAS became associates of the Group as a results of the acquisition of Alpha Dhabi Holding PJSC (formerly Trojan Holding LLC).

(iv) **Sawaeed Holding PJSC ("Sawaeed")**

During the period, Sawaeed Holding PJSC ("Sawaeed") became an associate due to the increase in the Group's shareholding by 10.6% on the acquisition of a subsidiary (i.e. Emirates Driving Company PJSC).

(v) **Lazio Real Estate Investment LLC ("Lazio")**

During 2018, the directors of Lazio Real Estate Investment LLC, a joint venture, has elected to liquidate the joint venture. As at 30 June 2021, carrying amount of the investments is AED 0.2 million (31 December 2020: AED 0.2 million). The liquidation process is still on going.

(vi) **China Railway Construction and The Challenge Egyptian Emirates Marine Dredging Company**

During the period, China Railway Construction and Challenge Egyptian Emirates Marine Dredging Company became joint ventures of the Group as a result of the acquisition of National Marine Dredging Company PJSC.

(vii) **Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC**

During the period, Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC became subsidiaries due to the increase in the Group's shareholding by 23% and 31.5% respectively as a result of the acquisition of Alpha Dhabi Holding PJSC (note 12.1).

Movements in investment in associates and joint ventures are as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
At the beginning of the period / year	<b>438,733</b>	7,331
Acquired in business combinations (note 12.1)	<b>442,614</b>	35,450
Additions during the period / year*	<b>337,904</b>	85,340
Disposals during the period / year	<b>(17,088)</b>	-
Transferred to investment in subsidiaries (note 12.1)	<b>(267,402)</b>	-
Share of the Group's profit for the period / year	<b>436,155</b>	948,247
Dividend received during the period / year	<b><u>(552,424)</u></b>	<b><u>(637,635)</u></b>
At the end of the period / year	<b><u>818,492</u></b>	<b><u>438,733</u></b>

\* Included in additions is an amount of AED 96,169 thousand, being the fair value of the previously held interest in Sawaeed Holding PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 7.1).

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 7 INVESTMENT IN FINANCIAL ASSETS

		<i>(Unaudited)</i> 30 June 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
	<i>Notes</i>		
Investments carried at fair value through other comprehensive income	7.1	<b>4,720,523</b>	447,057
Investments carried at fair value through profit or loss	7.2	<b><u>2,124,218</u></b>	<u>622,525</u>
		<b><u>6,844,741</u></b>	<u>1,069,582</u>

Disclosed in the interim consolidated statement of financial position as follows:

		<i>(Unaudited)</i> 30 June 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Current		<b>1,727,354</b>	622,525
Non-current		<b><u>5,117,387</u></b>	<u>447,057</u>
		<b><u>6,844,741</u></b>	<u>1,069,582</u>

#### 7.1 Investments carried at fair value through other comprehensive income

		<i>(Unaudited)</i> 30 June 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Quoted equity investments		<b>3,925,903</b>	234,929
Unquoted equity investments		<b>254,836</b>	212,128
Quoted sukuk		<b>539,777</b>	-
Other debt instruments		<b><u>7</u></b>	<u>-</u>
		<b><u>4,720,523</u></b>	<u>447,057</u>

The geographical distribution of investments is as follows:

		<i>(Unaudited)</i> 30 June 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Inside the UAE		<b>4,277,854</b>	234,929
Outside the UAE		<b><u>442,669</u></b>	<u>212,128</u>
		<b><u>4,720,523</u></b>	<u>447,057</u>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 7 INVESTMENT IN FINANCIAL ASSETS continued

#### 7.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 21. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	<i>(Unaudited)</i>			<i>(Audited)</i>
	<b>2021</b>			<b>2020</b>
	<i>Sukuks and debt instruments</i>	<i>Equity securities</i>	<i>Total</i>	<i>Equity securities</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
At the beginning of the period / year	-	447,057	447,057	43,183
Additions during the period / year	-	42,622	42,622	448,450
Acquired in business combinations (note 12.1)	561,482	3,780,892	4,342,374	32,684
Disposals during the period / year	(24,147)	(194,684)	(218,831)	(118,188)
Transfer to investment in associates (note 6)	-	(96,169)	(96,169)	-
Changes in fair value	<u>2,449</u>	<u>201,021</u>	<u>203,470</u>	<u>40,928</u>
At the end of the period / year	<u>539,784</u>	<u>4,180,739</u>	<u>4,720,523</u>	<u>447,057</u>

During the period, shares that were previously pledged against a borrowing relating to a subsidiary classified as assets held for sale, was relinquished by the bank upon the Group settling the loan in full (31 December 2020: AED 17,607 thousand of shares were pledged).

As of 30 June 2021, investment in shares with a fair value of AED 38,353 thousand (31 December 2020: AED 884 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

#### 7.2 Investments carried at fair value through profit or loss

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<i>AED'000</i>	<i>AED'000</i>
Quoted equity investments	186,841	68,571
Unquoted equity investments	<u>1,937,377</u>	<u>553,954</u>
	<u>2,124,218</u>	<u>622,525</u>

The geographical distribution of investments is as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<i>AED'000</i>	<i>AED'000</i>
Inside the UAE	466,841	74,719
Outside the UAE	<u>1,657,377</u>	<u>547,806</u>
	<u>2,124,218</u>	<u>622,525</u>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 7 INVESTMENT IN FINANCIAL ASSETS continued

#### 7.2 Investments carried at fair value through profit or loss continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 21. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	<i>(Unaudited)</i> <b>30 June</b> 2021 <i>AED'000</i>	<i>(Audited)</i> <b>31 December</b> 2020 <i>AED'000</i>
At the beginning of the period / year	622,525	-
Additions during the period / year*	583,674	645,320
Acquired in business combinations (note 12.1)	740,967	
Disposal of a subsidiary	(3,039)	-
Disposals during the period / year	-	(31,487)
Transferred to investment in subsidiaries (note 12.1)	(127,934)	-
Changes in fair value	<u>308,025</u>	<u>8,692</u>
At the end of the period / year	<u><b>2,124,218</b></u>	<u><b>622,525</b></u>

\* Included in additions, is an investment acquired during the year from a related party under common control for a consideration of AED 1. Given that the related party and the Group are ultimately controlled by the same party, the acquisition is accounted for as an additional contribution made by the Ultimate Parent Company. Accordingly, at acquisition, the investment was recorded at its fair value of AED 542,537 thousand, and the excess of the fair value over the consideration paid was recognised within equity under merger reserve.

### 8 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	<i>(Unaudited)</i> <b>30 June</b> 2021 <i>AED'000</i>	<i>(Audited)</i> <b>31 December</b> 2020 <i>AED'000</i>
Assets held for sale – building (note 8.1)	376,730	376,730
Discontinued operations (note 8.2)	<u>513,852</u>	<u>540,399</u>
	<u><b>890,582</b></u>	<u><b>917,129</b></u>
Liabilities directly associated with assets held for sale (note 8.2)	<u><b>561</b></u>	<u><b>242,983</b></u>

#### 8.1 ASSETS HELD FOR SALE – BUILDING

In 2019 and prior to its acquisition by the Group, Al Tamouh Investments Company LLC committed to sell one of its assets based on a sale and purchase agreement. As at 30 June 2021, the sale was not completed.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 8 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

#### 8.2 DISCONTINUED OPERATIONS

On 31 October 2020, the Group signed a sale and purchase agreement to sell the subsidiary, Paragon Mall LLC. As at 30 June 2021, the sale was not completed.

During the period a loan amounting to AED 242,422 thousand was settled, in order to meet the conditions precedent set in the sale and purchase agreement. Subsequent to period end the sale was completed and Paragon Mall was transferred out of the Group.

The results of the operations of the discontinued subsidiary was not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.

### 9 RECEIVABLES FROM ISLAMIC FINANCING ACTIVITIES

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

Movement in impairment loss allowance during the period is as follows:

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
At the beginning of the period / year	-	-
Acquired in business combinations	<b>127,293</b>	-
Charge for the period / year	<b>561</b>	-
At the end of the period / year	<b><u>127,854</u></b>	<u>-</u>



# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 10 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under 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.

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Contract assets	<b>5,092,841</b>	121,898
Contract costs*	<b><u>990,450</u></b>	<u>41,253</u>
	<b>6,083,291</b>	163,151
Less: allowance for expected credit loss	<b><u>(101,692)</u></b>	<u>(7,378)</u>
	<b><u>5,981,599</u></b>	<u>155,773</u>

\* 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.

Disclosed in the interim consolidated statement of financial position as follows::

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Current	<b>5,702,732</b>	155,773
Non-current	<b><u>278,867</u></b>	<u>-</u>
	<b><u>5,981,599</u></b>	<u>155,773</u>

The movement in the allowance for expected credit loss against contract assets during the period/year is as follows:

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
At the beginning of the period / year	<b>7,378</b>	7,378
Acquired in business combinations	<b>94,314</b>	-
Charge for the period / year	<b><u>-</u></b>	<u>-</u>
At the end of the period / year	<b><u>101,692</u></b>	<u>7,378</u>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 11 CASH AND BANK BALANCES

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
Cash on hand	<b>41,859</b>	8,484
<i>Bank balances:</i>		
Current and call accounts	<b>5,453,342</b>	2,170,511
Company's bank accounts for clients' deposits*	<b>7,595,112</b>	1,159,668
Term deposits	<b>2,259,700</b>	325,704
Margin accounts	<b>17,095</b>	1,017
Wakala deposits with Islamic financial institutions	<b>101,681</b>	-
Less: allowance for expected credit loss	<b>(7,445)</b>	(50)
Cash and bank balances	<b>15,461,344</b>	3,665,334
Less: term deposits with an original maturity of more than three months	<b>(351,502)</b>	(214,762)
Less: Wakala deposits with Islamic financial institutions	<b>(101,681)</b>	-
Less: bank overdrafts	<b>(784,426)</b>	(47)
	<b>14,223,735</b>	3,450,525
Add: cash and bank balances attributable to subsidiary held for sale	<b>-</b>	9,828
Cash and cash equivalents	<b><u>14,223,735</u></b>	<b><u>3,460,353</u></b>

\* Represents separate bank accounts maintained by a subsidiary of the Group for advances received from its customers ("clients' deposits"), in accordance with the regulations issued by "Emirates Securities and Commodities Authority". The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers.

### 12 BUSINESS COMBINATIONS

#### 12.1 Business combination under common control

During the period, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the interim condensed consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

#### **AFKAR Financial & Property Investments LLC and its subsidiaries ("AFKAR")**

Effective 1 January 2021, the Group acquired 60% of the shares in AFKAR Financial & Property Investment LLC and its subsidiaries ("AFKAR") for nil consideration. AFKAR is based in Abu Dhabi, United Arab Emirates, and is involved in commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development. From the date of acquisition, AFKAR contributed revenue and profit to the Group amounting to AED 110,926 thousand and AED 10,901 thousand, respectively.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.1 Business combination under common control

##### Alpha Dhabi Holding PJSC ("ALPHA")

Effective 1 April 2021, the Group acquired 45% of the shares in Alpha Dhabi Holding PJSC (formerly "Trojan Holding LLC") and its subsidiaries ("ALPHA") for nil consideration. ALPHA is based in Abu Dhabi, United Arab Emirates and is involved in contracting of construction of civil works, engineering and construction contracting relating to commercial and residential buildings, infrastructure development, earth and civil works, production and supply of ready-mix concrete, main sewerage networks contracting, main roads, streets and related works contracting, mechanical contracting, onshore and offshore oil and gas fields and facilities services, submain sewerage networks and houses connection contracting, tunnels contracting, transport of material assembly heavy/light trucks, Ready mix and dry-mix concrete and mortar manufacturing, installation and repair of safety equipment and fire extinguishing systems, and manufacturing, supply installation and fabrication of aluminum and glass panels. From the date of acquisition, Alpha Dhabi contributed revenue and profit to the Group amounting to AED 3,451,047 thousand and AED 1,482,908 thousand, respectively. If the acquisition had taken place at the beginning of the year ALPHA would have contributed revenue and profit to the Group amounting to AED 6,954,130 thousand and AED 3,375,730 thousand, respectively. Effective 1 April 2021, Alpha Dhabi Holding PJSC acquired shares in the following entities:

<i>Name of entities</i>	<i>Acquired shares</i>	<i>Principal activities</i>
Murban Energy Limited*	100%	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies
Sublime Commercial Investment – Sole proprietorship*	100%	Investment holding
Mawarid Holding Investment LLC	70%	Forestry, tourism and agriculture.
Pure Health Medical Supplies LLC*	31.5%	Hospital management services, laboratory management services, residency visa testing services and distribution of medical related products.

\* The accounting for the acquisition of the above entities was done on a provisional basis as of 30 June 2021.

\*\* Pure Health Medical Supplies LLC is a subsidiary of ALPHA by virtue of contractual arrangement between the shareholders.

##### Emirates Driving Company P.J.S.C. ("DRIVE")

Effective 30 June 2021, the Group acquired 48% shares in Emirates Driving Company P.J.S.C ("DRIVE") and its subsidiaries for nil consideration, by acquiring 100% shares in Spranza Commercial Investment – Sole Properties LLC, an entity created to hold the shares of DRIVE. DRIVE is a Public Joint Stock Company incorporated in the United Arab Emirates and is involved in the management and development of motor vehicles driving training and to manage investment properties. If the acquisition had taken place at the beginning of the year, DRIVE would have contributed revenue and profit to the Group amounting to AED 123,232 thousand and AED 85,511 thousand, respectively.

##### National Marine Dredging Company PJSC ("NMDC")

Effective 1 June 2021, the Group acquired 65.1% shares in National Marine Dredging Company PJSC ("NMDC") and its subsidiaries by acquiring 100% shares in Sogno Commercial Investment – Sole Proprietorship and WAS Two Commercial Investment, which represent entities created to hold the shares of NMDC for nil consideration. NMDC is a public shareholder company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. From the date of acquisition, NMDC contributed revenue and profit to the Group amounting to AED 1,033,188 thousand and AED 143,176 thousand, respectively. If the acquisition had taken place at the beginning of the year NMDC would have contributed revenue and profit to the Group amounting to AED 3,268,676 thousand and AED 231,114 thousand, respectively.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.1 Business combination under common control continued

##### Abu Dhabi Mountain Gate (“ADMG”)

Effective 1 April 2021, the Group acquired control over Abu Dhabi Mountain Gate (“ADMG”) through the acquisition of an additional interest of 23% in ADMG as part of its acquisition of Alpha Dhabi Holding PJCS for nil consideration. ADMG is a limited liability company is operating in Abu Dhabi, United Arab Emirates and is involved in real estate enterprises investment, development, institution and management. From the date of the Group gaining control, ADMG contributed revenue and profit to the Group amounting to AED 4,795 thousand and AED 1,464 thousand, respectively. If the acquisition had taken place at the beginning of the year ADMG would have contributed revenue and profit to the Group amounting to AED 9,895 thousand and AED 3,335 thousand, respectively.

	AFKAR AED'000	ALPHA AED'000	NMDC AED'000	DRIVE AED'000	ADMG AED'000	Total AED'000
<b>Assets</b>						
Property and equipment	86,161	2,270,322	4,137,592	200,385	339	6,694,799
Intangible assets and goodwill	-	496,519	427,927	3,634	-	928,080
Biological assets	-	19,848	-	-	-	19,848
Right-of-use assets	115,130	170,515	317,346	40,193	-	643,184
Investment properties	87,418	358,941	-	134,250	-	580,609
Investment in associates and joint ventures	-	392,420	50,194	-	-	442,614
Investment in financial assets	33,596	4,941,186	32,084	76,475	-	5,083,341
Receivable from Islamic financing activities	-	1,070,975	-	-	-	1,070,975
Inventories	37,363	326,860	320,589	3,170	-	687,982
Development work in progress	-	146,760	-	-	-	146,760
Due from related parties	-	1,436,620	-	300	-	1,436,920
Trade and other receivables	32,264	4,646,773	3,234,923	57,332	10,507	7,981,799
Contract assets	-	1,641,187	4,106,004	-	-	5,747,191
Deferred tax assets	-	8,182	5,261	-	-	13,443
Cash and bank balances	86,807	2,074,835	702,019	289,510	3,916	3,157,087
	<b>478,739</b>	<b>20,001,943</b>	<b>13,333,939</b>	<b>805,249</b>	<b>14,762</b>	<b>34,634,632</b>
<b>Liabilities</b>						
Employees' end of service benefit	5,416	205,459	438,176	5,222	-	654,273
Borrowings	52,000	3,599,362	2,827,993	-	-	6,479,355
Derivative financial instrument	-	61,461	-	-	-	61,461
Loan from a related party	-	96,133	-	-	-	96,133
Lease liabilities	116,846	158,909	316,072	41,134	-	632,961
Due to related parties	-	1,589,804	-	-	-	1,589,804
Contract liabilities	-	871,813	-	-	-	871,813
Margins against letter of guarantee	-	1,159,381	-	-	-	1,159,381
Trade and other payables	32,868	3,982,756	4,730,781	35,544	7,090	8,789,039
	<b>207,130</b>	<b>11,725,078</b>	<b>8,313,022</b>	<b>81,900</b>	<b>7,090</b>	<b>20,334,220</b>
<b>Net assets</b>	<b>271,609</b>	<b>8,276,865</b>	<b>5,020,917</b>	<b>723,349</b>	<b>7,672</b>	<b>14,300,412</b>
Less: non-controlling interest	(108,644)	(4,753,049)	(3,401,887)	(410,674)	(3,986)	(8,678,240)
Proportionate share of identifiable net assets acquired	162,965	3,523,816	1,619,030	312,675	3,686	5,622,172
Previously held equity interest transferred from investment in associates (note 6)	-	(262,380)	-	-	(5,022)	(267,402)
Previously held equity interest transferred from investment in financial assets (note 7.2)	-	-	(127,934)	-	-	(127,934)
Consideration paid	-	-	-	-	-	-
<b>Merger reserve</b>	<b>162,965</b>	<b>3,261,436</b>	<b>1,491,096</b>	<b>312,675</b>	<b>(1,336)</b>	<b>5,226,836</b>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.2 Acquisitions under IFRS 3 Business Combination

During the period, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

##### **Royal Horizon Holding LLC**

Effective 1 January 2021, Zee Stores PJSC, a subsidiary, acquired 60% interest in Royal Horizon Holding LLC ("Royal Horizon") and its subsidiaries. Royal Horizon's subsidiaries are as follows:

<i>Name of entities</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products

From the date of acquisition, Royal Horizon contributed revenue and profit to the Group amounting to AED 89,545 thousand and AED 4,377 thousand, respectively.

##### **Boudoir Interiors - Sole Proprietorship LLC ("Boudoir")**

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Boudoir Interiors - Sole Proprietorship LLC ("Boudoir"), Boudoir is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in interior design implementation works and sale of furniture. From the date of acquisition, Boudoir contributed revenue and profit to the Group amounting to AED 4,245 thousand and AED 23 thousand, respectively.

##### **The Central Tents - Sole Proprietorship LLC ("Central Tents")**

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Central Tents - Sole Proprietorship LLC ("Central Tents"). Central Tents is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in retail sale of tents and shades and event management. From the date of acquisition, Central Tents contributed revenue and profit to the Group amounting to AED 170,487 thousand and AED 35,232 thousand, respectively.

##### **Apex National Investment - Sole Proprietorship LLC ("Apex National Investment")**

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Apex National Investment - Sole Proprietorship LLC ("Apex National"), for no consideration. Apex National Investment is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in commercial, real estate and industrial enterprises investments, institutions and management. From the date of acquisition, Apex National Investment contributed revenue and profit to the Group amounting to AED 7,897 thousand and AED 5,459 thousand, respectively.

##### **R R Facility Management - Sole Proprietorship LLC ("R R Facility")**

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in a dormant entity R R Facility Management - Sole Proprietorship LLC ("R R Facility"), for no consideration. R R Facility is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in building maintenance, camps and labour accommodation management, and real estate development, lease and management services. From the date of acquisition, R R Facility contributed revenue and profit to the Group amounting to AED 61,609 thousand and AED 38,113 thousand, respectively.

## International Holding Company PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

#### 12 BUSINESS COMBINATIONS continued

##### 12.2 Acquisitions under IFRS 3 Business Combination continued

###### Fixis Technical Services LLC ("Fixis")

Effective 1 January 2021, Eltizam Asset Management LLC, a subsidiary, acquired a 100% interest in Fixis Technical Services LLC ("Fixis"). Fixis is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in security system and equipment trading installation and maintenance. From the date of acquisition, Fixis contributed revenue and profit to the Group amounting to AED 6,409 thousand and AED 329 thousand, respectively.

###### 1885 Delivery Services LLC- Sole Establishment ("1885 Delivery")

Effective 4 April 2021, Easy Lease Motor Cycle Rental PSC, a subsidiary, acquired 70% interest in 1885 Delivery Services LLC ("1885 Delivery"), for no consideration. 1885 Delivery is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in the business of delivery services. From the date of acquisition, 1885 Delivery contributed revenue and loss to the Group amounting to AED 3,386 thousand and AED 130 thousand respectively.

###### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>Royal Horizon AED'000</i>	<i>Boudoir AED'000</i>	<i>Central Tents AED'000</i>	<i>Apex National AED'000</i>	<i>Fixis AED'000</i>	<i>1885 Delivery AED'000</i>	<i>Total AED'000</i>
<b>Assets</b>							
Property, plant and equipment	12,121	-	2,641	-	249	-	15,011
Intangible assets	34,100	-	-	-	-	-	34,100
Right of use assets	1,048	-	-	-	-	-	1,048
Inventories	17,725	-	-	-	52	-	17,777
Due from related parties	4,730	-	-	-	-	-	4,730
Trade and other receivables	18,818	893	9,375	-	5,769	268	35,123
Cash and bank balances	<u>5,543</u>	<u>69</u>	<u>12</u>	<u>-</u>	<u>1,869</u>	<u>178</u>	<u>7,671</u>
<b>Total assets</b>	<b><u>94,085</u></b>	<b><u>962</u></b>	<b><u>12,028</u></b>	<b><u>-</u></b>	<b><u>7,939</u></b>	<b><u>446</u></b>	<b><u>115,460</u></b>
<b>Liabilities</b>							
Employees' end of service benefit	651	-	-	-	395	-	1,046
Borrowings	9,207	-	-	-	-	-	9,207
Lease liabilities	973	-	-	-	-	-	973
Due to related parties	-	4,759	2,273	1,223	-	-	8,255
Trade and other payables	<u>26,540</u>	<u>1,863</u>	<u>1,498</u>	<u>-</u>	<u>5,135</u>	<u>582</u>	<u>35,618</u>
<b>Total liabilities</b>	<b><u>37,371</u></b>	<b><u>6,622</u></b>	<b><u>3,771</u></b>	<b><u>1,223</u></b>	<b><u>5,530</u></b>	<b><u>582</u></b>	<b><u>55,099</u></b>
<b>Total identifiable net assets (liabilities) at fair value</b>	<b><u>56,714</u></b>	<b><u>(5,660)</u></b>	<b><u>8,257</u></b>	<b><u>(1,223)</u></b>	<b><u>2,409</u></b>	<b><u>(136)</u></b>	<b><u>60,361</u></b>
Proportionate share of identifiable net assets (liabilities) acquired	<u>24,221</u>	<u>(3,396)</u>	<u>4,954</u>	<u>(734)</u>	<u>2,409</u>	<u>(43)</u>	<u>27,411</u>
Goodwill arising on acquisition	15,779	3,396	-	734	-	43	19,952
Gain on bargain purchase	<u>-</u>	<u>-</u>	<u>(4,954)</u>	<u>-</u>	<u>(319)</u>	<u>-</u>	<u>(5,273)</u>
<b>Purchase consideration</b>	<b><u>40,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,090</u></b>	<b><u>-</u></b>	<b><u>42,090</u></b>
<b>Non-controlling interest</b>	<b><u>32,493</u></b>	<b><u>(2,264)</u></b>	<b><u>3,303</u></b>	<b><u>(489)</u></b>	<b><u>-</u></b>	<b><u>(93)</u></b>	<b><u>32,950</u></b>

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation before the end of 2021.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.2 Acquisitions under IFRS 3 Business Combination continued

Intangible assets of AED 34,100 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, trademarks and license.

Analysis of cashflows on acquisitions is as follows:

	<i>Royal Horizon AED'000</i>	<i>Boudoir AED'000</i>	<i>Central Tents AED'000</i>	<i>Apex National AED'000</i>	<i>Fixis AED'000</i>	<i>1885 Delivery AED'000</i>	<i>Total AED'000</i>
<b>Purchase consideration:</b>							
Cash paid for the acquisition	40,000	-	-	-	1,506	-	41,506
Consideration payable	-	-	-	-	584	-	584
Total purchase consideration	40,000	-	-	-	2,090	-	42,090
<b>Analysis of cashflow on acquisition:</b>							
Cash paid for the acquisition	40,000	-	-	-	1,506	-	41,506
Net cash acquired on business combination	(5,543)	(69)	(12)	-	(1,869)	(178)	(7,671)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	34,457	(69)	(12)	-	(363)	(178)	33,835
Transaction costs of the acquisition (included in cash flows from operating activities)	156	67	67	-	-	-	290
<b>Net cash used (acquired) on acquisition</b>	<b>34,613</b>	<b>(2)</b>	<b>55</b>	<b>-</b>	<b>(363)</b>	<b>(178)</b>	<b>34,125</b>

Acquisition related costs amounted to AED 290 thousand were expensed during the period and are included in general and administrative expenses.

#### 12.3 Disposal of subsidiaries

##### (A) Disposal of Trust international Group LLC (“Trust”)

Effective 1 January 2021, the Group disposed of its entire ownership interest in Trust International Group LLC (“Trust”) for consideration of AED 350,000 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	170,775
Non-current assets	207,964
<b>Total assets</b>	<b>378,739</b>
Current liabilities	(29,797)
Non-current liabilities	(5,353)
<b>Total liabilities</b>	<b>(35,150)</b>
Net assets	343,589
Consideration received on disposal	350,000
Gain on disposal	<b>6,411</b>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.3 Disposal of subsidiaries continued

##### (A) Disposal of Trust international Group LLC (“Trust”) continued

The net cash flows generated from the sale of Trust are, as follows:

	<i>AED’000</i>
Cash received from sale	350,000
Cash sold as part of the sale	<u>(44,152)</u>
Net cash inflow on date of disposal	<u><b>305,848</b></u>

The results of the operations of Trust was not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.

##### (B) Disposal of R-Med Medical Supplies LLC (“R-Med”)

Effective 1 April 2021, the Group disposed its entire ownership interest in R-Med Medical Supplies LLC (“R-Med”) for nil consideration. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED’000</i>
Current assets	2,737
Non-current assets	<u>763</u>
<b>Total assets</b>	3,500
<b>Total liabilities</b>	<u>(4,205)</u>
Net assets	(705)
Non-controlling interest	705
Consideration received on disposal	<u>-</u>
Gain on disposal	<u><u>-</u></u>

The net cash flows generated from the sale of R-Med are, as follows:

	<i>AED’000</i>
Cash received from sale	-
Cash sold as part of the sale	<u>(29)</u>
Net cash outflow on date of disposal	<u><u>(29)</u></u>

The results of the operations of R-Med were not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.



# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.4 Reduction in shareholding without a loss of control

##### *Reduction in shareholding of a subsidiary due to share based payments*

On 31 May 2021, ordinary shares of a subsidiary were granted to certain personal of the Group (note 17), which resulted in a reduction of the Group's shareholding as follows:

	<i>ESG Emirates Stallions Group PJSC</i>
Reduction in shareholding (%)	5%
Number of shares awarded	<u>12,500,000</u>
<b>Increase in non-controlling interest (AED'000)</b>	<u><u>52,000</u></u>

##### *Partial disposal of shareholding in subsidiaries*

During the period, the Group transferred to a related party under common control for no consideration a portion of its shareholding in certain subsidiaries, without loss of control. Following is a summary of the reduction in shareholding:

	<i>ESG Emirates Stallions Group PJSC</i>	<i>Al Seer Marine</i>	<i>Multiply Group LLC</i>	<i>Total</i>
Reduction in shareholding (%)	10%	15%	10%	
Number of shares disposed-off	<u>15</u>	<u>30,000,000</u>	<u>10,000,000</u>	<u>40,000,015</u>
Carrying value of the shareholding disposed-off (AED '000)	<u>33,043</u>	<u>43,405</u>	<u>8,904</u>	<u>85,352</u>
<b>Loss recognised directly in merger reserve (AED '000)</b>	<u><u>33,043</u></u>	<u><u>43,405</u></u>	<u><u>8,904</u></u>	<u><u>85,352</u></u>

#### 12.5 Increase in shareholding of subsidiaries

(A) During the period, the Group's shareholding in certain subsidiaries increased as a results of business combination. Following is a summary of the increase in shareholding:

	<i>Easy Lease</i>	<i>Palms Sports</i>	<i>Zee Stores</i>	<i>Century</i>	<i>Total</i>
Increase in shareholding (%)	2.00%	3.32%	3.11%	8.10%	
Number of shares acquired	<u>598,500</u>	<u>4,979,043</u>	<u>3,111,885</u>	<u>24</u>	<u>8,689,452</u>
Carrying value of the shareholding acquired (AED '000)	<u>1,078</u>	<u>8,309</u>	<u>5,239</u>	<u>520</u>	<u>15,146</u>
<b>Gain recognised directly in merger reserve (AED '000)</b>	<u><u>1,078</u></u>	<u><u>8,309</u></u>	<u><u>5,239</u></u>	<u><u>520</u></u>	<u><u>15,146</u></u>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 12 BUSINESS COMBINATIONS continued

#### 12.5 Increase in shareholding of subsidiaries continued

(B) During the period, the Group increased its shareholding in certain subsidiaries for a consideration of AED 60,379 thousand. Following is a summary of the increase in shareholding:

	<i>NMDC</i>	<i>Alpha Dhabi</i>	<i>Total</i>
Increase in shareholding (%)	0.63%	0.72%	
Number of shares acquired	<u>5,210,000</u>	<u>71,549,694</u>	<u>76,759,694</u>
Carrying value of the shareholding acquired (AED '000)	29,020	83,055	112,075
Less: cash consideration paid (AED '000)	<u>(43,474)</u>	<u>(16,905)</u>	<u>(60,379)</u>
<b>(Loss) gain recognised directly in retained earnings (AED '000)</b>	<u><b>(14,454)</b></u>	<u><b>66,150</b></u>	<u><b>51,696</b></u>

The increase in shareholding of certain subsidiaries, both from business combination and through purchase of additional share, resulted in a reduction on non-controlling interest by AED 127,221 thousand.

### 13 SHARE CAPITAL

	<i>(Unaudited) 30 June 2021 AED'000</i>	<i>(Audited) 31 December 2020 AED'000</i>
<b>Authorised issued and fully paid</b>		
1,821 million shares of AED 1 each		
(31 December 2020: 1,821 million shares of AED 1 each)	<u><b>1,821,429</b></u>	<u><b>1,821,429</b></u>

### 14 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*.

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant influence in financial and operating decisions making as well as key management personnel.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 14 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 14.1 Balances

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

#### Due from related parties:

		<i>(Unaudited)</i> 30 June 2021 AED '000	<i>(Audited)</i> 31 December 2020 AED '000
<b>Current:</b>			
The Challenge Egyptian Emirates Marine Dredging Company	Joint venture	352,863	-
Murban Holdings Limited	Entity under common control	158,618	-
Meena Holdings LLC	Entity under common control	113,947	113,947
Hydra Properties	Entity under common control	76,118	128,534
Chimera Investments LLC	Entity under common control	46,112	81,635
Pal Technology Services LLC	Entity under common control	50,025	49,422
Tafseer Contracting & General Maint. Co.	Associate	20,278	28,106
Royal Group Companies Management LLC	Entity under common control	22,403	22,244
Trojan General Contracting LLC*	Entity under common control	-	25,029
Meena Palace	Other related party	15,137	22,815
RG Procurement RSC LTD	Entity under common control	13,687	13,150
Pure Health Medical Supplies LLC*	Associate	-	10,624
Reem Emirates Aluminum LLC*	Entity under common control	-	6,223
Mauqah Technology LLC	Entity under common control	11,655	6,018
Bunya Enterprises LLC	Joint venture	3,878	4,124
St Regis Owners Association	Entity under common control	10,327	-
Yas Financing Holding Limited	Entity under common control	6,554	-
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	2,755	1,356
AFKAR Financial & Property Investment LLC*	Entity under common control	-	3,702
Others	Entities under common control	<u>173,442</u>	<u>114,242</u>
		<b>1,077,799</b>	631,171
Less: allowance for expected credit losses		<u>(280,949)</u>	<u>(286,433)</u>
		<b>796,850</b>	344,738
<b>Non-current</b>			
Royal Group Companies Management LLC**	Entity under common control	<u>4,706</u>	<u>4,706</u>
Total due from related parties, net		<u><b>801,556</b></u>	<u><b>349,444</b></u>

\* During the period, the Group acquired controlling interest in Alpha Dhabi Holding PJSC and AFKAR Financial & Property Investment LLC, which resulted in these balance being eliminated as of 30 June 2021.

\*\* Non-current portion of balances due from related parties, pertains to retention receivables on contracts signed with related parties.

#### Loan to related parties

- The Group granted a loan to a key management personnel amounting to AED 1.2 million (31 December 2020: AED 1.2 million) which is unsecured and non-interest bearing and due on 3 November 2023.
- The Group granted a loan to Mirak Royal Nature Fruits & Vegetables LLC amounting to AED 25 million (31 December 2020: AED nil) which is unsecured and non-interest bearing, the loan is repayable on yearly installments of AED 5 million each, commencing on 31 January 2022 with the last installment being on 31 January 2026.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 14 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 14.1 Balances continued

Allocation of loan to related parties into current and non-current is as under:

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Current	<b>5,000</b>	-
Non-current	<b><u>21,200</u></b>	<b><u>1,200</u></b>
	<b><u>26,200</u></b>	<b><u>1,200</u></b>

#### Due to related parties:

	<i>(Unaudited)</i> <b>30 June</b> <b>2021</b> <b>AED '000</b>	<i>(Audited)</i> <b>31 Dec</b> <b>2020</b> <b>AED '000</b>
<b>Current</b>		
Trojan General Contracting LLC*	-	187,765
Chimera Investment LLC	<b>5,201,377</b>	152,021
ATGC Transport & GC LLC	<b>40,000</b>	-
Infinity TV FZ LLC	<b>42,014</b>	68,703
Infinity Wave holding LLC	<b>346,500</b>	-
Abu Dhabi United Group	<b>61,644</b>	-
Bunya Enterprises LLC	<b>33,974</b>	31,558
International Golden Group PJSC	-	51,453
AH Capital FZE	<b>110,000</b>	-
Centro Holding LLC	<b>110,000</b>	-
Dentro Investment LLC	<b>110,000</b>	-
EBG Private investment LLC	<b>77,000</b>	-
Power House Group for Company Management LLC	<b>25,050</b>	38,852
National Projects and Construction LLC*	-	1,311
Earth Supermarket LLC	<b>16,029</b>	-
Royal Group Management LLC	<b>26,097</b>	12,556
Pal Technology Services LLC	<b>2,864</b>	6,848
Royal Group Holding LLC	<b>1,354</b>	4,295
Mauqah Technology L.L.C	<b>8,924</b>	-
Al Maha Modular Industries LLC*	-	6,512
Royal Group Procurements RSC LTD	<b>13,141</b>	2,290
Al Jaraf Travel & Tourism	<b>1,836</b>	4,582
Hi-Tech Concrete Projects LLC*	-	635
Others	<b><u>137,232</u></b>	<b><u>87,292</u></b>
	<b><u>6,365,036</u></b>	<b><u>656,673</u></b>
<b>Non-current</b>		
Trojan General Contracting LLC*	-	69,021
Bunya Enterprises LLC	<b>23,332</b>	30,484
National Projects and Construction LLC	-	22,444
Royal Group Holding LLC	<b>18,453</b>	2,520
Others	<b><u>1,997</u></b>	<b><u>613</u></b>
	<b><u>43,782</u></b>	<b><u>125,082</u></b>
Total due to related parties	<b><u>6,408,818</u></b>	<b><u>781,755</u></b>

\* During the period, the Group acquired controlling interest in Alpha Dhabi Holding PJSC, which resulted in these balances being eliminated as of 30 June 2021.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 14 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 14.1 Balances continued

##### Loan from a related party

The Group entered into an agreement with a related party, Chimera Investment LLC, to obtain a loan amounting to AED 885,240 thousand, which will be used to acquire specialised medical equipment that will be used in the operations of a subsidiary.

#### 14.2 Transactions

During the period, the Group entered into the following transactions with related parties:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<b>Revenue:</b>				
Entities under common control	<b>428,450</b>	232,887	<b>565,507</b>	325,047
Associates	-	-	<b>15,375</b>	-
Other related parties	<b>151,818</b>	130,190	<b>152,157</b>	130,825
	<b>580,268</b>	363,077	<b>733,039</b>	455,872
<b>Cost of revenue</b> ( <i>entities under common control</i> )	<b>271,299</b>	753,282	<b>333,596</b>	761,427
<b>General and administrative expenses</b> ( <i>entities under common control</i> )	<b>10,707</b>	4,706	<b>15,989</b>	6,872

#### *Balance and transaction with a financial institution (other related party):*

##### Balances:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
Balances with a financial institution	<b>8,559,133</b>	2,337,558
Borrowings	<b>2,358,844</b>	296,523

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 14 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 14.2 Transactions continued

##### Transactions:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Interest expense for the period	<b>1,744</b>	3,612	<b>3,718</b>	6,383
Interest income	<b>59</b>	11	<b>122</b>	216
Drawdowns of borrowings	<b>25,633</b>	52,297	<b>67,557</b>	83,296
Repayment of borrowings	<b>50,650</b>	60,941	<b>52,474</b>	60,941

#### 14.3 Key management remuneration

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Salaries and employee benefits	<b><u>6,829</u></b>	<u>5,429</u>	<b><u>16,410</u></b>	<u>10,248</u>
Number of key management personnel	<b><u>20</u></b>	<u>20</u>	<b><u>20</u></b>	<u>20</u>

### 15 CONTRACT LIABILITIES

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
Amounts related to construction contracts (i)	<b>457,363</b>	216,840
Amounts received as advances from customers (ii)	<b><u>1,401,864</u></b>	<u>-</u>
	<b><u>1,859,227</u></b>	<u>216,840</u>

- (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 are transferred to the customer, being upon delivery. The transaction price received by the Group in advance is recognised as contract liabilities until the control of promised goods and services are transferred to the customer.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 16 REVENUE

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> 2021 <i>AED '000</i>	<i>(Unaudited)</i> 2020 <i>AED '000</i>	<i>(Unaudited)</i> 2021 <i>AED '000</i>	<i>(Unaudited)</i> 2020 <i>AED '000</i>
<b><i>Type of goods or services</i></b>				
Healthcare and other medical supplies	3,060,373	729,343	3,903,558	766,143
Construction, maintenance and services relating to marine and dredging activities	1,679,850	206,279	2,092,954	328,701
Infrastructure and construction contracting revenue	1,369,004	127,387	1,402,884	190,728
Sale of food products	319,640	162,772	705,537	329,724
Rental income	416,461	34,278	660,625	62,269
District cooling services	167,601	58,481	212,038	101,318
Asset management	83,948	21,378	137,858	22,485
Coaching and training services	68,329	64,445	136,109	138,178
Animal feed	65,039	46,101	136,775	88,404
Sale of furniture	54,482	-	110,926	-
Revenue from brokerage services	53,022	4,175	81,971	9,443
Hotel operations	81,570	-	81,570	-
Revenue from Islamic financing activities	66,059	-	66,059	-
Sale of properties and land	70,480	-	73,760	74,021
Revenue from sale of cosmetics and rendering of related personal care services	15,174	1,975	29,537	6,900
Sale of industrial equipment	10,187	286,899	14,961	298,785
Revenue from rendering marketing and consultancy services	4,656	120	7,916	3,381
Others	63,967	-	71,100	36,257
	<b><u>7,649,842</u></b>	<b><u>1,743,633</u></b>	<b><u>9,926,138</u></b>	<b><u>2,456,737</u></b>
<b><i>Timing of revenue recognition</i></b>				
Revenue at a point in time	4,375,204	1,675,754	6,246,910	2,174,952
Revenue over time	3,274,638	102,629	3,679,228	281,785
	<b><u>7,649,842</u></b>	<b><u>1,743,633</u></b>	<b><u>9,926,138</u></b>	<b><u>2,456,737</u></b>
<b><i>Geographical markets</i></b>				
UAE	7,209,150	1,675,754	9,395,704	2,314,859
Outside the UAE	440,692	67,879	530,434	141,878
	<b><u>7,649,842</u></b>	<b><u>1,743,633</u></b>	<b><u>9,926,138</u></b>	<b><u>2,456,737</u></b>

### 17 SHARE BASED PAYMENTS

On 31 May 2021, ordinary shares of a subsidiary of the Group were granted to certain personal of the Group for a consideration of AED 6,000 thousand. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date. The breakup of the shares awarded is as follows:

	<i>Number of shares of the subsidiary</i>
Share awards to certain personnel of the Group	<b><u>12,500,000</u></b>

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 17 SHARE BASED PAYMENTS continued

The fair value at the grant date (being the measurement date) was estimated at AED 4.16 per share considering the terms and conditions on which the shares were granted. The total fair value of the share awards, less consideration received, amounted to AED 46,000 thousand and was recorded as follows:

	<i>Number of shares</i>	<i>30 June 2021 AED '000</i>
Charged to general and administrative expenses (staff cost)	<u>12,500,000</u>	<u>46,000</u>

### 18 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited) 2021 AED '000</i>	<i>(Unaudited) 2020 AED '000</i>	<i>(Unaudited) 2021 AED '000</i>	<i>(Unaudited) 2020 AED '000</i>
Profit attributable to the Owners of the Company (AED'000)	<u>1,287,134</u>	<u>670,259</u>	<u>2,619,806</u>	<u>782,453</u>
Weighted average number of shares (shares in '000)	<u>1,821,429</u>	<u>1,821,429</u>	<u>1,821,429</u>	<u>1,821,429</u>
Basic earnings per share for the period (AED)	<u>0.71</u>	<u>0.37</u>	<u>1.44</u>	<u>0.43</u>

### 19 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited) 30 June 2021 AED'000</i>	<i>(Audited) 31 December 2020 AED'000</i>
Letters of guarantee	<u>11,243,680</u>	<u>711,695</u>
Letters of credit	<u>334,504</u>	<u>123,225</u>
Commitments for capital expenditure	<u>619,028</u>	<u>351,148</u>

Commitments for capital expenditure includes:

- commitments relating to the Group's development work in progress and investment properties under development as at 30 June 2021, amounting to AED 139 million (31 December 2020: AED 136 million), spread over a period extending up to 5 years. The underlying agreements all contain clauses allowing the Group to revoke the commitment if necessary, which may be exercised depending on market conditions.
- Capital commitments amounting to AED 412 million (31 December 2020: nil) in respect to Trojan labour camp construction at Al Qudra International Village, Al Khatim Abu Dhabi.

### 20 SEASONALITY OF RESULTS

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



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 June 2021 (Unaudited)

**21 FAIR VALUE MEASUREMENT**

**Fair value of the Group's assets that are measured at fair value on recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined

- 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).
- 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).

<i>Financial assets</i>	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020 (audited)</i>				
	<i>AED'000</i>	<i>AED'000</i>				
Quoted equity investments – investment in financial assets	<b>4,112,744</b>	303,500	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted debt investments – investment in financial assets	<b>539,784</b>	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	<b>2,192,213</b>	766,082	Level 3	Discounted cash flow method.	Net assets value	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**22 SEGMENTAL ANALYSIS**

For operating purposes, the Group is organised into business segments as follows:

**Utilities** includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

**Real estate** includes development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

**Digital** includes providing services with respect to advertisement design and production, cinema shows and its related services, computer and data processing requisites trading and computer network maintenance.

**Industrial** includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included is the retail trade of household and office furniture.

**Food** belongs to IHC food vertical, which includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

**Healthcare** includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

**Capital** belongs to IHC capital vertical, which includes brokerage services provided with respect to securities, sport enterprises investment and certain partially owned subsidiaries with diverse portfolio of assets and investments (i.e. healthcare, construction, real estate, industrial and operations from other services).

**Others** (unallocated) includes head office expenses and income not allocated to any segment.

# International Holding Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 22 SEGMENTAL ANALYSIS continued

	<i>Utilities</i>		<i>Real estate</i>		<i>Digital</i>		<i>Industrial</i>		<i>Food</i>		<i>Capital</i>		<i>Healthcare</i>		<i>Others</i>		<i>Total</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue	212,039	101,318	357,179	352,546	445,552	130,069	382,911	521,130	596,330	418,129	5,311,249	167,402	2,620,878	766,143	-	-	9,926,138	2,456,737
Cost of sales	(132,781)	(47,316)	(260,284)	(237,171)	(425,584)	(123,078)	(287,578)	(337,316)	(545,399)	(363,919)	(3,296,574)	(99,589)	(917,011)	(365,526)	-	-	(5,865,211)	(1,573,915)
<b>Gross profit</b>	<b>79,258</b>	<b>54,002</b>	<b>96,895</b>	<b>115,375</b>	<b>19,968</b>	<b>6,991</b>	<b>95,333</b>	<b>183,814</b>	<b>50,931</b>	<b>54,210</b>	<b>2,014,675</b>	<b>67,813</b>	<b>1,703,867</b>	<b>400,617</b>	<b>-</b>	<b>-</b>	<b>4,060,927</b>	<b>882,822</b>
Selling and administrative expenses	-	-	(989)	(1,113)	(65)	(1)	(7,109)	(544)	(25,479)	(23,421)	(879)	(2,047)	-	-	-	(12,357)	(34,521)	(39,483)
General and administrative expenses	(11,515)	(10,998)	(113,085)	(47,659)	(39,594)	(13,065)	(60,737)	(47,764)	(37,553)	(28,986)	(319,367)	(23,932)	(152,196)	(4,061)	(28,110)	(12,292)	(762,157)	(188,757)
<b>Operating profit (loss)</b>	<b>67,743</b>	<b>43,004</b>	<b>(17,179)</b>	<b>66,603</b>	<b>(19,691)</b>	<b>(6,075)</b>	<b>27,487</b>	<b>135,506</b>	<b>(12,101)</b>	<b>1,803</b>	<b>1,694,429</b>	<b>41,834</b>	<b>1,551,671</b>	<b>396,556</b>	<b>(28,110)</b>	<b>(24,649)</b>	<b>3,264,249</b>	<b>654,582</b>
Investment and other income	-	-	44,985	11,509	2,446	(715)	2,263	-	8,889	6,384	641,474	4,437	7	-	840	3,453	700,904	25,068
Share of profit from investment in associates and joint ventures	-	-	2,367	(206)	(910)	(2,433)	-	-	-	-	434,698	151,551	-	-	-	-	436,155	148,912
Gain on acquisition/ disposal of subsidiaries	-	-	319	-	-	-	6,411	-	-	-	4,954	-	-	-	-	-	11,684	-
Finance costs	(3,518)	(6,063)	(12,451)	(5,420)	(1,513)	(1,504)	(2,953)	(134)	(3,124)	(1,306)	(32,547)	(2,412)	-	-	-	1,455	(56,106)	(15,384)
Income tax	-	-	-	-	-	-	-	-	25	358	4,181	-	-	-	-	-	4,206	358
<b>Profit (loss) for the period</b>	<b>64,225</b>	<b>36,941</b>	<b>18,041</b>	<b>72,486</b>	<b>(19,668)</b>	<b>(10,727)</b>	<b>33,208</b>	<b>135,372</b>	<b>(6,311)</b>	<b>7,239</b>	<b>2,747,189</b>	<b>195,410</b>	<b>1,551,678</b>	<b>396,556</b>	<b>(27,270)</b>	<b>(19,741)</b>	<b>4,361,092</b>	<b>813,536</b>
Add: depreciation and amortisation	15,023	14,408	32,397	31,254	15,691	12,950	11,117	29,886	13,259	14,010	121,671	5,837	12,075	-	111	6	221,344	108,351
Add: finance costs	3,518	6,063	12,451	5,420	1,513	1,504	2,953	134	3,124	1,306	32,547	2,412	-	-	-	(1,455)	56,106	15,384
Gain on acquisition/ disposal of subsidiaries	-	-	(319)	-	-	-	(6,411)	-	-	-	(4,954)	-	-	-	-	-	(11,684)	-
Less: income tax	-	-	-	-	-	-	-	-	(25)	(358)	(4,181)	-	-	-	-	-	(4,206)	(358)
<b>EBITDA</b>	<b>82,766</b>	<b>57,412</b>	<b>62,570</b>	<b>109,160</b>	<b>(2,464)</b>	<b>3,727</b>	<b>40,867</b>	<b>165,392</b>	<b>10,047</b>	<b>22,197</b>	<b>2,892,272</b>	<b>203,659</b>	<b>1,563,753</b>	<b>396,556</b>	<b>(27,159)</b>	<b>(21,190)</b>	<b>4,622,652</b>	<b>936,913</b>
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Segment assets	1,262,036	1,093,440	4,153,811	4,218,050	1,514,966	561,023	1,645,413	1,279,482	1,216,484	1,409,100	44,638,888	3,455,624	3,531,595	1,881,840	352,976	113,721	58,316,169	14,012,280
Segment liabilities	574,035	471,565	2,335,409	2,578,946	347,131	215,242	473,883	436,372	387,892	573,707	27,040,659	1,199,616	1,340,532	707,454	854	7,445	32,500,395	6,190,347

**23 SUBSEQUENT EVENTS**

Subsequent to period end, the Group acquired following entities:

- (i) Abu Dhabi Steam Cells Centre – 70% equity interest
- (ii) Agriculture Investment Holding Company (Ethmar) LTD – 50% equity interest

Further, subsequent to period end, the Group's following subsidiary has initiated the process of getting listed in the secondary market of the Emirates of Abu Dhabi.

- (i) Al Seer Marine Supplies and Equipment Company LLC

Legal requirements for the aforementioned listing are in process.