



Report and condensed consolidated financial information for the three month period ended 31 March 2020

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**REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS AL WAHA CAPITAL PJSC**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al Waha Capital PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 31 March 2020 and the related condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.



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

3 August 2020
Abu Dhabi

Condensed consolidated statement of financial position

	Note	As at 31 March 2020 (Unaudited) AED '000	As at 31 December 2019 (Audited) AED '000
ASSETS			
Property and equipment, net		54,501	57,573
Right-of-use assets	15	125,180	129,140
Investment property	6	717,340	717,140
Goodwill and intangible assets		85,566	85,695
Loan investments	7	220,680	232,963
Investments in equity-accounted associates and joint ventures	8	521,376	524,552
Financial investments	9	4,853,627	6,085,448
Inventories		13,272	12,751
Trade and other receivables	10	1,288,668	701,640
Cash and bank balances		1,674,658	800,344
Total assets		9,554,868	9,347,246
EQUITY AND LIABILITIES			
Equity			
Share capital		1,944,515	1,944,515
Treasury shares		(267,184)	(267,184)
Retained earnings		354,196	648,650
Reserves		487,048	487,048
Equity attributable to the Owners of the Company		2,518,575	2,813,029
Non-controlling interests		1,154,559	1,345,715
Total equity		3,673,134	4,158,744
Liabilities			
Borrowings	12	4,966,523	4,443,657
End of service benefit provision		29,421	29,900
Derivative liabilities	13	220,237	38,949
Lease liabilities	15	131,721	136,510
Trade and other liabilities	14	533,832	539,486
Total liabilities		5,881,734	5,188,502
Total equity and liabilities		9,554,868	9,347,246

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 3 August 2020 and signed on their behalf by:



Chairman



Chief Executive Officer



Chief Financial Officer

Condensed consolidated statement of profit or loss

For the three month period ended 31 March

	Note	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Revenue from sale of goods and services	16	74,271	78,929
Cost of sale of goods and services	16	(58,137)	(61,631)
Gross profit		16,134	17,298
Share of (loss) / profit from equity-accounted associates and joint ventures, <i>net</i>	8	(278)	79,856
Impairment of equity-accounted associates and joint ventures		-	(100,036)
Loss on disposal of equity-accounted associates and joint ventures		-	(94,965)
(Loss) / income from financial investments	17	(446,893)	220,033
Gain on settlement of loan investments	7	11,244	-
Income from investment property, <i>net</i>		9,193	5,654
Other income / (expense), <i>net</i>		2,544	(262)
Net operating (loss) / income		(408,056)	127,578
General and administrative expenses	18	(45,811)	(70,527)
Finance cost, <i>net</i>	19	(27,600)	(49,905)
(Loss) / profit for the period		(481,467)	7,146
(Loss) / profit for the period attributable to:			
Owners of the Company		(294,454)	(57,842)
Non-controlling interests		(187,013)	64,988
(Loss) / profit for the period		(481,467)	7,146
Basic and diluted loss per share attributable to the Owners of the Company (AED)	11	(0.160)	(0.031)

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

For the three month period ended 31 March	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
(Loss) / profit for the period	(481,467)	7,146
Other comprehensive (loss) / income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of effective portion of changes in fair value of cash flow hedges	-	(189,764)
Hedge reserve reclassification for amounts recognised in profit or loss	-	39,427
Share of change in other reserves of equity-accounted associates and joint ventures	-	(25,822)
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal	-	557
	-	(175,602)
Total comprehensive loss for the period	(481,467)	(168,456)
Total comprehensive (loss) / income attributable to:		
Owners of the Company	(294,454)	(233,444)
Non-controlling interests	(187,013)	64,988
Total comprehensive loss for the period	(481,467)	(168,456)

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the three month period ended 31 March

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non- controlling interests AED '000	Total equity AED '000
At 1 January 2019	1,944,515	(267,184)	1,407,829	486,991	(15,866)	22,877	494,002	3,579,162	970,768	4,549,930
(Loss) / profit for the period	-	-	(57,842)	-	-	-	-	(57,842)	64,988	7,146
Other comprehensive loss	-	-	-	-	(150,337)	(25,265)	(175,602)	(175,602)	-	(175,602)
Total comprehensive (loss) / profit	-	-	(57,842)	-	(150,337)	(25,265)	(175,602)	(233,444)	64,988	(168,456)
Cash dividend (note 11)	-	-	(137,888)	-	-	-	-	(137,888)	-	(137,888)
Redemptions by non-controlling interests (note 5)	-	-	-	-	-	-	-	-	(54,974)	(54,974)
At 31 March 2019 (Unaudited)	1,944,515	(267,184)	1,212,099	486,991	(166,203)	(2,388)	318,400	3,207,830	980,782	4,188,612
At 1 January 2020	1,944,515	(267,184)	648,650	486,991	-	57	487,048	2,813,029	1,345,715	4,158,744
Loss for the period	-	-	(294,454)	-	-	-	-	(294,454)	(187,013)	(481,467)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	(294,454)	-	-	-	-	(294,454)	(187,013)	(481,467)
Redemptions by non-controlling interests (note 5)	-	-	-	-	-	-	-	-	(4,143)	(4,143)
At 31 March 2020 (Unaudited)	1,944,515	(267,184)	354,196	486,991	-	57	487,048	2,518,575	1,154,559	3,673,134

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the three month period ended 31 March

	Note	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Cash flows from operating activities			
(Loss) / profit for the period		(481,467)	7,146
Adjustments for:			
Depreciation on property and equipment, net		4,665	5,070
Depreciation on right-of-use assets		3,960	5,685
Finance cost, <i>net</i>	19	27,600	49,905
Charge for employees' end of service benefits		1,942	1,833
Loss / (gain) on valuation of financial assets at fair value through profit or loss		446,623	(262,688)
Loss on reclassification of hedge reserve on maturity	17	-	39,427
Share of loss / (profit) from equity-accounted associates and joint ventures, <i>net</i>	8	278	(79,856)
Impairment of equity-accounted associates and joint ventures		-	100,036
Loss on disposal of equity-accounted associates and joint ventures		-	94,965
Dividend from equity-accounted associates and joint ventures	8	2,898	2,876
Amortisation and write off of intangible assets		138	2,203
Provision for expected credit losses		1,475	2,855
Investment in equity-accounted associates and joint ventures		-	(87,500)
Investments in financial assets at FVTPL		966,486	(168,556)
Loans (repaid) / obtained for financial assets at FVTPL		(22,160)	234,943
Finance cost paid on loans obtained against financial assets at FVTPL		(13,978)	(16,291)
Interest paid on lease liabilities		(2,103)	(3,591)
Proceeds on disposal of associates and joint ventures, net		-	474,970
Gain on settlement of loan investment		(11,244)	-
Changes in working capital:			
Change in inventories		(521)	(1,608)
Change in trade and other receivables		(586,344)	32,329
Change in trade and other liabilities		(5,654)	20,054
Net cash generated from operations		332,594	454,207
Employees' end of service benefits paid		(2,421)	(1,357)
Net cash generated from operating activities		330,173	452,850
Cash flows from investing activities			
Payments made for development of investment property		(200)	-
Purchase of property and equipment, net		(1,593)	(1,347)
Purchase of intangibles, net		(9)	-
Proceeds from finance leases		-	2,858
Wakala deposit redeemed		15,000	-
Interest received		1,782	310
Net cash generated from investing activities		14,980	1,821
Cash flows from financing activities			
Finance cost paid on borrowings		(15,383)	(22,621)
Principal paid on lease liabilities		(4,789)	(3,006)
Loans repaid		(343,226)	(447,592)
Loans obtained		888,175	174,058
Dividends paid	11	-	(137,888)
Redemptions of non-controlling interest holders, net		(4,143)	(54,974)
Proceeds from loan settlement		23,527	-
Net cash generated from / (used in) financing activities		544,161	(492,023)
Net increase / (decrease) in cash and cash equivalents		889,314	(37,352)
Cash and cash equivalents at 1 January		765,344	428,970
Cash and cash equivalents at 31 March		1,654,658	391,618

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

1 Legal status and principal activities

Al Waha Capital PJSC ("the Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These condensed consolidated financial statements for the three month period ended 31 March 2020 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities ("associates and joint ventures").

The Group invests in a wide range of sectors, including financial services, capital markets, industrial real estate, infrastructure, healthcare, oil and gas, fintech and maritime services.

The Group's consolidated financial statements for the year ended 31 December 2019 are available on its website www.wahacapital.ae and also upon request at the Company's registered office at P.O. Box 28922, Etihad Towers, 42nd floor, Tower 3, Abu Dhabi, UAE.

2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

3 Significant accounting policies

The significant accounting policies, risk management principles, methods of computation and estimates applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRSs effective in 2020

The Group has applied, for the first time, several new standards and amendments in 2020, as stated below:

- Amendments to references to the conceptual framework in IFRS standards
- Amendments to IFRS 3 regarding definition of a business
- Amendments to IAS 1 and IAS 8 regarding definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 regarding interest rate benchmark reform

The adoption of these standards have no material impact on the condensed consolidated financial statements of the Group.

Key sources of estimation uncertainty

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a pandemic. In addition, oil prices significantly dropped in January to March 2020 due to a number of political and economic factors. As a result, businesses have subsequently seen reduced customer traffic and, where governments mandated, temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the UAE.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these financial statements. Notwithstanding, these developments could impact our future financial results, cash flows and financial position.

Notes to the condensed consolidated financial statements (continued)

4 Fair values

a Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

	31 March 2020 (Unaudited) AED `000				31 December 2019 (Audited) AED `000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Financial assets at FVTPL								
Listed equity securities	880,534	880,534	-	-	1,726,466	1,726,466	-	-
Other investment in equity securities	963	-	-	963	963	-	-	963
Investment in listed fixed income securities	3,504,473	3,504,473	-	-	4,043,900	4,043,900	-	-
Derivative assets	128,332	-	128,332	-	41,901	-	41,901	-
Money market funds	-	-	-	-	27,293	27,293	-	-
Reverse repurchase contracts	305,276	-	305,276	-	210,908	-	210,908	-
Unquoted fund	34,049	-	-	34,049	34,017	-	-	34,017
Total	4,853,627	4,385,007	433,608	35,012	6,085,448	5,797,659	252,809	34,980
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(220,237)	-	(220,237)	-	(38,949)	-	(38,949)	-
Total	(220,237)	-	(220,237)	-	(38,949)	-	(38,949)	-

There has been no transfers between Level 1 and Level 2 during the period.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

As at the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	31 March 2020 (Unaudited) AED '000	31 December 2019 (Audited) AED '000	Fair value hierarchy	Valuation technique
Financial assets at fair value through profit or loss				
a Listed equity securities	880,534	1,726,466	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	963	963	Level 3	Valuation is based on Net Asset Values (NAV).
c Investment in listed fixed income securities	3,504,473	4,043,900	Level 1	Quoted bid prices in an active market.
d Reverse repurchase contracts	305,276	210,908	Level 2	The valuation is based on broker quotes.
e Derivative assets	128,332	41,901	Level 2	The valuation is based on broker quotes.
f Money market funds	-	27,293	Level 1	Valuation is based on quoted market prices in an active market, which represent the Net Assets Value (NAV) of shares held
g Unquoted fund	34,049	34,017	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
Financial liabilities at fair value through profit or loss				
a Derivative liabilities	(220,237)	(38,949)	Level 2	The valuation is based on broker quotes.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

Reconciliation of level 3 fair value movements

	Three-month period ended 31 March 2020 (Unaudited) AED '000	Year ended 31 December 2019 (Audited) AED '000
At 1 January	34,980	271,596
Increase / (decrease) in fair value through profit or loss	32	(236,616)
	35,012	34,980

b Fair values of financial assets and liabilities measured at amortised cost

The fair values of financial assets and liabilities approximate their carrying amounts.

5 Non-controlling interests

During the period, the Group redeemed AED nil from Waha MENA Equity Fund SP (31 March 2019: the Group redeemed an amount of AED 25,746 thousand) and non-controlling interest holders redeemed AED 12,746 thousand (31 March 2019: non-controlling interest holders redeemed an amount of AED nil), resulting in an increase in the Group's ownership from 49.8% to 50.3%; the Group invested AED 53,699 thousand from Waha CEEMEA Credit Fund SP (31 March 2019: the Group redeemed AED 18,390 thousand) and non-controlling interest holders invested AED 9,210 thousand (31 March 2019: non-controlling interest holders redeemed an amount of AED 55,091 thousand), resulting in an increase in the Group's ownership from 58.9% to 60.6%; the Group invested AED nil into Waha MENA Value Fund SP (31 March 2019: the Group invested AED 44,136 thousand), and non-controlling interest holders redeemed AED 617 thousand (31 March 2019: non-controlling interest holders invested an amount of AED nil), resulting in an increase in the Group's ownership from 99.8% to 100.0%

6 Investment property

The movement of investment property is presented below:

	Three-month period ended 31 March 2020 (Unaudited) AED '000	Year ended 31 December 2019 (Audited) AED '000
At 1 January	717,140	753,566
Additions	200	13,493
Fair value loss	-	(49,919)
	717,340	717,140

The investment property is categorised into level 3 of the fair value hierarchy based on the inputs to the valuation technique accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 March 2020 has been determined by management with reference to the valuation carried out on 31 December 2019, performed by accredited independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use.

Notes to the condensed consolidated financial statements (continued)

7 Loan investments

	31 March 2020 (Unaudited) AED `000	31 December 2019 (Audited) AED `000
Loan to an equity accounted investee ¹	-	12,283
Loan portfolio ²	220,680	220,680
	220,680	232,963

¹ During the period, the loan was settled and a gain of AED 11,244 thousand was recognised in the profit or loss account.

² Loan portfolio is based outside UAE, carries an interest of 3.93% per annum and matures beyond one year. The loan portfolio is a stage 1 asset.

8 Investments in equity-accounted associates and joint ventures

The movement of investments in equity-accounted associates and joint ventures is presented below:

	Three-month period ended 31 March 2020 (Unaudited) AED `000	Year ended 31 December 2019 (Audited) AED `000
As at 1 January	524,552	4,200,967
Additions	-	116,786
Disposals	-	(3,303,194)
Share of (loss) / profit, net	(278)	234,066
Impairment loss	-	(516,803)
Share of equity reserves	-	(61,674)
Distributions received	(2,898)	(24,211)
Other adjustment	-	(121,385)
	521,376	524,552

Investment in equity-accounted associates and joint ventures domiciled outside the UAE amount to AED 179,576 thousand (31 December 2019: AED 176,400 thousand).

Notes to the condensed consolidated financial statements (continued)

9 Financial investments

	31 March 2020 (Unaudited) AED '000	31 December 2019 (Audited) AED '000
Financial assets at fair value through profit or loss		
Unquoted fund	34,049	34,017
Derivative assets ¹	128,332	41,901
Reverse repurchase contracts, net ²	305,276	210,908
Listed fixed income securities ³	3,504,473	4,043,900
Listed equity securities	880,534	1,726,466
Money market funds ⁴	-	27,293
Other investments	963	963
	4,853,627	6,085,448

¹Derivative assets held by the Group include interest rate swaps, total return swaps, credit default swaps and currency futures and have a notional value of AED 1,566,736 thousand (31 December 2019: AED 17,168,527 thousand).

²Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,134,916 thousand and corresponding liabilities of AED 1,829,640 thousand (31 December 2019: reverse repurchase receivables of AED 2,622,214 thousand and corresponding liabilities of AED 2,411,306 thousand). The repurchase agreements are subject to a master netting agreement.

³Listed fixed income securities totalling AED 3,347,983 thousand (31 December 2019: AED 3,863,010 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

⁴Money market funds relate to investments in open-ended funds.

Notes to the condensed consolidated financial statements (continued)

10 Trade and other receivables

	31 March 2020 (Unaudited) AED '000	31 December 2019 (Audited) AED '000
Trade receivables	244,681	265,497
Allowance for expected credit losses	(45,572)	(44,231)
	199,109	221,266
Prepayments and advances	14,303	7,049
Accrued interest	140,899	140,811
Amounts set aside for prior years dividends	38,429	38,468
Deposits under lien	1,022	1,022
Margin accounts	858,406	277,886
Other receivables	40,888	19,404
Allowance for expected credit losses on other receivables	(4,388)	(4,266)
	1,288,668	701,640

11 Share capital and dividend

On 22 March 2020, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED nil (24 March 2019: approved a cash dividend of AED 137,888 thousand representing AED 0.075 per share).

The basic and diluted earnings per share for the current period ended 31 March 2020 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
For the three month period ended		
Loss for the period attributable to Owners of the Company (AED '000)	(294,454)	(57,842)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,838,508,714	1,838,508,714

12 Borrowings

The movement in borrowings is presented below:

	Three-month period ended 31 March 2020 (Unaudited) AED '000	Year ended 31 December 2019 (Audited) AED '000
At 1 January	4,443,657	6,463,768
Loans drawn-down	888,175	990,770
Loan arrangement and prepaid interest costs, net of amortisations	77	42,464
Loans repaid	(365,386)	(3,053,345)
	4,966,523	4,443,657

The investments and assets pledged to lenders as security against various facilities are the Group's interests in the Group's shareholding in Al Waha Land LLC and investment in fixed income securities (refer to note 9).

Notes to the condensed consolidated financial statements (continued)

12 Borrowings (continued)

During the period, an amount of AED 882,720 thousand was drawn-down from the Group's existing US\$ 500 million secured revolving loan facility, and AED 2,567 thousand was drawn-down from the AED 378,000 thousand secured Murabaha-Ijara based financing for further development of its light industrial real estate project.

During the period, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 22,160 thousand.

13 Derivative liabilities

	31 March 2020 (Unaudited) AED '000	31 December 2019 (Audited) AED '000
Financial liabilities at fair value through profit or loss		
Other derivative liabilities ¹	220,237	38,949
	220,237	38,949

¹ Other derivative liabilities held by the Group represent interest rate swaps, total return swaps, credit default swaps, and currency futures, and have a notional value of AED 31,378,068 thousand (31 December 2019: AED 14,338,470 thousand).

14 Trade and other liabilities

	31 March 2020 (Unaudited) AED '000	31 December 2019 (Audited) AED '000
Trade payables	232,681	207,127
Interest accrued on borrowings	114,942	113,860
Dividends payable	38,296	38,335
Long term employee incentive plans accrual	21,601	18,082
Deferred income	34,490	52,391
Other payables and accruals	91,822	109,691
	533,832	539,486

15 Leases

	Right-of- use assets AED '000	Lease liabilities AED'000
As at 1 January 2020	129,140	136,510
Depreciation expense	(3,960)	-
Interest expense	-	2,103
Payments	-	(6,892)
As at 31 March 2020 (Unaudited)	125,180	131,721
As at 1 January 2019	200,546	197,725
Depreciation expense	(17,604)	-
Interest expense	-	10,507
Payments	-	(17,920)
New leases	5,597	5,597
Reassessment of lease terms	(59,399)	(59,399)
As at 31 December 2019 (Audited)	129,140	136,510

Notes to the condensed consolidated financial statements (continued)

16 Revenue from sale of goods and services

Three month period ended 31 March	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Revenue	74,271	78,929
Cost of sales	(58,137)	(61,631)
Gross profit	16,134	17,298

Revenue and cost of sales of services are mainly attributable to the healthcare operations. Performance obligations relating to goods and services are satisfied at the point in time

All revenues are generated within UAE.

17 (Loss) / income from financial investments

Three month period ended 31 March	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Derivatives designated and effective as hedging instruments carried at fair value		
Equity price collar – Reclassification of hedge reserve on maturity (note 9)	-	(39,427)
Financial assets at fair value through profit or loss		
Net gain / (loss) from unquoted fund	32	(2,311)
Net gain from derivatives	85,024	3,143
Net (loss) / gain from listed fixed income securities	(159,180)	110,296
Net (loss) / gain from listed equity securities	(372,872)	148,616
Others	103	(284)
	(446,893)	220,033

18 General and administrative expenses

Three month period ended 31 March	2020 (Unaudited) AED '000			2019 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	20,268	10,181	30,449	26,089	14,978	41,067
Legal and other professional expenses	688	1,473	2,161	1,372	4,547	5,919
Depreciation	844	2,443	3,287	949	4,751	5,700
Amortisation of intangible assets	103	35	138	199	2,004	2,203
Marketing expenses	259	991	1,250	261	598	859
Provision for expected credit losses	-	1,475	1,475	-	2,855	2,855
Others	2,380	4,671	7,051	2,491	9,433	11,924
	24,542	21,269	45,811	31,361	39,166	70,527

Notes to the condensed consolidated financial statements (continued)

19 Finance cost, net

Three month period ended 31 March	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Interest on borrowings	29,361	48,091
Interest on lease liabilities	2,103	3,591
Amortisation of loan arrangement costs	77	1,118
Interest income from loan investments at amortised cost	(2,159)	(2,630)
Interest earned on time deposits	(1,782)	(310)
Interest expense from investments in finance leases	-	45
	27,600	49,905

20 Related parties

Significant transactions with related parties recognised in the statement of profit or loss:

Key management personnel compensation

For the three month period ended 31 March	2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
Salary and benefits	2,103	3,121
End of service and other long term benefits	116	248
	2,219	3,369

During the period, loan investments to an associate amounted to AED 12,283 was settled and a gain of AED 11,244 thousand was recognised in the profit or loss account.

Significant balances with related parties:

Loan investments provided to an associate amounted to AED nil as at 31 March 2020 (31 December 2019: AED 12,283 thousand).

21 Operating segments

Private Investments

The Private Investments segment holds all of the Group's proprietary investments in diversified industries including maritime, financial services, infrastructure, oil and gas, fintech, industrial real estate and healthcare.

Asset Management - Capital Markets

The Asset management- Capital Markets segment represents a platform to provide investors access to opportunities in equities and other asset management services.

Corporate

The corporate segment comprises the Group's activities, which are not allocated to reportable segments.

Notes to the condensed consolidated financial statements (continued)

21 Operating segments (continued)

The following table presents revenue and profit information for the Group's operating segments for the three month period ended 31 March 2020 and 2019, respectively:

AED '000	Asset Management			
	Private Investments	Capital Markets	Corporate	Consolidated
Three-month period ended 31 March 2020 (unaudited)				
Revenue from sale of goods and services	74,271	-	-	74,271
Share of loss from equity-accounted associates and joint ventures, net	(278)	-	-	(278)
Income / (loss) from financial investments	16,222	(463,115)	-	(446,893)
Profit / (loss) for the period	29,535	(483,120)	(27,882)	(481,467)
Other comprehensive loss	-	-	-	-
Three-month period ended 31 March 2019 (unaudited)				
Revenue from sale of goods and services	78,929	-	-	78,929
Share of profit from equity-accounted associates and joint ventures, net	79,856	-	-	79,856
Impairment of equity-accounted associates and joint ventures	(100,036)	-	-	(100,036)
Loss on disposal of equity-accounted associates and joint ventures	(94,965)	-	-	(94,965)
(Loss) / income from financial investments	(24,023)	244,056	-	220,033
Income from investment property, net	5,654	-	-	5,654
(Loss) / profit for the period	(169,944)	220,941	(43,851)	7,146
Other comprehensive loss	(175,602)	-	-	(175,602)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2019: AED nil).

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2020 and 31 December 2019, respectively:

AED '000	Asset Management			
	Private Investments	Capital Markets	Corporate	Consolidated
As at 31 March 2020 (unaudited)				
Segment assets	1,795,578	6,789,539	969,751	9,554,868
Segment liabilities	452,528	3,888,917	1,540,289	5,881,734
As at 31 December 2019 (audited)				
Segment assets	1,749,929	7,034,761	562,556	9,347,246
Segment liabilities	470,496	3,704,702	1,013,304	5,188,502

Notes to the condensed consolidated financial statements (continued)

22 Reclassifications

During the period, certain figures in the comparative period have been reclassified to align with the current period presentation, as follows:

AED '000	Original classification	Reclassification	As reclassified
Revenue from sale of goods and services	85,264	(6,335)	78,929
Cost of sale of goods and services	(62,312)	681	(61,631)
Income from investment property, <i>net</i>	-	5,654	5,654