

**INTERNATIONAL HOLDINGS  
COMPANY P.J.S.C.**

**Review report and interim financial  
information for the three months  
period ended 31 March 2018**

**INTERNATIONAL HOLDINGS COMPANY P.J.S.C.**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors  
International Holdings Company P.J.S.C.  
Abu Dhabi  
United Arab Emirates

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of International Holdings Company P.J.S.C. (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 31 March 2018 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 months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 financial information is not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Signed by:  
Mohammad Khamees Al Tah  
Registration Number 717  
13 May 2018  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
at 31 March 2018**

	Notes	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	15,976	12,119
Investment properties	5	98,489	98,593
Investment in associates and joint ventures	6	14,359	8,815
Financial assets at fair value through other comprehensive income	7	23,616	23,878
<b>Total non-current assets</b>		<b>152,440</b>	<b>143,405</b>
<b>Current assets</b>			
Inventories	8	19,281	21,347
Biological assets		1,331	4,363
Due from related parties		56,845	56,824
Trade and other receivables		169,830	161,947
Cash and bank balances	9	312,272	293,649
<b>Total current assets</b>		<b>559,559</b>	<b>538,130</b>
<b>Total assets</b>		<b>711,999</b>	<b>681,535</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	510,000	510,000
Statutory reserve	11	10,975	10,975
Cumulative changes on revaluation of investments		8,416	8,678
Retained earnings		43,145	33,591
<b>Equity attributable to owners of the Company</b>		<b>572,536</b>	<b>563,244</b>
Non-controlling interests		12,436	6,232
<b>Total equity</b>		<b>584,972</b>	<b>569,476</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service indemnity		16,504	15,664
Loan from a related party	12	1,345	1,705
<b>Total non-current liabilities</b>		<b>17,849</b>	<b>17,369</b>
<b>Current liabilities</b>			
Due to related parties		2,640	2,692
Loan from a related party	12	4,320	4,320
Obligations under finance leases		404	496
Bank borrowings		2,515	1,105
Trade and other payables		99,299	86,077
<b>Total current liabilities</b>		<b>109,178</b>	<b>94,690</b>
<b>Total liabilities</b>		<b>127,027</b>	<b>112,059</b>
<b>Total equity and liabilities</b>		<b>711,999</b>	<b>681,535</b>




Chief Financial Officer



Chief Executive Officer



Director



Chairman

**Condensed consolidated statement of profit or loss (unaudited)  
for the three months period ended 31 March 2018**

	Note	Three months period ended 31 March	
		2018 AED'000	2017 AED'000
<b>Revenue</b>		<b>112,412</b>	94,605
Cost of revenue		(95,709)	(77,002)
<b>Gross profit</b>		<b>16,703</b>	17,603
General and administrative expenses		(10,950)	(8,830)
Selling and distribution expenses		(6,167)	(5,538)
Change in fair value of biological assets		78	50
Other income		1,600	1,907
Investment income		8,631	7,448
Finance costs		(10)	-
<b>Profit for the period</b>		<b>9,885</b>	12,640
<b>Attributable to:</b>			
Owners of the Company		9,507	12,043
Non-controlling interests		378	597
<b>Profit for the period</b>		<b>9,885</b>	12,640
<b>Basic earnings per share (AED)</b>	<b>14</b>	<b>0.02</b>	0.02

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

**Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)  
for the three months period ended 31 March 2018**

	<b>Three months period ended 31 March</b>	
	<b>2018</b> <b>AED'000</b>	<b>2017</b> <b>AED'000</b>
<b>Profit for the period</b>	<b>9,885</b>	12,640
<b>Other comprehensive loss:</b>		
<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	<b>(262)</b>	(104)
<b>Total other comprehensive loss</b>	<b>(262)</b>	(104)
<b>Total comprehensive income for the period</b>	<b>9,623</b>	12,536
<b>Attributable to:</b>		
Owners of the Company	<b>9,245</b>	11,939
Non-controlling interests	<b>378</b>	597
	<b>9,623</b>	12,536

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

**INTERNATIONAL HOLDINGS COMPANY P.J.S.C.**

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**Condensed consolidated statement of changes in equity  
for the three months period ended 31 March 2018**

	Share capital AED'000	Statutory reserve AED'000	Cumulative changes on revaluation of financial assets AED'000	Retained earnings AED'000	Equity attributable to Owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2017 (audited)	510,000	8,040	87	8,346	526,473	4,271	530,744
Profit for the period	-	-	-	12,043	12,043	597	12,640
Other comprehensive loss for the period	-	-	(104)	-	(104)	-	(104)
Total comprehensive income for the period	-	-	(104)	12,043	11,939	597	12,536
Balance at 31 March 2017 (unaudited)	510,000	8,040	(17)	20,389	538,412	4,868	543,280
Balance at 1 January 2018 (audited)	510,000	10,975	(2,264)	35,162	553,873	6,251	560,124
Effect of changes in accounting policy for IFRS 9 ( note 3.8)	-	-	10,942	(1,571)	9,371	(19)	9,352
Balance at 1 January 2018 (restated)	510,000	10,975	8,678	33,591	563,244	6,232	569,476
Profit for the period	-	-	-	9,507	9,507	378	9,885
Other comprehensive loss for the period	-	-	(262)	-	(262)	-	(262)
Total comprehensive income for the period	-	-	(262)	9,507	9,245	378	9,623
Disposal of partial interest in subsidiary ( note 3.6)	-	-	-	47	47	5,826	5,873
<b>Balance at 31 March 2018 (unaudited)</b>	<b>510,000</b>	<b>10,975</b>	<b>8,416</b>	<b>43,145</b>	<b>572,536</b>	<b>12,436</b>	<b>584,972</b>

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

**Condensed consolidated statement of cash flows (unaudited)  
for the three months period ended 31 March 2018**

	<b>Three months period ended 31 March</b>	
	<b>2018</b>	<b>2017</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	9,885	12,640
Adjustments for:		
Depreciation of property, plant and equipment	1,053	1,274
Depreciation of investment properties	104	113
Share of profit from investment in associates and joint ventures	(2,058)	(3,576)
Change in fair value of biological assets	1,440	(50)
Provision for employees' end of service indemnity	872	726
Gain on disposal of property, plant and equipment	(57)	(446)
Allowance for slow moving inventories	333	175
Allowance for doubtful debts	52	224
Interest and dividend income	(6,573)	(3,872)
Finance costs	10	-
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>5,061</b>	<b>7,208</b>
Decrease in inventories	1,733	8,892
Decrease in biological assets	1,592	1,945
Decrease in due from related parties	1,179	4,431
Increase in trade and other receivables	(7,935)	(3,937)
Decrease in due to related parties	(52)	(1,246)
Increase/(decrease) in trade and other payables	11,873	(4,574)
<b>Cash generated from operations</b>	<b>13,451</b>	<b>12,719</b>
Employees' end of service indemnity paid	(346)	(499)
Finance costs paid	(10)	-
<b>Net cash generated from operating activities</b>	<b>13,095</b>	<b>12,220</b>
<b>Cash flows from investing activities</b>		
Increase in fixed deposits	(56,334)	-
Addition to property, plant and equipment	(80)	(147)
Proceeds from sale of property, plant and equipment	57	457
Dividend received from associates and joint ventures	-	1,200
Payments for investment properties	-	(334)
Net cash outflow on acquisition of subsidiary	(3,167)	-
Purchase of investment in associate	(3,486)	-
Proceeds from disposal of non-controlling interest in subsidiary	4,673	-
Interest and dividends received	6,573	3,237
<b>Net cash (used in)/generated from investing activities</b>	<b>(51,764)</b>	<b>4,413</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	1,410	-
Repayment of loan from related parties	(360)	-
Decrease in obligation under finance lease	(92)	(172)
<b>Net cash generated from/(used in) financing activities</b>	<b>958</b>	<b>(172)</b>
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	<b>(37,711)</b>	<b>16,461</b>
Cash and cash equivalents at beginning of the period	175,689	157,894
<b>Cash and cash equivalents at end of the period (Note 15)</b>	<b>137,978</b>	<b>174,355</b>

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



**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018****1 General information**

International Holdings Company P.J.S.C. (“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 Group comprises International Holdings Company P.J.S.C. and its subsidiaries (“the Group”) (refer Note 3.6).

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

The main activities of the Group are management services, investing in aquaculture projects, trading in fish and fish products, exporting, preserving fish products and other sea living resources through cooling and freezing, general trading of foodstuff, buying, selling and dividing plots and real estate, management and leasing of real estate and developing real estate, performing technical, commercial and contracting services, specifically marine works, controls, general contacting and other associate business.

**2 Application of new and revised International Financial Reporting Standards (“IFRSs”)****2.1 New and revised IFRSs effective for accounting periods beginning on or after 1 January 2018**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2018, have been adopted in these consolidated financial statements.

In the current period, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016). IFRS 15 introduces a 5-step approach to revenue recognition. There is no impact on Group’s revenue recognition due to application of IFRS 15.

In the current period, the Group has also applied IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed in Note 3.8 of the condensed consolidated financial statements.

The Group has opted for the modified retrospective application of the standard as permitted by IFRS 15 upon initial application. Accordingly, the standard has been applied from 1 January 2018 (the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption on all contracts that are not yet complete as at 31 December 2017 in the form of an adjustment to the opening balance of retained earnings as at that date.

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2018, have been adopted in these condensed consolidated financial statements:

- Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 28 *Investment in Associates and Joint Ventures*.
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*.
- Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.
- Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 *Financial Instruments* and the forthcoming new insurance contracts standard.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**2 Application of new and revised International Financial Reporting Standards (“IFRSs”) (continued)**

**2.1 New and revised IFRSs effective for accounting periods beginning on or after 1 January 2018 (continued)**

- Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use.
- Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9 *Financial Instruments*.
- IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 *Financial Instruments*.

**2.2 Standards and Interpretations in issue but not yet effective**

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

<b>New standards and significant amendments to standards applicable to the Group:</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 16 Leases specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
IFRS 17 Insurance Contracts requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.	1 January 2021
Annual Improvements to IFRSs 2015–2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRSs)  
(continued)**

**2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)**

<b>New standards and significant amendments to standards applicable to the Group:</b>	<b>Effective for annual periods beginning on or after</b>
<p>IFRIC 23 Uncertainty over Income Tax Treatments: The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:</p> <ul style="list-style-type: none"> <li>- Whether tax treatments should be considered collectively;</li> <li>- Assumptions for taxation authorities' examinations;</li> <li>- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and</li> <li>- The effect of changes in facts and circumstances.</li> </ul>	1 January 2019
<p>Amendments to IFRS 9 Financial Instruments relating to prepayment features with negative compensation. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.</p>	1 January, 2019
<p>Amendment to IAS 19 Employee Benefits: The Amendments clarify that:</p> <ul style="list-style-type: none"> <li>- on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and</li> <li>- the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).</li> </ul>	1 January 2019
<p>Amendments to References to the Conceptual Framework in IFRS Standards - amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework</p>	1 January 2020
<p>Amendments in IAS 28 Investments in Associates and Joint Ventures relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.</p>	1 January 2019

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRSs)  
(continued)**

**2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)**

New standards and significant amendments to standards applicable to the Group:	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these IFRSs and amendments will be adopted in the condensed consolidated financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.

The application of IFRS 16 may have impact on amounts reported and disclosures made in the Group's condensed consolidated financial statements in respect of its leases. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group performs a detailed review.

**3 Summary of significant accounting policies**

**3.1 Basis of preparation**

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "*Interim Financial Reporting*" and also comply with the applicable requirements of the laws in the U.A.E.

The condensed consolidated financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group's transactions are denominated and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and biological assets which are stated at revalued amounts or amortised cost.

These condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2017. In addition, results for the three months period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

The accounting policies, presentation and methods used in these condensed consolidated financial statements are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2017, except for the adoption of the new and amended standards.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.1 Basis of preparation (continued)**

As required by the Securities and Commodities Authority (“SCA”) notification dated 12 October 2008, accounting policies relating to property, plant and equipment, investment property, investment in associates and joint ventures and financial assets at fair value through other comprehensive income have been disclosed in these condensed consolidated financial statements.

**3.2 Property, plant and equipment**

Capital work in progress is stated at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Other property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Capital work in progress is stated at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Other property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in the period in which they are incurred.

Depreciation is charged so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Depreciation is provided on the straight-line method based on the anticipated useful lives, as follows:

	Years
Fish farming assets	5-12
Buildings and leasehold improvements	5-15
Plant and equipment	3-5
Furniture, fixture and equipment	3-5
Motor vehicles	4-5
Marine vessels	10-25

**3.3 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment loss at the reporting date. Depreciation is provided on the straight-line method based on the anticipated useful life or term of the lease whichever is earlier.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.3 Investment property (continued)**

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation is charged so as to write off the cost of a property, other than capital work in progress, over its estimated useful life, using the straight-line method over a period of 8 years. The estimated useful life, residual value and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

**3.4 Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these condensed consolidated financial statements using the equity method of accounting. Under the equity method, an investment in associates and joint ventures is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures. When the Group's share of losses of associates and joint ventures exceeds the Group's interest in that associates and joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates and joint ventures), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates and joint ventures.

An investment in associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates and joint ventures recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)****3 Summary of significant accounting policies (continued)****3.4 Investment in associates and joint ventures (continued)**

The requirements of IFRS 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates and joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains its interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income by that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group's entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint ventures are recognised in the Group's condensed consolidated financial statements only to the extent of interests in the associates or joint venture that are not related to the Group.

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

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**3 Summary of significant accounting policies (continued)**

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**3.6 Basis for consolidation**

The condensed consolidated financial statements of International Holdings Company P.J.S.C. and its Subsidiaries (the "Group") comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Company:

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.



**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)****3 Summary of significant accounting policies (continued)****3.6 Basis for consolidation (continued)**

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

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.

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.

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.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.6 Basis for consolidation (continued)**

Details of Company's subsidiaries as at 31 March 2018 and 31 December 2017 were as follows:

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Principal activities</u>	<u>Proportion of ownership interest and voting power held</u>	
			<u>2018</u>	<u>2017</u>
Alliance Foods Company LLC	United Arab Emirates	Trading, processing and packing of seafood products.	100%	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.	70%	100%
Emirates Stallions Properties LLC	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	100%	100%
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Technical, commercial and contracting services specifically marine work contract.	100%	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	100%	100%
Century Real Estate Management LLC	United Arab Emirates	Labour camp management	82%	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 and equipment of fish farming.	80%	80%
Alliance Food Security Holdings USA	United States of America	Animal feed trading	100%	100%
Forrajes San Mateo, S.L.U.	Spain	Trading and production of animal feed	100%	-

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)****3 Summary of significant accounting policies (continued)****3.6 Basis for consolidation (continued)**

In 2017, Alliance Food Security Holdings USA was incorporated as a fully owned subsidiary of the Group. This subsidiary is non-operating as of 31 March 2018.

During the current period, the Group acquired 100% interest in a new subsidiary “Forrajes San Mateo, S.L.U.” for a consideration of EUR 1,065,000 (AED 4,830,222). The Group has paid EUR 700,000 (AED 3,166,790) during the period. The initial accounting for the acquisition of Forrajes San Mateo, S.L.U has been provisionally determined at the end of the reporting period. At the date of finalization of these interim condensed consolidated financial statements, the necessary fair valuations and other calculations had not been finalised and therefore have only been provisionally determined based on the management’s best estimates. This subsidiary is non-operating as of 31 March 2018.

During the period, the Group disposed of 30% of its interest in Alliance Food Security Holdings LLC, reducing its continuing interest to 70% for a consideration amounting to AED 5,873,131. An amount of AED 5,826,167 (being the proportionate share of the carrying amount of the net assets of subsidiary) has been transferred to non-controlling interests. The difference of AED 46,964 between the increase in the non-controlling interests and the consideration received has been credited to retained earnings.

**3.7 Application of IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**3.8 Application of IFRS 9 Financial instrument**

Effective 1 January 2018, the Group has adopted IFRS 9. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances, which existed as at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. The requirements for classification and measurement of financial liabilities under IFRS 9 largely carry forward existing requirements in IAS 39.

IFRS 9 replaces the “incurred loss” model under IAS 39 with an “expected credit loss” model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.8 Application of IFRS 9 Financial instrument (continued)**

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the “hedged ratio” to be the same as that used by the Group for risk management purposes. The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Group. When assessing hedge effectiveness under IFRS 9, the Group is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

*Impairment of financial assets*

The Group has trade and other receivables as financial assets that are subject to IFRS 9’s new expected credit loss model.

The Group was required to revise its impairment methodology under IFRS 9 for these classes of assets. The impact of adoption of IFRS 9 resulted in additional credit loss allowance in trade receivables by AED 1.59 million and is disclosed in condensed consolidated statement of changes in equity.

The Group has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

*Reclassification of financial assets*

The Group has financial assets at fair value through other comprehensive income as financial assets that are subject to IFRS 9’s new reclassification model.

The Group was required to revise its classification methodology under IFRS 9 for this class of asset. The impact of adoption of IFRS 9 resulted in fair value gain of AED 10.9 million, due to reclassification of available-for-investments at cost to available-for-investments measured at fair value through other comprehensive income and is disclosed in condensed consolidated interim statement of changes in equity and in note 7.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However, in accordance with the IFRS 9 transitional provisions, the Group has elected not to restate the comparative periods. Financial instruments derecognized prior to the effective date were accounted for in accordance with IAS 39, as permitted under the transitional provisions of IFRS 9. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**4 Property, plant and equipment**

During the current period, additions to property, plant and equipment amounted to AED 80 thousand (three months period ended 31 March 2017: AED 147 thousand) and depreciation charge for the three months period ended 31 March 2018 amounted to AED 1,053 thousand (three months period ended 31 March 2017: AED 1,274 thousand). Further, property, plant and equipment amounted to AED 4,830 thousand acquired through business combinations.

During the current period, the Group disposed of property, plant and equipment with net book value of Nil (three months period ended 31 March 2017: AED 11 thousand) at AED 57 thousand (three months period ended 31 March 2017: AED 457 thousand), resulting in a gain on disposal of property, plant and equipment amounting to AED 57 thousand (three months period ended 31 March 2017: AED 446 thousand).

**5 Investment properties**

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Land	97,438	97,438
Buildings	68,415	68,415
	<u>165,853</u>	<u>165,853</u>
Less: Accumulated depreciation and impairment loss	(67,364)	(67,260)
	<u>98,489</u>	<u>98,593</u>

Depreciation charges for the three months period ended 31 March 2018 amounted to AED 104 thousand (three months period ended 31 March 2017: AED 113 thousand).

The fair value of the buildings as at 31 December 2017 was estimated to be around AED 27 million. The fair value of the buildings was determined by using discounted cash flow model prepared internally by the management as at 31 December 2017. The carrying amount of the building as at 31 March 2018 is AED 1,104 thousand (31 December 2017: AED 1,208 thousand). The buildings are located in Reem Island, Abu Dhabi. Management believes that the fair value did not materially change during the three months period ended 31 March 2018.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**5 Investment properties (continued)**

Investment in plots of land represents the value of three plots of land located in Meena area, Abu Dhabi with a carrying amount of AED 97 million (2017: three plots of land with a carrying amount of AED 97 million). The fair value of the plots of land amounting to AED 200 million was determined based on the market comparable approach that reflects recent transactions prices for similar properties as at 31 December 2017. In estimating the fair value of the properties, the highest and best use of the properties was determined to be their current use. Management believes that the value did not materially change during the three months period ended 31 March 2018.

**6 Investment in associates and joint ventures**

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

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2018	2017
<i>Associates</i>				
Abu Dhabi Mountain Gate LLC	Real estate enterprise investment, development, institution and management.	U.A.E.	47%	47%
Tafseer Contracting & General Maintenance Company LLC	Real estate enterprise investment, development, institution and management.	U.A.E.	20%	20%
The Gombos Company L.L.C.	Trading and production of animal feed	U.A.E.	30%	-
<i>Joint ventures</i>				
Lazio Real Estate Investment L.L.C.	Real estate enterprise investment, development, institution and management.	U.A.E.	65%	65%
Progressive Real Estate Dev. L.L.C.	Real estate enterprise investment, development, institution and management.	U.A.E.	65%	65%

During the current period, the Group acquired 30% interest in a new associate, "The Gombos Company L.L.C." The consideration paid amounted to AED 3,486,166.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**6 Investment in associates and joint ventures (continued)**

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

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Balance at the beginning of the period/year	8,815	9,144
Share of the Group's profit for the period/year	2,058	11,420
Purchase of shares in an associate	3,486	-
Dividend received during the period/year	-	(11,749)
<b>Balance at the end of the period/year</b>	<b>14,359</b>	<b>8,815</b>

Summarised financial information in respect of each of the Group's associates and joint ventures is set out below:

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Total assets	71,866	26,125
Total liabilities	(40,560)	(10,040)
Net assets	31,306	16,085
Group's share of net assets of associates and joint ventures	14,359	8,815
	<b>Three months period ended</b>	
	<b>31 March 2018 (unaudited) AED'000</b>	31 March 2017 (unaudited) AED'000
Total revenue	37,262	13,377
Total profit for the period	3,536	6,339
Group's share in profits, net	2,058	3,576

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

<b>7</b>	<b>Financial assets at fair value through other comprehensive income</b>	
	<b>31 March 2018 (unaudited) AED'000</b>	<b>31 December 2017 (audited) AED'000</b>
Quoted	2,535	2,797
Unquoted	21,081	21,081
	<u>23,616</u>	<u>23,878</u>
	<u>23,616</u>	<u>23,878</u>
In U.A.E. markets	<u>23,616</u>	<u>23,878</u>
 Movement in financial assets at fair value through other comprehensive income is as follows:		
Balance at the beginning of the period/year	23,878	14,877
Purchases during the period/year	-	4,410
Disposal during the period/year	-	(4,000)
Change in fair value of quoted investments	(262)	(2,351)
	<u>23,616</u>	<u>12,936</u>
Closing balance at the beginning of the period/year (as previously reported under IAS 39)	23,616	12,936
Change in fair value of unquoted investments due to adoption of IFRS 9	-	10,942
	<u>23,616</u>	<u>23,878</u>
Fair value at the end of the period/year	<u>23,616</u>	<u>23,878</u>
 <b>8</b>		
<b>Inventories</b>		
	<b>31 March 2018 (unaudited) AED'000</b>	<b>31 December 2017 (audited) AED'000</b>
Fish and fish products	18,127	15,406
Fish feed	39	114
Other material- packing and raw materials	1,784	1,738
	<u>19,950</u>	<u>17,258</u>
Less: allowance for slow moving inventories	(669)	(336)
Goods in transit	-	4,425
	<u>19,281</u>	<u>21,347</u>



**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**8 Inventories (continued)**

Movement in allowance for slow moving inventories is as follows:

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Balance at the beginning of the period/year	336	739
Amounts charged to income during the period/year	333	13
Allowance written off	-	(416)
<b>Balance at the end of the period/year</b>	<b>669</b>	<b>336</b>

**9 Cash and bank balances**

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Cash on hand	132	155
Bank balances:		
Current and call accounts	40,380	23,484
Fixed deposits	271,760	270,010
<b>Total cash and bank balances</b>	<b>312,272</b>	<b>293,649</b>
Less: fixed deposits with a maturity of more than three months	(174,294)	(117,960)
	<b>137,978</b>	<b>175,689</b>

**10 Share capital**

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Authorised issued and fully paid 510 million shares of AED 1 each (31 December 2017: 510 million shares of AED 1 each)	<b>510,000</b>	<b>510,000</b>

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**11 Statutory reserve**

In accordance with United Arab Emirates Federal Law No. (2) of 2015 and the Company's articles of association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

**12 Loan from a related party**

Details of a loan from a related party are as follows:

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Loan from a related party - Royal Group (corporate office)	<b>5,665</b>	6,025
Less: non-current portion	<b>(1,345)</b>	(1,705)
Current portion	<b>4,320</b>	4,320

The loan from a related party is unsecured and non-interest bearing. On 23 May 2017, the Group has agreed to repay the related party a monthly instalment of AED 360,000.

**13 Related party 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.

*13.1 Transactions*

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

	<b>Three months period ended</b>	
	<b>31 March 2018 (unaudited) AED'000</b>	31 March 2017 (unaudited) AED'000
<i>Fellow subsidiary</i>		
Sales of fish and fish products	<b>1,848</b>	1,557
<i>Key management personnel</i>		
Disposal of 10% interest in a subsidiary	<b>2,000,000</b>	-

Transactions with related parties were entered into on terms agreed with the management.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**13 Related party transactions (continued)**

*13.2 Key management remuneration*

	<b>Three months period ended</b>	
	<b>31 March 2018 (unaudited) AED'000</b>	<b>31 March 2017 (unaudited) AED'000</b>
Salaries and employee benefits	<b>3,273</b>	1,394

**14 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:

	<b>Three months period ended</b>	
	<b>31 March 2018 (unaudited)</b>	<b>31 March 2017 (unaudited)</b>
Profit for the period (AED'000)	<b>9,507</b>	12,043
Weighted average number of shares (shares in '000)	<b>510,000</b>	510,000
Basic earnings per share for the period (AED)	<b>0.02</b>	0.02

**15 Cash and cash equivalents**

	<b>31 March 2018 (unaudited) AED'000</b>	<b>31 March 2017 (unaudited) AED'000</b>
Total bank balances and cash	<b>312,272</b>	275,230
Less: fixed deposits with a maturity of more than three	<b>(174,294)</b>	(100,875)
	<b>137,978</b>	174,355

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**16 Contingent liabilities and commitments**

*16.1 Contingent liabilities*

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
Letters of guarantee	<b>63,125</b>	68,431
Letters of credit	<b>18,621</b>	5,059

*16.2 Operating lease commitments*

The Group has a lease agreement which expires on 31 January 2028. Non-cancellable operating lease rentals are payable as follows:

	<b>31 March 2018 (unaudited) AED'000</b>	31 December 2017 (audited) AED'000
No later than one year	<b>400</b>	400
Later than one year and no later than five years	<b>5,228</b>	5,228
Later than five years	<b>26,306</b>	26,356
	<b>31,934</b>	31,984

**17 Seasonality of results**

No significant income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three months period ended 31 March 2018 and 2017.

**18 Fair value measurements**

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**18 Fair value measurements (continued)**

*18.1 Fair value of the Group's financial 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 gives information about how the fair value of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000				
Quoted equity investments – financial assets at fair value through other comprehensive income	2,535	2,797	Level 1	Quoted bid prices in an active market.	None	NA
Unquoted equity investments – financial assets at fair value through other comprehensive income	21,081	21,081	Level 3	Discounted cash flow method.	Net assets value	Higher the net assets value of the investees, higher the fair value.

*18.2 Fair value hierarchy*

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.

- 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).

**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**18 Fair value measurements (continued)**

*18.2 Fair value hierarchy (continued)*

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>31 March 2018 (unaudited)</b>				
Financial assets at fair value through other comprehensive income				
Quoted equities	2,535	-	-	2,535
Unquoted equities	-	-	21,081	21,081
	<u>2,535</u>	<u>-</u>	<u>21,081</u>	<u>23,616</u>
<b>31 December 2017 (audited)</b>				
Financial assets at fair value through other comprehensive income				
Quoted equities	2,797	-	-	2,797
Unquoted equities	-	-	21,081	21,081
	<u>2,797</u>	<u>-</u>	<u>21,081</u>	<u>23,878</u>

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.

**19 Segmental analysis**

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

- **Fish farming/trading & processing** include freezing fish and seafood, preparing and packing seafood products, fish farming and trading in fish and seafood products and general trading of foodstuff.
- **Investments** include investments in equity securities, investment in associates and joint ventures, investment properties and term deposits.
- **Contracting** include technical, commercial and contracting services specifically marine work contract, landscaping design and execution, and labour camp management.

Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)

## 19 Segmental analysis (continued)

	Fish farming/ Trading & processing		Investments		Contracting		Total	
	Three months period ended 31 March 2018 (unaudited) AED'000	2017 (unaudited) AED'000	Three months period ended 31 March 2018 (unaudited) AED'000	2017 (unaudited) AED'000	Three months period ended 31 March 2018 (unaudited) AED'000	2017 (unaudited) AED'000	Three months period ended 31 March 2018 (unaudited) AED'000	2017 (unaudited) AED'000
Revenue	85,409	72,497	-	-	27,003	22,108	112,412	94,605
<b>Result</b>								
Segment results	(2,484)	(55)	(10)	-	2,070	3,290	(424)	3,235
Interest and dividends	-	-	6,573	3,872	-	-	6,573	3,872
Share of profit from associates and joint ventures	-	-	2,058	3,576	-	-	2,058	3,576
Change in fair value of biological assets	-	-	-	-	78	50	78	50
Gain on sale of property, plant and equipment	57	333	-	-	-	113	57	446
Other income	12	64	-	-	1,531	1,397	1,543	1,461
Profit for the period							9,885	12,640
<b>Attributable to:</b>								
Owners of the Company							9,507	12,043
Non-controlling interests							378	597
							9,885	12,640

Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)

## 19 Segmental analysis (continued)

	Fish farming/ trading and processing		Investments		Contracting		Total	
	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000	31 March 2018 (unaudited) AED'000	31 December 2017 (audited) AED'000
Segment assets	141,862	113,640	399,908	401,296	170,229	166,599	711,999	681,535
Segment liabilities	47,071	32,108	-	-	79,956	79,951	127,027	112,059



**Notes to the condensed consolidated financial statements  
for the three months period ended 31 March 2018 (continued)**

**20 Approval of the condensed consolidated financial statements**

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 May 2018.