Arabtec Holding PJSC and its subsidiaries
Condensed consolidated interim financial information
for the three-month period ended 31 March 2019 (Unaudited)

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim financial information for the three-month period ended 31 March 2019

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Report on review of condensed consolidated interim financial information to the shareholders of Arabtec Holding PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Arabtec Holding PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2019 and the related condensed consolidated interim statement of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated 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.

Basis for qualified conclusion

a) The Group's investment properties include a property comprising of a plot of land and associated development costs (the property) with a carrying amount of AED 568 million (31 December 2018: AED 568 million). As discussed in note 8 to the condensed consolidated interim financial information, management has not carried out a detailed impairment review to assess the recoverable amount of the property, which is calculated on the higher of its value-in-use and fair value less cost to sell in accordance with International Accounting Standard 36, 'Impairment of assets'. Consequently, we were unable to perform the review procedures we considered necessary to satisfy ourselves as to the carrying amount of the property as at 31 March 2019 and determine whether any impairment should have been recorded.

b) As explained in note 15(a) to the condensed consolidated interim financial information, the balance of trade and other receivables includes net exposures of AED 153 million relating to amounts due from customers that have not been certified by the customers and which are subject to negotiations and discussions. We were unable to perform the review procedures we considered necessary to satisfy ourselves as to the extent and timing of the recoverability of these amounts. Consequently, we were not able to determine whether any impairment adjustments relating to these amounts are necessary.

Qualified conclusion

Based on our review, with the exception of the possible effects of the matters described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

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Douglas O'Mahony, Rami Sarhan, Jacques Fakhoury and Mohamed ElBorno are registered as practising auditors with the UAE Ministry of Economy

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Report on review of condensed consolidated interim financial information to the shareholders of Arabtec Holding PJSC (Continued)

Emphasis of matter

Dispute with a shareholder of a subsidiary

We draw attention to Note 15(d) to the condensed consolidated interim financial information, which provides details of a dispute and claim filed by the shareholder of Arabtec Construction W.L.L Qatar, the outcome of which cannot be determined with reasonable certainty as at the date of this report.

Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers
14 May 2019

Douglas O'Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

	Note	As at 31 March 2019 Unaudited AED'000	As at 31 December 2018 Audited AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	586,709	638,874
Right-of-use asset	16	659,918	-
Investment properties	8	593,581	595,320
Goodwill		248,741	248,741
Other intangible assets	9	15,750	16,000
Investment in an associate	22	201,525	209,328
Deferred tax asset		5,299	5,282
Trade and other receivables		459,478	537,018
Advances paid to suppliers and sub-contractors		58,249	280,223
Other financial assets	21	17,282	17,282
		2,846,532	2,548,068
Current assets			
Inventories		141,452	130,590
Trade and other receivables		5,007,393	5,037,753
Advances paid to suppliers and sub-contractors		1,063,516	977,947
Due from related parties	10	557,365	576,160
Other financial assets	21	156,425	205,713
Other current assets		219,286	289,301
Cash and bank balances	11	1,010,361	1,269,575
		8,155,798	8,487,039
Total assets		11,002,330	11,035,107
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	1,500,000	1,500,000
Statutory reserve		155,909	155,909
Foreign currency translation reserve		25,098	27,603
Other reserves		(212,648)	(212,648)
Retained earnings		174,117	189,793
Equity attributable to owners of the Parent		1,642,476	1,660,657
Non-controlling interests		(261,193)	(258,399)
Net equity		1,381,283	1,402,258
LIABILITIES			
Non-current liabilities			
Bank borrowings	18	606,353	559,911
Lease liabilities	16	360,069	-
Retention payable		452,080	361,234
Provision for employees' end of service benefits		219,004	216,045
		1,637,506	1,137,190
Current liabilities			
Trade and other payables		4,705,479	4,741,346
Advances received from customers for contract work		1,491,614	1,757,322
Bank borrowings	18	1,202,132	1,497,096
Lease liabilities	16	65,390	-
Due to related parties	10	506,288	487,029
Income tax payable		12,638	12,866
		7,983,541	8,495,659
Total liabilities		9,621,047	9,632,849
Total equity and liabilities		11,002,330	11,035,107

The condensed consolidated interim financial information was approved by the Board of Directors on 14 May 2019 and signed on its behalf by:

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Peter Pollard
Chief Financial Officer

The notes on pages 9 to 33 form an integral part of this condensed consolidated interim financial information

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim income statement

	Note	Three-month period ended 31 March 2019 Unaudited AED'000	2018 Unaudited AED'000
Revenue		2,027,342	2,420,357
Direct costs		(1,891,937)	(2,256,340)
Gross profit		135,405	164,017
Investment income		1,053	2,437
General and administrative expenses		(114,138)	(81,855)
Other income		48,179	9,236
Finance costs - net		(32,079)	(26,000)
Share of (loss)/profit from investment in an associate	22	(7,803)	1,752
Profit before tax		30,617	69,587
Income tax expense	12	(435)	(3,740)
Profit after tax for the period		30,182	65,847
Attributable to:			
Owners of the Parent		31,813	63,636
Non-controlling interests		(1,631)	2,211
		30,182	65,847
Earnings per share			
Basic and diluted (AED)	14	0.021	0.042

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income

	Three-month period ended 31 March	
	2019 Unaudited AED'000	**2018 Unaudited AED'000**
Profit for the period	30,182	65,847
Other comprehensive loss		
Items that will be reclassified subsequently to profit or loss		
Net change in foreign currency translation reserve	(3,668)	(4,545)
Other comprehensive loss for the period	(3,668)	(4,545)
Total comprehensive income for the period	26,514	61,302
Attributable to:		
Owners of the Parent	29,308	60,164
Non-controlling interests	(2,794)	1,138
	26,514	61,302

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity

	Attributable to owners of the Parent							
	Share capital AED'000	Statutory reserve AED'000	Foreign currency translation reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 31 December 2018 (Audited)	1,500,000	155,909	27,603	(212,648)	189,793	1,660,657	(258,399)	1,402,258
Impact of changes in accounting policies (Note 16)	-	-	-	-	(47,489)	(47,489)	-	(47,489)
Balance at 1 January 2019 (Unaudited)	1,500,000	155,909	27,603	(212,648)	142,304	1,613,168	(258,399)	1,354,769
Profit for the period	-	-	-	-	31,813	31,813	(1,631)	30,182
Other comprehensive loss for the period	-	-	(2,505)	-	-	(2,505)	(1,163)	(3,668)
Total comprehensive income for the period			(2,505)		31,813	29,308	(2,794)	26,514
Balance at 31 March 2019 (Unaudited)	1,500,000	155,909	25,098	(212,648)	174,117	1,642,476	(261,193)	1,381,283

	Attributable to owners of the Parent							
	Share capital AED'000	Statutory reserve AED'000	Foreign currency translation reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 31 December 2017 (Audited)	1,500,000	130,279	33,498	(199,063)	120,152	1,584,866	(244,368)	1,340,498
Impact of changes in accounting policies	-	-	-	-	(101,397)	(101,397)	(11,282)	(112,679)
Balance at 1 January 2018 (Audited)	1,500,000	130,279	33,498	(199,063)	18,755	1,483,469	(255,650)	1,227,819
Profit for the period	-	-	-	-	63,636	63,636	2,211	65,847
Other comprehensive loss for the period	-	-	(3,472)	-	-	(3,472)	(1,073)	(4,545)
Total comprehensive income for the period	-	-	(3,472)	-	63,636	60,164	1,138	61,302
Balance at 31 March 2018 (Unaudited)	1,500,000	130,279	30,026	(199,063)	82,391	1,543,633	(254,512)	1,289,121

Arabtec Holding PJSC and its subsidiaries

Condensed consolidated interim statement of cash flows

	Note	Three-month period ended 31 March 2019 Unaudited AED'000	2018 Unaudited AED'000
Operating activities			
Profit before tax		30,617	69,587
Adjustments for:			
Gain on sale of property, plant and equipment		(46,729)	(209)
Gain on disposal of investment properties		(408)	-
Investment income		(1,053)	(2,437)
Depreciation on property, plant and equipment	7	57,708	45,879
Depreciation on investment properties		27	81
Amortisation of intangible assets	9	250	250
Provision for employees' end of service benefits		16,874	20,729
Provision for impairment of receivables - net		65,000	-
Interest expense		33,692	25,512
Net interest expense on non-current receivables and payables		(1,613)	488
Share of loss/(profit) from investment in associate		7,803	(1,752)
Operating cash flow before changes in working capital, payment of employees' end of service benefits and income tax		162,168	158,128
Changes in working capital:			
Trade and other receivables		44,513	(269,538)
Advances paid to suppliers and sub-contractors		(123,595)	(26,443)
Due from related parties		18,795	(4,163)
Inventories		(10,862)	(5,869)
Other current assets		81,069	2,769
Trade and other payables		(9,341)	12,746
Advances received from customers for contract work		(265,708)	(62,077)
Due to related parties		19,259	25,935
Retention payable		90,846	2,854
Cash generated from/(used in) operating activities		7,144	(165,658)
Employees' end of service benefits paid		(13,915)	(25,050)
Income tax paid		(680)	(7,252)
Net cash used in operating activities		(7,451)	(197,960)
Balance carried forward		(7,451)	(197,960)

Condensed consolidated interim statement of cash flows (continued)

	Note	Three-month period ended 31 March 2019 Unaudited AED'000	2018 Unaudited AED'000
Balance brought forward		(7,451)	(197,960)
Investing activities			
Investment income received		1,053	2,437
Purchase of property, plant and equipment	7	(16,495)	(24,897)
Proceeds from disposal of property, plant and equipment		11,681	6,224
Proceeds from disposal of investment properties		2,120	-
Net movement in other financial assets		49,288	(25,836)
Net cash generated from/(used in) investing activities		47,647	(42,072)
Financing activities			
Repayments of borrowings, net		(179,889)	(116,836)
Repayment of lease liabilities		(19,989)	-
Interest paid		(27,231)	(25,512)
Net cash used in financing activities		(227,109)	(142,348)
Net decrease in cash and cash equivalents		(186,913)	(382,380)
Cash and cash equivalents at the beginning of the period		874,898	500,749
Net foreign currency translation difference		(3,668)	(4,545)
Cash and cash equivalents at the end of the period	11	684,317	113,824

1 General information

Arabtec Holding PJSC (the "Company") is a Public Joint Stock Company established under the laws of the United Arab Emirates (UAE) pursuant to the resolution of the Department of Economic Development, Dubai, number 71 dated 2 July 2004. The Company commenced operations on 20 September 2004. The Company's shares are listed on the Dubai Financial Market ("DFM"). The registered office of the Company is P.O. Box 3399, Dubai, UAE.

The Group's major shareholder is Aabar Investment PJS whose parent company is International Petroleum Investment Company ("IPIC"). IPIC is part of the Mubadala Investment Company PJSC – group wholly owned by the Government of the Emirate of Abu Dhabi.

Arabtec Holding PJSC and its subsidiaries (the "Group") are primarily engaged in construction of high-rise towers, buildings and residential villas, in addition to the execution of related services such as drainage, electrical and mechanical works, provision of ready mix concrete and construction equipment supply and rental.

The Group also operates in the oil and gas, infrastructure and power sector, facilities management and property development.

The condensed consolidated interim financial information of the Group for the three-month period ended 31 March 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2019.

The condensed consolidated interim financial information is reviewed, not audited.

Subsidiaries, associates and joint operations:

	% Holding (including indirect holding)		
Name of subsidiary and domicile	**31 March 2019**	**31 December 2018**	**Principal activities**
Arabtec Construction LLC – Dubai, UAE	100%	100%	Civil construction and related works
Arabtec Construction Syria LLC, Syrian Arab Republic	100%	100%	Civil construction and related works
Arabtec Pakistan (Pvt.) Limited, Pakistan	60%	60%	Civil construction and related works
Arabtec Egypt for Construction SAE, Arab Republic of Egypt	55%	55%	Civil construction and related works
Arabtec Construction LLC (Foreign Company), State of Palestine	100%	100%	Civil construction and related works
Arabtec - Musawa W.L.L., Kingdom of Bahrain	100%	100%	Civil construction and related works
Arabtec Construction LLC (Jordan foreign working entity), Jordan	100%	100%	Civil construction and electrical, mechanical plumbing contracting and related works

1 General information (continued)

Subsidiaries, associates and joint operations (continued):

Name of subsidiary and domicile	% Holding (including indirect holding) 31 March 2019	31 December 2018	Principal activities
Arabtec International Company, Limited, Republic of Mauritius	100%	100%	Civil construction and related works
Arabtec Construction India (Pvt) Limited, India	63%	63%	Civil construction and related works
Arabtec Constructions LLC - Abu Dhabi, UAE	100%	100%	Civil construction and related works
Arabtec Precast LLC, UAE	100%	100%	Manufacturing of precast panels
Arabtec Minority Holdings Limited, JAFZA, UAE	100%	100%	Investment holding company
Arabtec Building Equipment LLC, UAE	70%	70%	Trading and leasing of construction and building equipment
Arabtec Engineering Services LLC, UAE	80%	80%	Infrastructure construction works
Arabtec-Envirogreen Facility Management Services LLC, UAE	100%	100%	Building maintenance and cleaning services, facilities management and security services
Arabtec Property Development LLC – Abu Dhabi, UAE	100%	100%	Real estate, investment, development and management
Arabtec Property Development LLC - Dubai, UAE	100%	100%	Real estate development
Arabtec Property Management LLC - Dubai, UAE	100%	100%	Leasing and management of third party property
Arabtec Real Estate LLC - Abu Dhabi, UAE	100%	100%	Real estate leasing and management services
Arabtec Real Estate LLC - Dubai, UAE	100%	100%	Buying and selling of real estate
Arabtec Living For Construction LLC, UAE	100%	100%	Civil construction and related works

1 General information (continued)

Subsidiaries, associates and joint operations (continued):

Name of subsidiary and domicile	% Holding (including indirect holding) 31 March 2019	31 December 2018	Principal activities
Arabtec Limited, JAFZA, UAE	100%	100%	General trading; commercial and real estate investments
Arabtec Trading Limited, JAFZA, UAE	100%	100%	General trading; commercial and real estate investments
Arabtec Consolidated Contractors Limited, JAFZA, UAE*	50%	50%	International business, general trading, and investments
Austrian Arabian Ready Mix Concrete Co. LLC - Dubai, UAE	100%	100%	Ready mixed concrete manufacturing
Emirates Falcon Electromechanical Co. (EFECO) LLC - Dubai, UAE	100%	100%	Electrical, mechanical and plumbing contracting
EFECO Qatar W.L.L, Qatar*	49%	49%	Electrical, mechanical and plumbing contracting
EFECO LLC, State of Palestine	100%	100%	Electrical, mechanical and plumbing contracting
Emirates Falcon Electromechanical Co. (EFECO) LLC - Abu Dhabi, UAE	100%	100%	Electrical, mechanical and plumbing contracting
Gulf Steel Industries FZE, UAE	100%	100%	Fabrication of steel structure and profiles
GSI Steel Construction Contracting LLC, UAE	100%	100%	Fabrication of steel structure and profiles
Idrotec Srl, Italy	96%	96%	Civil construction and related works
Nasser Bin Khaled Factory Ready Mix Concrete Co. LLC, Qatar*	49%	49%	Manufacturing and transportation of ready mix concrete products
Saudi Target Engineering Construction Company LLC, Kingdom of Saudi Arabia	65%	65%	Civil construction and related works
Target Engineering Construction Company LLC, UAE	100%	100%	Civil construction and related works
Target Steel Industries LLC, UAE	97%	97%	Fabrication of steel structure and profiles
Target Engineering Construction Company L.L.C, (Foreign Company) Jordan	100%	100%	Civil construction and related works

1 General information (continued)

Subsidiaries, associates and joint operations (continued):

Name of subsidiary and domicile	% Holding (including indirect holding) 31 March 2019	31 December 2018	Principal activities
Arabtec Egypt for Property Development, Egypt	100%	100%	Real Estate, investment, development, and management
Arabtec Gulf for Property Investment LLC, UAE	100%	100%	Buying and selling of real estate as well as holding activities
Arabtec Construction W.L.L., Qatar*	49%	49%	Civil construction and related works

* Although the Group holds 50% or less of the share capital, it exercises control over these subsidiaries.

The Company and its subsidiaries have the following branches:

- Arabtec Holding PJSC – Abu Dhabi branch
- Arabtec Construction LLC, St Petersburg, Russia
- Arabtec Construction LLC, Riyadh, Kingdom of Saudi Arabia
- Arabtec Construction LLC, Fujairah branch
- Arabtec Construction LLC, Bahrain branch
- Arabtec Construction LLC, Sharjah Branch
- Idrotec SRL - Abu Dhabi
- ACC Arabtec JV SAL - Syrian Arab Republic branch
- Target Engineering Construction Company – Dubai branch
- Target Engineering Construction Company – Sharjah branch
- Target Engineering Construction Company – Fujairah branch
- Target Engineering Construction Company WLL – Qatar branch
- Arabtec Construction LLC – branch, Abu Dhabi
- GSI Steel Construction Contracting LLC – Abu Dhabi branch
- Gulf Steel Industries FZE – Jordan branch
- Arabtec Construction LLC – Egypt branch
- Arabtec Consolidated Contractors Limited – Astana City Branch, Kazakhstan
- Arabtec Engineering Services LLC, Abu Dhabi branch
- Austrian Arabian Ready-Mix Co LLC – Abu Dhabi branch
- EFECO – Riyadh, Kingdom of Saudi Arabia

Joint operations of the Group are disclosed in Note 17.

1 General information (continued)

Subsidiaries, associates and joint operations (continued):

The Group has the following associate over which it exercises significant influence:

Name of associate and domicile	% Holding (including indirect holding) 31 March 2019	% Holding (including indirect holding) 31 December 2018	Principal activities
Depa Plc, Dubai, UAE ("DEPA") (formerly Depa Limited)	24%	24%	Luxury fit-out of five star hotels, yachts and facilities and related services

2 Basis of preparation and accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the period ended 31 March 2019 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

The condensed consolidated interim financial information has been presented in United Arab Emirates Dirhams ("AED") being the functional currency of the Company and presentation currency of the Group. All numbers are rounded off to the nearest thousand except otherwise stated.

The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards.

2.2 Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 except as stated in Note 2.3.

2.3 Changes in accounting policies

(a) New and amended standards adopted by the Group

The following new standard became applicable for the current reporting period and the Group had to change its accounting policies and make appropriate adjustments as a result of adopting the standard:

IFRS 16, 'Leases' (effective from 1 January 2019)

The impact of the adoption of IFRS 16 and the new accounting policies are disclosed in Note 16.

2 Basis of preparation and accounting policies (continued)

2.3 Changes in accounting policies (continued)

(b) New standards and amendments not early adopted by the Group

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group's condensed consolidated interim financial information.

2.4 Basis of consolidation

The condensed consolidated interim financial information as at, and for the period ended 31 March 2019 comprises results of the Company and its subsidiaries. The condensed consolidated interim financial information of the subsidiaries is prepared for the same reporting period as that of the Company, using consistent accounting policies. All inter-company transactions, profits and balances are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

3 Critical accounting estimates and judgements

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

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated financial statements for the year ended 31 December 2018 except as follows:

Critical judgements in determining the lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group. Furthermore, with respect to the lease for one of the labour camps, potential future cash outflows of AED 572 million have not been included in the lease liability because the Group is not reasonably certain that the leased premises will be utilized to full capacity.

4 Financial risk management and financial instruments

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; therefore, it should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2018. The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as of and for the year ended 31 December 2018.

There have been no changes in the risk management department or in any risk management policies since the year end.

The Group monitors its risk of a possible shortage of funds using cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate bank balances and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Compared to year ended 31 December 2018, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash, trade and other receivables, other financial assets, other current assets excluding prepayments and advances, and due from related parties. Financial liabilities consist of bank borrowings, trade and other payables, retentions payable and due to related parties.

At the period end, the fair values of financial instruments are not materially different from their carrying values. The fair value of the financial assets and liabilities are considered at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Bank balances and cash, trade receivables, other financial assets, other current assets, due from related parties, bank borrowings, trade and other payables, due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

4 Financial risk management and financial instruments (continued)

4.1 Financial risk factors (continued)

- Long term receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, provisions are taken to account for the expected losses of these receivables. As at 31 March 2019, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.

4.2 Fair value estimation

The Group classifies its valuations of financial instruments carried at fair value and investment properties for which fair value is disclosed in the following levels of fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

5 Seasonality of operations

The results for the period ended 31 March 2019 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Management has concluded that this does not constitute “highly seasonal” as considered by IAS 34 Interim Financial Reporting. Notwithstanding, the results for the three-month period ended 31 March 2019 are not necessarily indicative of the results that might be expected for the year ending 31 December 2018.

6 Segment reporting

Information regarding the Group’s operating segments is set out below in accordance with IFRS 8 “Operating Segments”. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the “Executive management” who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance. The Group CEO is identified as a chief operating decision maker for the Group.

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6 Segment reporting

The management of the Group assessed the Group into four key business units; Building, Economic and Social Infrastructure, Industrial and Other. These businesses are the basis on which the Group reports its primary segment information to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The building segment primarily engages in the construction of high-rise towers, commercial and residential buildings and residential villas including execution of drainage, electrical and mechanical works. The Economic and Social Infrastructure segment is related to construction of airports, hospitals, museums and other activities which contributes to the social and economic development and industrial segment is involved in the all works related to, intended to be used for, and/or for clients in the industries of oil and gas. The Other segment is involved in all other wok that does not fall into the previous three segments in addition to the headquarters.

The above segments are the basis on which the Group reports its segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis and eliminated on consolidation.

6 Segment reporting (continued)

	Building AED '000	Economic and social infrastructure AED '000	Industrial AED '000	Others AED '000	Eliminations AED '000	Total AED '000
Three months period ended 31 March 2019 (Unaudited)						
Revenue	1,536,913	413,727	186,896	55,638	(165,832)	2,027,342
Direct costs	(1,432,553)	(401,403)	(174,568)	(49,245)	165,832	(1,891,937)
Gross profit	104,360	12,324	12,328	6,393	-	135,405
Other income and other expenses, net	40,764	861	696	5,858	-	48,179
General and administrative expenses	(89,768)	(3,063)	(3,869)	(17,438)	-	(114,138)
Finance costs	(24,253)	-	(1,383)	(5,390)	-	(31,026)
Share of loss from associate	-	-	-	(7,803)	-	(7,803)
Income tax expense	(435)	-	-	-	-	(435)
Net segment results	30,668	10,122	7,772	(18,380)	-	30,182
Three months period ended 31 March 2018 (Unaudited)						
Revenue	1,726,065	511,863	306,417	96,272	(220,260)	2,420,357
Direct costs	(1,637,437)	(489,923)	(282,422)	(66,818)	220,260	(2,256,340)
Gross profit	88,628	21,940	23,995	29,454	-	164,017
Other income and other expenses, net	1,097	126	202	12,000	-	13,425
General and administrative expenses	(37,907)	(14,864)	(6,084)	(23,000)	-	(81,855)
Finance costs	(12,746)	(4,274)	(2,815)	(6,165)	-	(26,000)
Income tax expense	(2,799)	(941)	-	-	-	(3,740)
Net segment results	36,273	1,987	15,298	12,289	-	65,847

6 Segment reporting (continued)

	Building AED '000	Economic and social infrastructure AED '000	Industrial AED '000	Others AED '000	Eliminations AED '000	Total AED '000
As at 31 March 2019 (Unaudited)						
Segment assets	6,704,286	2,677,468	723,663	2,905,040	(2,008,127)	11,002,330
Segment liabilities	(7,030,364)	(2,483,224)	(648,334)	(1,472,108)	2,012,983	(9,621,047)
As at 31 December 2018 (Audited)						
Segment assets	6,511,383	2,743,526	846,816	2,902,369	(1,968,987)	11,035,107
Segment liabilities	(6,795,731)	(2,544,399)	(758,473)	(1,470,667)	1,936,421	(9,632,849)

7 Property, plant and equipment

During the three-month period ended 31 March 2019, the Group acquired various types of property, plant and equipment with a cost of AED 16,495 thousand (period ended 31 March 2018: AED 24,897 thousand). Assets with a net book value of AED 10,952 thousand were disposed off by the Group during the period (period ended 31 March 2018: AED 6,015 thousand). Depreciation expense for the period was AED 57,708 thousand (period ended 31 March 2018: AED 45,879 thousand).

8 Investment properties

Investment properties included a land in Dubai, UAE amounting to AED 568 million (31 December 2018: AED 568 million). The carrying value of the land includes incurred development costs of AED 88 million.

At 31 March 2019, management is working with an external party on the development plan of the property. No impairment provision was recorded as management is confident that the recoverable amount of the property will be higher than its carrying amount based on its value-in-use. This land is pledged against the borrowing from Mashreq Bank amounting to AED 242.8 million (31 December 2018: AED 250 million).

Villas in Abu Dhabi, UAE with a carrying value of AED 2 million (31 December 2018: AED 2 million), the fair value of these investment properties based on market prices approximates AED 2 million at 31 March 2019 (31 December 2018: AED 2 million). The villas are designated for rental activities and accordingly, classified as investment properties.

Land in Al Ain, UAE amounting to AED 25 million (31 December 2018: AED 25 million), management has classified this land as investment property and is currently held for appreciation in the value. The fair value of the land is not expected to be materially different from the carrying value as at 31 March 2019.

During the year, there is no rental income (period ended 31 March 2018: Nil) related to investment properties and the depreciation charge in the condensed consolidated interim income statement amounted to AED 27 thousand (period ended 31 March 2018: AED 81 thousand).

9 Other intangible assets

During the period, the amortisation of other intangible assets amounts to AED 250 thousand (period ended 31 March 2018: AED 250 thousand). There were no additions during the period (period ended 31 March 2018: Nil).

10 Related parties

The following table provides details of the total amount of transactions that have been entered into with related parties during three-month periods ended 31 March 2019 and 2018, as well as balances with related parties as of 31 March 2019 and 31 December 2018:

	Three months ended 31 March 2019 (Unaudited)		As at 31 March 2019 (Unaudited)	
	Revenue AED'000	Other expenses and sub-contract costs AED'000	Amount due to AED'000	Amount due from AED'000
Joint operations	16,645	-	411,502	548,678
Shareholder	4,648	-	5,226	-
Associate	-	-	53,579	-
Other related parties	8,232	-	35,981	8,687
	27,525	-	506,288	557,365

	Three months ended 31 March 2018 (Unaudited)		As at 31 December 2018 (Audited)	
	Revenue AED'000	Other Expenses and sub-contract costs AED'000	Amount due to AED'000	Amount due from AED'000
Joint operations	32,685	-	390,369	561,231
Shareholder	5,038	-	7,048	-
Associate	-	4,317	50,855	-
Other related parties	3,768	-	38,757	14,929
	41,491	4,317	487,029	576,160

Compensation of key management personnel

The remunerations of directors and other key members of management of the Group during the period were as follows:

	Three months ended 31 March	
	2019 Unaudited AED'000	2018 Unaudited AED'000
Short term benefits	3,352	3,685
Employees' benefits	183	315
Bonus	-	9,218
	3,535	13,218

10 Related parties (continued)

The Group, in the ordinary course of business, enters into various transactions including borrowings and bank deposits with financial institutions which may be majority-owned by the Government of the Emirate of Abu Dhabi. The effect of these transactions is included in the condensed consolidated interim financial information. These transactions are made at terms equivalent to those that prevail in arm's length transactions.

Cash and cash equivalents and borrowings include AED 134,580 thousand (2018: AED 224,121 thousand) and AED 572,363 thousand (2018: AED 461,211 thousand) respectively, with/from entities in which the Government of the Emirate of Abu Dhabi has an equity stake. Finance cost include AED 8,378 thousand (2018: AED 5,188 thousand) relating to balances with these entities.

Certain contracting customers of the Group are entities controlled by the Government of the Emirate of Abu Dhabi, The Group enters into transactions with such entities in the normal course of business (providing construction services). The significant transactions lead to a revenue of AED 644,939 thousand (31 March 2018: AED 1,172,051 thousand), receivable balances of AED 334,358 thousand (31 December 2018: AED 403,944 thousand) and advances of AED 496,433 thousand (31 December 2018: AED 523,185 thousand). Below here is list of all balances relating to such projects:

(Unaudited)	Revenue AED' 000	Amounts due on construction works AED' 000	Accounts receivable AED' 000	Retentions receivable AED' 000	Advances received AED' 000
Period ended 31 March 2019	644,939	948,687	334,358	328,053	496,433
Period ended 31 March 2018 / December 2018	1,172,051	991,466	403,944	382,918	523,185

11 Cash and cash equivalents

	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
Cash and bank balances	682,982	898,728
Short term bank deposits	327,379	370,847
Cash and bank balances	1,010,361	1,269,575

Cash and cash equivalents comprise bank balances and cash net of bank overdrafts. The details are as follows:

	31 March 2019 Unaudited AED'000	31 March 2018 Unaudited AED'000
Cash and bank balances	1,010,361	633,023
Less: Deposits with maturity of more than 3 months	(40,912)	(40,000)
Less: Bank overdraft	(285,132)	(479,199)
Cash and cash equivalents for the purpose of statement of cash flows	684,317	113,824

12 Income tax expense

The Group is subject to taxation on its operations except in the United Arab Emirates and Bahrain. Income in countries of operations is subject to tax at rates ranging between 5% and 34%.

The major components of income tax expense in the condensed consolidated interim income statement are:

	Three months ended 31 March	
	2019 Unaudited AED'000	2018 Unaudited AED'000
Income taxes		
Current tax expense	1,911	4,531
Deferred tax income relating to the origination of temporary differences	(1,476)	(791)
Total income tax expense	435	3,740

The total charge for the period can be reconciled to the accounting profit for entities subject to taxation as follows:

	Three months ended 31 March	
	2019 Unaudited AED'000	2018 Unaudited AED'000
Income before tax	30,617	69,587
Income tax expense	(435)	(3,740)

The income tax expense in the condensed consolidated income statement is at the applicable tax rate of the respective subsidiaries in the condensed consolidated interim financial information.

13 Share capital

	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
Authorised, issued and fully paid up:		
1,500,000 thousand shares of AED 1 each (31 December 2018 AED 1,500,000 thousand shares of AED 1 each)	1,500,000	1,500,000

14 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the owners of the Parent for the three-month period ended 31 March 2019, amounting to AED 31,813 thousand (three-month period ended 31 March 2018: profit of AED 63,636 thousand) by the weighted average number of shares outstanding during the period of 1,500,000 (2018: 1,500,000 thousand).

	Three months ended 31 March	
	2019 Unaudited AED'000	2018 Unaudited AED'000
Basic and diluted earnings per share	0.021	0.042

15 Other matters

(a) At 31 March 2019, the Group has net receivable exposures amounting to AED 153 million (31 December 2018: AED 153m) after considering outstanding advances and other receivables from the customer and direct payments made to the Group's suppliers by the customer. Negotiations with the customers for recovery of the amounts are in progress. Based on the contracts and communications with the customers, management is of the opinion that the Group is entitled under the contracts to recover the full amounts and accordingly, no provision for impairment has been made against these balances.

(b) The Group has a total exposure of AED 428 million as at 31 December 2018 (2017: AED 428 million) relating to receivables against a previous project in Dubai, UAE. As the client disputed the payment of receivables, the Board of Directors of the Group resolved to initiate arbitration proceedings against the customer.

(c) The Group has a total exposure of AED 203 million as at December 2018 (2017: AED 203 million) relating to receivables against two projects in Dubai, UAE, for the same client. During the last quarter of 2017, the Group received a court judgment in its favour in respect of one project, which the Group is taking steps to enforce. During the previous year, the Group received an arbitral award for the second project in its favour and the Group is taking steps to enforce its rights.

(d) During 2016, the non-controlling shareholder of the Group's subsidiary in Qatar (Arabtec Construction W.L.L. Qatar) issued a letter indicating their non-approval or non-authorisation to issue the financial statements of the subsidiary, on the grounds that they accepted no responsibility for the financial position and performance and management of the subsidiary. The Group has obtained legal advice and strongly believes that the non-controlling shareholder is responsible for their share of the subsidiary's operations based on the Qatari Commercial Companies Law, and that both shareholders of the entity are jointly liable for the liabilities of the subsidiary. During the year ended 31 December 2017, the shareholder filed a claim against the Group related to the above mentioned matter.

Management believes that the outcome of such a dispute would have no impact on the condensed consolidated interim results of the Group as a whole or on its total equity.

(e) The amount of claim recognised as part of the revenue for the three-month period ended is AED 67 million (31 December 2018: AED 381 million).

16 Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's condensed consolidated interim financial information and also discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

As a result of the changes in the Group's accounting policies, opening retained earnings in the condensed consolidated interim financial information have been adjusted. IFRS 16 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new standard are therefore not reflected in the condensed consolidated interim statement of financial position as at 31 December 2018, but are recognised in the opening retained earnings on 1 January 2019. The adjustments are explained in more detail below:

16.1 Impact of adoption

As indicated in Note 2.3, the Group has adopted IFRS 16 Leases retrospectively from 1 January 2019.

In accordance with the transition provisions in IFRS 16 the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognised on 1 January 2019. Comparatives for the 2018 financial year have not been restated.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.31%.

The associated right-of-use assets for one of the leases relating to a labour camp was measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. The net impact on retained earnings on 1 January 2019 was AED 47,489 thousand.

16 Changes in accounting policies (continued)

16.1 Impact of adoption (continued)

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to apply IFRS 16 to contracts that were not identified as containing a lease under IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

16.2 IFRS 16 Accounting policies

(i) Amount recognised in the condensed consolidated interim statement of financial position:

The condensed consolidated interim statement of financial position shows the following amounts relating to leases:

	2019 Unaudited AED'000	2018 Unaudited AED'000
Right of use asset	659,918	-

	2019 Unaudited AED'000	2018 Unaudited AED'000
Lease liabilities		
Current	65,390	-
Non-current	360,069	-
	425,459	-

Additions to right of use asset during the three-month period ended 31 March 2019 were nil.

16 Changes in accounting policies (continued)

16.2 IFRS 16 Accounting policies (continued)

(ii) Amount recognised in the condensed consolidated interim income statement:

The condensed consolidated interim income statement shows the following amounts relating to leases:

	2019 Unaudited AED'000	2018 Unaudited AED'000
Depreciation charge of right of use assets	26,526	-
Interest expense	6,461	-
Expense relating to short-term leases	8,334	-

The total cash outflow for leases during the three-month period ended 31 March 2019 was AED 19,989 thousand (period ended 31 march 2018: nil).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 50 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;

16 Changes in accounting policies (continued)

16.2 IFRS 16 Accounting policies (continued)

(iii) The Group's leasing activities and how these are accounted for (continued)

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

17 Joint operations

The Group has the following significant interests in joint operations:

		Share in joint operations
(a)	Samsung/Arabtec joint operation project, UAE	40%
(b)	Six Construct/Arabtec joint operation projects, UAE	50%
(c)	Samsung/Six Construct/Arabtec joint operation project, UAE	30%
(d)	Arabtec/Max Bogl joint operation projects, UAE	50%
(e)	Arabtec/Aktor joint operation projects, UAE	60%
(f)	Arabtec/Emirates Sunland joint operation projects, UAE	50%
(g)	Arabtec/WCT Engineering joint operation projects, UAE	50%
(h)	Arabtec/Engineering Enterprises Company joint operation projects, Jordan	50%
(i)	Arabtec/Dubai Contracting Company joint operation project, UAE	50%

17 Joint operations (continued)

		Share in joint operations
(j)	Target Engineering and Construction Company LLC/ Marintek Middle East and Asia FLE joint operation project UAE	65%
(k)	Arabtec Engineering Services/WCT Engineering joint operation project, UAE	50%
(l)	Arabian Construction Company/Arabtec joint operation project, Syria	50%
(m)	Arabtec/National Projects and Construction joint operation project, UAE	50%
(n)	Arabtec/AI Saad joint operation project, KSA	66.66%
(o)	Arabtec/Combined Group Contracting Company Joint operation, Kuwait	60%
(p)	TAV/CCC/Arabtec Joint operation, UAE	33%
(q)	Oger Abu Dhabi LLC/Constructora San Jose SA/Arabtec Joint operation, UAE	33%
(r)	CCC/Arabtec Joint operation, Kazakhstan	50%
(s)	ATC/CCC/DSC Joint Venture Limited, Jordan	33%
(t)	ATC/SIAC joint operation project, Egypt	55%
(u)	ATC/ Constructor San Jose SA joint operation project, UAE	50%
(v)	EFECO/ACC joint operation project, Kazakhstan	40%
(w)	Arabtec Al Mukawilon Joint operation, Palestine	60%
(x)	ACC Arabtec Joint operation, Lebanon	50%

The Group is entitled to a proportionate share of the joint operations' assets and revenues and bears a proportionate share of their liabilities and expenses.

18 Bank borrowings

The Group has obtained bank borrowings (including bank overdrafts) from several commercial banks, mainly to fund working capital requirements.

	Current		Non-current	
	30 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
Bank overdrafts	285,132	353,765	-	-
Acceptances	200,358	305,755	-	-
Project payment certificate discounting	35,441	20,097	-	-
Trust receipts	194,877	97,546	-	-
Term loans	486,324	719,933	606,353	559,911
Total borrowings	1,202,132	1,497,096	606,353	559,911

18 Bank borrowings (continued)

At 31 March 2019, the Group was not in breach of financial covenants in relation to the above borrowings.

Acceptances and trust receipts

The bank facilities are subject to certain restrictive covenants on overall borrowings outstanding at any time, including:

- Irrevocable assignment of project proceeds to the financing banks to be confirmed by the customers.
- Irrevocable undertaking by a subsidiary to deposit the proceeds of projects financed by banks into the specific accounts maintained with the financing banks.
- Assignment of concession rights on property.
- Assignment of sub-contractors' performance bonds in favour of the financing banks for specific contracts.
- Assignment of leasehold rights and insurance over property.
- Minimum net worth requirements.
- Maximum leverage ratio requirements.
- Corporate guarantees of subsidiaries and the Company.
- Pledge of purchased shares of other companies.

19 Operating lease arrangements

At the reporting date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
Short term leases payable within one year	158,505	149,137

20 Contingencies and commitments

a) At 31 March 2019, the Group had contingent liabilities in respect of performance and bid bonds, advance payment bonds, financial guarantees, retention bonds, labour guarantees and letters of credit amounting to AED 8,891 million (31 December 2018: AED 8,713 million).

b) The Group is a defendant in a number of lawsuits relating to its business. The Group's management believes that it is only possible, but not probable, that the claimants will succeed. Accordingly, the Group's management has assessed that the provision currently booked is adequate to cover any liability arising from such cases.

c) During the year 2018, a third party has filed a claim before the courts of Dubai against the Group and its JV partner, along with other defendants, in respect of a previously completed project. The proceedings are still in early stages and the court has yet to provide the defendants with a full bundle of the Claimant's exhibits. Consequently, management and the Group's legal counsel are not in a position to provide an evaluation on the likely outcome and range of potential losses, if any, at this stage.

21 Other financial assets

	Current		Non-current	
	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
Financial assets at far value through OCI				
Unquoted equity shares	-	-	17,782	17,282
Financial assets at amortised cost				
Fixed deposits under lien	46,886	80,943	-	-
Margin deposits	109,539	124,870	-	-
	156,425	205,713	17,782	17,282
Total other financial assets	156,425	205,713	17,782	17,282

22 Investment in associates

	31 March 2019 Unaudited AED'000	31 December 2018 Audited AED'000
DEPA PLC (formerly DEPA Limited)	201,525	209,328

On 21 November 2012, the Group acquired shares in DEPA PLC ("DEPA") for AED 241,706 thousand representing a 24.329% interest in the DEPA's share capital upon acquisition. The investment in DEPA was classified as an associate as the Group obtained significant influence over the operating and financial policies of DEPA.

DEPA operates in the luxury fit-out sector, focusing primarily on hospitality, commercial and residential property developments through a combination of multiple subsidiaries, joint ventures and associates across a number of countries and market segments. The company operates in the Middle East, North Africa, Europe and Asia regions. DEPA is listed in the Dubai International Financial Center (DIFC) on the NASDAQ Dubai.

Summarised financial information of DEPA as of 31 March 2019 is not available as DEPA has not declared its results at the date of approval of this condensed consolidated interim financial information.

Subsequent to the date of issuance of the the consolidated financial statements of the Group for the year ended 31 December 2018, DEPA published its financial statements for the same period that showed an additional share of loss attributable to the Group of AED 7,803 thousand excluding losses amounting to AED 129.6 million from impairment of goodwill in the books of DEPA relating to acquisition made by DEPA, prior to it becoming associate of the Group. The loss has been recognised by the Group during the three-month period ended 31 March 2019.

22 Investment in associates (continued)

Furthermore, the Group's share in the results of DEPA for the three-month period ended 31 March 2019 has not been accounted for due to the fact that the financial information of DEPA as of 31 March 2019 has not been published as of date.

23 Subsequent Events

The Board of Directors proposed a final ordinary dividend of UAE 5.0 fils per share on 12 February 2019. The proposed final ordinary dividend was approved by shareholders at the annual general meeting held on 23 April 2019. The total estimated payable amount in respect of the final ordinary dividend is AED 75,000 thousand.