

Amanat Holdings PJSC

Condensed consolidated interim financial statements
For the period ended 31 March 2018

Amanat Holdings PJSC

Condensed consolidated interim financial statements

For the period ended 31 March 2018

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Shareholders
Amanat Holdings P.J.S.C.

Introduction

We have reviewed the accompanying 31 March 2018 condensed consolidated interim financial information of Amanat Holdings P.J.S.C (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2018;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2018;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2018;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2018;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2018; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 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 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 31 March 2018 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Vijendra Nath Malhotra
Registration No.: 48
Dubai, United Arab Emirates
Date: **14 MAY 2018**

Amanat Holdings PJSC

Condensed consolidated interim statement of financial position

As at 31 March 2018

		At 31 March 2018 AED'000 (Un-audited)	At 31 December 2017 AED'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment		2,281	2,456
Investment in associates	3	1,165,491	821,287
Investments at fair value through other comprehensive income	4	32,755	-
Available-for-sale investment		-	32,755
Total non-current assets		1,200,527	856,498
Current assets			
Deposits and prepayments	5	2,167	3,390
Other assets	6	15,846	43,245
Due from related parties	17	1,780	17,527
Cash and bank balances	7	1,425,136	1,721,647
Total current assets		1,444,929	1,785,809
Total assets		2,645,456	2,642,307
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	2,500,000	2,500,000
Share issuance reserve	9	5,718	5,718
Fair value reserve	4	(3,994)	(3,994)
Retained earnings		57,592	43,176
Legal reserve	20	13,131	13,131
Total equity attributable to the owners of the Company		2,572,447	2,558,031
Non-controlling interest		2,887	1,778
Total equity		2,575,334	2,559,809
LIABILITIES			
Non-current liabilities			
Other payables	11,17	61,944	61,944
End of service benefits		1,577	1,396
Total non-current liabilities		63,521	63,340
Current liabilities			
Trade and other payables	10	6,601	19,158
Total liabilities		70,122	82,498
Total equity and liabilities		2,645,456	2,642,307

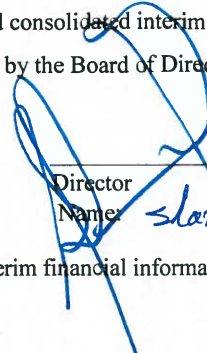
The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 MAY 2018 and signed on its behalf by:



Chairman

Name: Hamad Abdul B Alshamsi



Director

Name: Shamsher Vayalil

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Condensed consolidated interim statement of profit or loss
For the period ended 31 March 2018

		For the three month period ended 31 March 2018 AED'000 (Un-audited)	For the three month period ended 31 March 2017 AED'000 (Un-audited)
	<i>Note</i>		
Income			
Income on deposits	12	13,198	14,507
Dividend income		630	-
Other income		-	89
		<u>13,828</u>	<u>14,596</u>
Share of profit of equity-accounted investees	3	14,446	10,717
Expenses			
Employee related expenses	13	(7,384)	(7,082)
General and administrative expenses	14	(5,365)	(4,142)
Total operating expenses		<u>(12,749)</u>	<u>(11,224)</u>
Net profit for the period		<u>15,525</u>	<u>14,089</u>
Profit attributable to:			
Owners of the company		14,416	13,032
Non-controlling interest		1,109	1,057
		<u>15,525</u>	<u>14,089</u>
Basic and diluted earnings per share (AED)	15	0.0058	0.0052

The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income
For the period ended 31 March 2018

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
<i>Note</i>		
Net profit for the period	15,525	14,089
Other comprehensive income for the period		
Items that may be reclassified to profit or loss:		
Available-for-sale investment – net change in fair value	-	1,961
Total comprehensive income for the period	15,525	16,050
Total comprehensive income attributable to:		
Owners of the company	14,416	14,993
Non-controlling interest	1,109	1,057
	15,525	16,050

The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Condensed consolidated interim statement of changes in equity (Un-audited)

For the period ended 31 March 2018

	Share capital AED'000	Share issuance reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Legal reserve AED'000	Total equity attributable to owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
As at 1 January 2017	2,500,000	5,718	-	42,583	8,898	2,557,199	115	2,557,314
Profit for the period	-	-	-	13,032	-	13,032	1,057	14,089
Available-for-sale investments – net change in fair value	-	-	1,961	-	-	1,961	-	1,961
As at 31 March 2017	2,500,000	5,718	1,961	55,615	8,898	2,572,192	1,172	2,573,364

The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Condensed consolidated interim statement of changes in equity (Un-audited) (continued)

For the period ended 31 March 2018

	Share capital AED'000	Share issuance reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Legal reserve AED'000	Total equity attributable to owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
As at 1 January 2018	2,500,000	5,718	(3,994)	43,176	13,131	2,558,031	1,778	2,559,809
Profit for the period	-	-	-	14,416	-	14,416	1,109	15,525
As at 31 March 2018	2,500,000	5,718	(3,994)	57,592	13,131	2,572,447	2,887	2,575,334

The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Condensed consolidated interim statement of cash flows
For the period ended 31 March 2018

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Operating activities		
Profit for the period	15,525	14,089
Adjustments:		
Less: Income on deposits	(13,198)	(14,507)
Less: Share of profits from equity accounted investees	(14,446)	(10,717)
Less: Dividend Income	(630)	-
Add: Employee end of service benefits	180	166
Add: Depreciation	175	134
	<u>(12,393)</u>	<u>(10,835)</u>
Adjustment for:		
Changes in deposits and prepayments	1,223	325
Changes in other assets	674	(777)
Changes in due from related parties	(504)	13,124
Changes in trade and other payables	(12,557)	(2,211)
Interest on call and term deposits with conventional banks	29,508	19,754
Income on sharia compliant term deposits	1,678	2,643
Net cash generated from operating activities	<u>7,629</u>	<u>22,023</u>
Investing activities		
Acquisition of property and equipment	-	(433)
Consideration paid for available-for-sale investment	-	(36,749)
Consideration paid for investment in associate	(320,390)	-
Changes in wakala and term deposits with original maturity of more than 3 months	304,831	11,154
Dividend income received from equity accounted investees	16,251	-
Net cash used in investing activities	<u>692</u>	<u>(26,028)</u>
Net increase / (decrease) in cash and cash equivalents	<u>8,321</u>	<u>(4,005)</u>
Cash and cash equivalents at the beginning of the period	<u>12,313</u>	<u>18,609</u>
Net balance of cash and cash equivalents at the end of the period	<u>20,633</u>	<u>14,604</u>

The notes set out on pages 9 to 27 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements

For the period ended 31 March 2018

1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC (the “Company”) was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company. Following the Initial Public Offering (“IPO”) which commenced on 20 October 2014 and closed on 4 November 2014, the Company listed on the Dubai Financial Market. These condensed consolidated interim financial statements include the financial performance and position of the Company and its subsidiaries (collectively the “Group”).

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. The Group may participate or have an interest in any manner in other companies, entities or institutions outside the United Arab Emirates.

The Group also has investments in subsidiaries and associates. The extent of the Company’s ownership in its subsidiaries and its associates with their principal activities are as follows:

<u>Name</u>	<u>Legal ownership interest</u>	<u>Country of incorporation</u>	<u>Principal Activities</u>
Subsidiaries			
Amanat Investments L.L.C.	100%	United Arab Emirates	Investment in commercial enterprises and management.
Amanat Education Investments L.L.C.	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Amanat Healthcare Investments L.L.C.	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.H. Alpha Investments L.L.C.	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.E. Alpha Investments L.L.C.	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Talent Investments L.L.C	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
A.H.H. Investments Limited	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
A.H.E. Investments Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHE Alpha Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHH Alpha Limited	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
AH Alpha Investments (Holdings) 1 Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AH Alpha Investments (Holdings) 2 Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)
For the period ended 31 March 2018

1 BACKGROUND AND PRINCIPAL ACTIVITIES (*continued*)

<u>Name</u>	<u>Legal ownership interest</u>	<u>Country of incorporation</u>	<u>Principal Activities</u>
Subsidiaries (continued)			
AH Alpha Investments (Holdings) 3 Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Loai Reda & Hakeem Company for Trading Ltd.	85.20%	Kingdom of Saudi Arabia	Investment in companies in the field of healthcare.
Associates			
Sukoon International Holding Company	33.25%	Kingdom of Saudi Arabia	Long-term and critical healthcare
Taaleem Holdings PrJSC (Previously Madaares PrJSC)	21.67%	United Arab Emirates	Leading education provider in U.A.E
International Medical Center*	13.18%	Kingdom of Saudi Arabia	Hospital and healthcare facilities in KSA
Abu Dhabi University Holding LLC	35%	United Arab Emirates	Leading tertiary education provider in U.A.E

* Investment in International Medical Center is through the acquisition of Loai Reda & Hakeem Company for Trading Ltd.

2 BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ('IASB') and applicable requirements of the UAE Federal Law No. 2 of 2015. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2017. These condensed consolidated interim financial statements do not include all of the information required for a full set of annual consolidated financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 31 December 2017.

b) Foreign currency translation

Functional and presentation currency

Items included in the condensed consolidated interim financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The condensed consolidated interim financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Group's functional currency.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)
For the period ended 31 March 2018

2 BASIS OF PREPARATION (*continued*)

b) Foreign currency translation (*continued*)

Transactions and balances

Transactions denominated in foreign currencies are translated into AED at exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into AED at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into AED at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All gains and losses from settlement and translation of foreign currency transactions are generally recognized in the consolidated statement of profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income ("OCI"):

- Equity investments at fair value through other comprehensive income (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

c) Key accounting estimates & judgments

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

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

d) Financial risk management

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2017.

e) Summary of significant accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017 except for the adoption of new IFRSs which became effective for the period beginning 1 January 2018.

The adoption of the following new and revised IFRS have been reflected in these condensed consolidated interim financial statements. The application of these new and revised IFRS have not had any material impact on the amounts reported for the current and prior periods.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*continued*)
For the period ended 31 March 2018

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

IFRS 9 Financial Instruments

The Group has adopted IFRS 9 as issued by IASB in July 2014 with a date of initial application of 1 January 2018, which resulted in changes in accounting policies.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

As permitted by the transitional provisions of IFRS 9, the Group has elected not to restate comparative figures.

i) Classification – Financial Assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on Group's assessment, the new classification requirements have not had a material impact on its accounting for deposits, other assets and due from related parties. These financial assets are classified under the amortized cost category of IFRS 9 since they meet the following criteria:

1. Business model

The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes how the performance of the portfolio is evaluated, the associated risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*continued*)
For the period ended 31 March 2018

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

IFRS 9 Financial Instruments (continued)

2. Cash flow characteristics

The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest/profit on the principal amount outstanding.

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic financing arrangement. Contractual cash flows are consistent with a basic financing arrangement if they represent cash flows that are solely payments of principal and profit on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit rate margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

ii) Impairment – Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model applies to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances are measured on either of the following basis;

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*continued*)
For the period ended 31 March 2018

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

IFRS 9 Financial Instruments (continued)

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables without a significant financing component.

Based on Group's assessment, the new impairment requirements do not have a material impact on the carrying value of its financial assets at amortized cost.

The Group accounts for its investment in associates using the equity method of accounting under which the Group recognises its share in the net assets of its associates. For this purpose, the associates' accounting policies are aligned with that of the Group. The Group has assessed that the adoption of IFRS 9 by its associates does not have a material impact on their opening retained earnings and consequently does not materially impact the carrying values of the Group's investments in these companies as at 1 January 2018.

iii) Classification – Financial Liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The Group has not designated any financial liabilities at FVTPL and the Group has no current intention to do so. The Group has assessed that there is no material impact upon applying IFRS 9's requirements regarding the classification of financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

The Group has assessed that the new requirements under this standard have not had a material impact on its consolidated financial statements.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*continued*)
For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES

The carrying value of the Group's investment in associates is as follows:

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Sukoon International Holding Company ("Sukoon")	199,810	199,900
Taaleem Holdings PrJSC ("Taaleem")	193,170	188,391
International Medical Center ("IMC")	440,045	432,996
Abu Dhabi University Holding LLC ("ADU")	332,466	-
	<u>1,165,491</u>	<u>821,287</u>

The Group's share of profit from equity-accounted investees is as follows:

	31 March 2018 AED'000 (Un-audited)	31 March 2017 AED'000 (Un-audited)
Sukoon International Holding Company ("Sukoon")	(90)	143
Taaleem Holdings PrJSC ("Taaleem")	4,779	3,370
International Medical Center ("IMC")	7,049	7,204
Abu Dhabi University Holding LLC ("ADU")	2,708	-
	<u>14,446</u>	<u>10,717</u>

a) Sukoon International Holding Company

Investment in an associate includes an equity investment of 33.25% (2017: 33.25%) in Sukoon International Holding Company ("Sukoon"). This investment is accounted for in accordance with the equity accounting methodology as per IAS 28 – Investments in associates and joint ventures.

The following summarizes the financial information of the Associate and reconciles the summarized financial information to the carrying amount of the Group's interest in Sukoon for the period ended 31 March 2018.

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Investment at 1 January	199,900	219,814
Group's share of net profits/ (loss) for the period/year	35	(9,892)
Recovery of investment through receipt of funds held in Escrow account	-	(9,522)
Amortization of Purchase Price Allocation ("PPA") assets	(125)	(500)
Investment in Sukoon	<u>199,810</u>	<u>199,900</u>

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES (*continued*)

a) Sukoon International Holding Company (*continued*)

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Percentage of interest	33.25%	33.25%
Assets	503,391	503,804
Liabilities	(52,458)	(52,976)
Net assets	450,933	450,828
Group's share in net assets at 33.25% (2017: 33.25%)	149,935	149,900
Goodwill, intangibles and other fair value adjustments	61,692	61,692
Elimination of profit on sale of IMC shares	(19,851)	(19,851)
Costs of acquisition capitalized	5,064	5,064
Amortization of PPA assets	(1,326)	(1,201)
Other adjustments	4,296	4,296
Investment in Sukoon	199,810	199,900
	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Revenue	34,736	44,006
Profit	105	804
Group's share of profit at 33.25%	35	268

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (Continued)

For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES (continued)

b) Taaleem Holdings PrJSC

In the year 2016, the Group acquired 16.34% of the equity of Taaleem, However, as a result of additional rights granted to the Group in June 2016 it concluded that it had the ability to exercise significant influence over the operational and financial policies of this entity and, accordingly, accounted for this entity as an associated undertaking with effect from that date.

During the year ended 31 December 2017, the Group acquired a further 40 million shares in Taaleem against a total consideration of AED 51.2 million which resulted in increase in shareholding in the entity from 16.34% to 21.67%.

The following summarizes the financial information of the Associate and reconciles the summarized financial information to the carrying amount of the Group's interest in Taaleem for the period ended 31 March 2018.

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
At 1 January	188,391	139,754
Group's share of net profits for the period/year	5,154	14,225
Acquisition of additional stake	-	51,200
Cost of acquisition capitalized	-	963
Amortization of PPA assets	(375)	(1,500)
Dividend received for the period	-	(16,251)
Investment in Taaleem	193,170	188,391

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Percentage of interest	21.67%	21.67%
Assets (excluding existing goodwill in Taaleem)	1,090,193	1,157,334
Liabilities	(415,490)	(506,413)
Net assets	674,703	650,921
Group's share in net assets	146,208	141,054
Goodwill and intangibles at acquisition	45,071	45,071
Cost of acquisition capitalized	4,670	4,670
Amortization of PPA assets	(2,779)	(2,404)
Investment in Taaleem	193,170	188,391

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (Continued)

For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES (continued)

b) Taaleem Holdings PrJSC (continued)

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Revenue for the period	120,306	118,217
Profit for the period	23,782	22,928
Group's share of profit at 21.67%/16.34%	5,154	3,747

c) International Medical Center

At the date of its acquisition, LT had an investment of AED 123.88 million in International Medical Center ("IMC") representing a 4.57% shareholding in IMC. This investment was classified as AFS in the books of LT. Subsequent to the acquisition of LT, the Group provided a loan of AED 357.15 million to LT which was used to acquire additional shares in IMC which increased LT's total shareholding in IMC to 15.47%. Given the 15.47% holding and LT's representation on both the Board of Directors and Executive Committee, the Group believes that it has significant influence over the operating and financial policies of IMC and, accordingly, classified it as an associated undertaking. The Group's effective ownership in IMC is 13.18%.

The following summarizes the financial information of IMC and reconciles the summarized financial information to the carrying amount of the Group's interest in IMC for the period ended 31 March 2018.

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Investment at 1 January	432,996	422,176
Costs capitalized	-	571
Group's share of net profits for the period/year	7,495	22,459
Dividend received	-	(10,423)
Amortization of PPA assets	(446)	(1,787)
Investment in IMC	<u>440,045</u>	<u>432,996</u>

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES (*continued*)

c) International Medical Center (*continued*)

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Consolidated Interest	15.47%	15.47%
Assets	1,211,252	1,107,590
Liabilities	(367,483)	(312,269)
Net assets	843,769	795,321
Group's share in net assets at 15.47%	130,531	123,036
Goodwill, intangible and other fair value adjustments	308,464	308,464
Cost of acquisition capitalized	3,283	3,283
Amortization of PPA assets	(2,233)	(1,787)
Investment in International Medical Centre	440,045	432,996
	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Revenue for the period	305,699	290,458
Profit for the period	48,449	46,568
Group's share of profit at 15.47%	7,495	7,204

d) Abu Dhabi University Holding LLC

On 6 March 2018, the Group acquired 35% shareholding in Abu Dhabi University Holding LLC ("ADU"). This allows the Group a representation of two directors on the Board of ADU out of a total of seven directors. The investment is accounted for in accordance with the equity accounting methodology as per IAS 28 – Investments in associates and joint ventures.

The following summarizes the financial information of ADU and reconciles the summarized financial information to the carrying amount of the Group's interest in ADU for the period ended 31 March 2018.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

3 INVESTMENT IN ASSOCIATES (*continued*)

d) Abu Dhabi University (*continued*)

	31 March 2018 AED'000 (Un-audited)
At 1 January	-
Initial Cost of Acquisition	320,390
Costs capitalized	9,368
Group's share of profit for the period	2,708
Investment in ADU	<u>332,466</u>

	31 March 2018 AED'000 (Un-audited)
Percentage of interest	35%
Assets	1,133,770
Liabilities	(575,420)
Net assets	<u>558,350</u>

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>
Revenue for the period from 6 March to 31 March 2018	36,589
Profit for the period from 6 March to 31 March 2018	7,738
Group's share of profit at 35%	<u>2,708</u>

The process of evaluating the fair value of the identifiable net assets acquired as part of the acquisition in ADU is currently ongoing. In the meantime, the Directors of the Company have assessed on a preliminary basis that the fair value of all the net assets of the acquired entity correspond to their book value.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (Continued)

For the period ended 31 March 2018

4 INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	2018 AED'000 (Un-audited)
At 1 January	-
Investment recognized on adoption of IFRS 9	32,755
At 31 March	32,755

FVOCI investments consists of an investment made by the Group in Emirates NBD REIT Limited. As mentioned in note 2, the investment in Emirates REIT Limited which was designated as Available for sale at 31 December 2017 has been classified as FVOCI on 1 January 2018 on adoption of IFRS 9. The investment represents a 3.54% stake at a total consideration of AED 36.8 million.

5 DEPOSITS AND PREPAYMENTS

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Rent deposits	1,161	1,161
Prepayments	1,006	2,229
	2,167	3,390

6 OTHER ASSETS

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Accrued income on sharia compliant term deposits	319	1,520
Accrued interest on call and term deposits with conventional banks	11,616	28,403
Transaction related costs	1,618	11,660
Other receivables	2,293	1,662
	15,846	43,245

7 CASH AND BANK BALANCES

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Call deposits	3	3
Current account	20,580	12,291
Cash on hand	50	19
Cash and cash equivalents	20,633	12,313
Sharia compliant term deposits	712,207	65,000
Term deposits with conventional banks	692,296	1,644,334
	1,425,136	1,721,647

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

7 CASH AND BANK BALANCES (*Continued*)

During the period ended 31 March 2018, the Group earned income at an average rate of 3.39% per annum on its Wakala, term and call deposits combined together (period ended 31 March 2017: 3.05%).

The Company had decided to make the shares of the Company compliant with the DFM Sharia Standard for Issuing, Acquiring and Trading Shares. Therefore, the Company has initiated the process to move the Term Deposits with conventional banks to Sharia Compliant Banks.

8 SHARE CAPITAL

Authorised share capital

The authorised share capital of the Company is AED 5 billion (2017: AED 5 billion).

Issued share capital

As at 31 March 2018 the company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

9 SHARE ISSUANCE RESERVE

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Amounts raised in initial public offering for related costs (AED 0.02 per share)	50,000	50,000
Less: Share issuance and IPO expenses incurred	(44,282)	(44,282)
	<u>5,718</u>	<u>5,718</u>

10 TRADE AND OTHER PAYABLES

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Directors' remuneration payable	2,000	2,000
Sundry payables	2,271	11,218
Staff related provisions	991	3,041
Accrued expenses	1,339	2,899
	<u>6,601</u>	<u>19,158</u>

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

11 OTHER PAYABLES

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Due to NCI Shareholders of LT*	<u>61,944</u>	<u>61,944</u>

*This balance represents the amount payable by LT to the NCI shareholders in relation to their ownership of IMC shares. The amount payable does not bear any interest charge and does not have any specified maturity.

12 INCOME ON DEPOSITS

	<i>For the three month period ended 31 March 2018 AED'000 (Un-Audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-Audited)</i>
Income on sharia compliant term deposits	476	4,374
Interest on call and term deposits with conventional banks	12,722	9,273
Interest income from loan to Sukoon	-	860
	<u>13,198</u>	<u>14,507</u>

13 EMPLOYEE RELATED EXPENSES

	<i>For the three month period ended 31 March 2018 AED'000 (Un-Audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-Audited)</i>
Salaries, wages and other benefits	6,159	4,985
Provision for gratuity and leave encashment	181	159
Other staff costs	1,044	1,938
	<u>7,384</u>	<u>7,082</u>

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (Continued)

For the period ended 31 March 2018

14 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the three month period ended 31 March 2018 AED'000 (Un-Audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-Audited)</i>
General and administrative expenses	3,831	3,582
Transaction related costs	1,534	511
Zakat	-	49
	<u>5,365</u>	<u>4,142</u>

15 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit for the period attributable to the Owners of the company and number of ordinary shares issued by the Company.

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Profit for the period attributable to the Owners of the Company (AED'000)	<u>14,416</u>	<u>13,032</u>
Number of ordinary shares ('000)	<u>2,500,000</u>	<u>2,500,000</u>
Basic and diluted earnings per share (AED)	<u>0.0058</u>	<u>0.0052</u>

16 OPERATING LEASES

At 31 March 2018, the future minimum lease payments for non-cancellable operating leases payable were as follows:

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Due in less than one year	4,545	4,545
Due between one and five years	6,840	7,217
Total minimum lease payments	<u>11,385</u>	<u>11,762</u>

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (Continued)

For the period ended 31 March 2018

16 OPERATING LEASES (continued)

The group has no other contingencies and commitments as at 31 March 2018 (2017: nil contingencies and commitments).

17 RELATED PARTY TRANSACTIONS

The Group, in its normal course of business, enters into transaction with business enterprises that fall within the definition of a 'related party' as contained in International Accounting Standard 24 (Revised). The terms and conditions of these transactions are agreed between the Company and related party. The following is the list of significant transactions and balances with related parties.

Transactions with related parties

	For the three month period ended 31 March 2018 AED'000 (Un-audited)	For the three month period ended 31 March 2017 AED'000 (Un-Audited)
Expenses paid on behalf of Sukoon	504	535
Interest income earned from loan to Sukoon	-	860
Dividend received from Taaleem	16,251	-

Balances outstanding with a related parties

	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Due from related parties		
Due from Sukoon	1,562	1,058
Due from Taaleem	218	16,469
	<u>1,780</u>	<u>17,527</u>
	31 March 2018 AED'000 (Un-audited)	31 December 2017 AED'000 (Audited)
Due to related parties		
Due to NCI Shareholders of LT*	<u>61,944</u>	<u>61,944</u>

**This balance represents the amount payable by LT to the NCI shareholders in relation to their ownership of IMC shares. The amount payable does not bear any interest charge and does not have any specified maturity.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

17 RELATED PARTY TRANSACTIONS (continued)

Key managerial persons' remunerations

Director and key managerial persons' compensation comprised the following:

	<i>For the three month period ended 31 March 2018 AED'000 (Un-audited)</i>	<i>For the three month period ended 31 March 2017 AED'000 (Un-audited)</i>
Short-term benefits	2,752	2,222
Post-employment benefits	43	56
Directors remuneration	-	2,975

There are no other transactions with key managerial personnel during the period.

18 FAIR VALUE MEASUREMENT

All financial assets and liabilities are stated at amortized cost or historical cost except for FVOCI investments, which are measured at fair value. The fair values of the financial assets and liabilities are not materially different from their carrying values at the reporting date. The FVOCI investments qualify for Level 1, Cash and bank balances qualify for Level 2 and all other assets and liabilities are classified as Level 3 within the fair value hierarchy.

19 OPERATING SEGMENTS

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. The Group has made investment in one subsidiary and one associate in Saudi Arabia in the field of healthcare and two other investment are made in the field of Education in UAE as at 31 March 2018. The detailed information is disclosed in Notes 1 and 3 of these condensed consolidated interim financial statements.

20 LEGAL RESERVE

As required by Article 239 of the U.A.E. Federal Law No. (2) of 2015, 10% of the annual profit is transferred to the Legal reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid up share capital. Transfers to the Legal reserve are made only at year end. The Legal reserve is not available for distribution.

21 DIVIDEND

On 22 April 2018, a cash dividend of AED 0.019 per ordinary share was approved by the shareholders at the AGM, as proposed by Board of Directors in respect of 2017.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements (*Continued*)

For the period ended 31 March 2018

22 SUBSEQUENT EVENTS

Subsequent to the reporting date, the Group has distributed the share issuance reserve balance in cash to the shareholders after obtaining approval of the General Assembly in the AGM held on 22 April 2018.

23 COMPARITIVE FIGURES

Certain comparative figures have been reclassified where appropriate to conform to the current period's presentation.