

# CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	30 June 2020 USD '000	30 June 2019 USD '000
<b>ASSETS</b>		
Balances and placements with banks	505	10,175
Investments	76,378	110,982
Investments in associates and a joint venture accounted under the equity method	14,656	22,701
Murabaha financing to investee companies	472	30,406
Wakala contract receivable	6,670	10,672
Receivables	2,020	1,976
Funding to project companies	3,181	5,693
Other assets	8,909	26,678
Right-of-use assets	3,831	-
Property and equipment	4,947	7,480
<b>TOTAL ASSETS</b>	<b>121,569</b>	<b>226,763</b>
<b>LIABILITIES</b>		
Islamic financing payables	88,901	109,692
Employee accruals	796	1,440
Ijarah liability	3,894	-
Other liabilities	5,849	13,145
<b>Total liabilities</b>	<b>99,440</b>	<b>124,277</b>
<b>EQUITY</b>		
Share capital	190,000	190,000
Statutory reserve	5,859	5,859
Foreign currency translation reserve	(167)	(71)
Accumulated losses	(173,563)	(93,302)
<b>Total equity</b>	<b>22,129</b>	<b>102,486</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>121,569</b>	<b>226,763</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
Equity of investment account holders	1,118	1,887

### CONSOLIDATED STATEMENT OF INCOME

For the year ended 30 June 2020

	30 June 2020 USD '000	30 June 2019 USD '000
<b>REVENUE</b>		
Income from investment banking services - net	1,612	2,153
Gain on sale of investment	781	1,133
Finance income	608	4,072
Dividend income	1,496	1,400
Rental and other income	3,626	1,786
<b>Total revenue</b>	<b>8,123</b>	<b>10,544</b>
<b>OTHER LOSSES</b>		
Fair value losses on investments carried at fair value through profit or loss - net	(31,004)	(35,069)
<b>Total loss</b>	<b>(22,881)</b>	<b>(24,525)</b>
<b>EXPENSES</b>		
Staff costs	3,578	7,061
Travel and business development expenses	134	427
Legal and professional fees	589	790
Finance expense	4,588	5,369
Depreciation	828	342
Other expenses	4,282	3,645
<b>Total expenses</b>	<b>13,999</b>	<b>17,634</b>
<b>LOSS BEFORE IMPAIRMENT PROVISION AND SHARE OF LOSS OF ASSOCIATES AND A JOINT VENTURE</b>	<b>(36,880)</b>	<b>(42,159)</b>
Impairment of investments	(27,603)	(5,272)
Provision for credit losses	(13,584)	(10,691)
Impairment of property and equipment	(2,251)	-
Share of profit (loss) of associates and a joint venture - net	57	(59)
<b>NET LOSS FOR THE YEAR</b>	<b>(80,261)</b>	<b>(58,181)</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	30 June 2020 USD '000	30 June 2019 USD '000
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(80,261)	(58,181)
Adjustments for non-cash items:		
Gain on sale of investments	(781)	(1,133)
Share of results of associates and joint venture accounted under the equity method	(57)	59
ECL charged on balances and placement with banks on adoption	-	7
Impairment of financial assets	13,584	10,692
Impairment of investments	19,557	1,312
Impairment of investments in associates and joint venture	8,046	3,959
Impairment of property and equipment	2,251	-
Depreciation	828	342
Finance cost on right-of-use asset	196	-
Dividend income	(1,496)	(1,400)
Fair value losses on investments carried at fair value through profit or loss - net	31,004	35,069
Operating loss before changes in operating assets and liabilities	(7,129)	(9,274)
Changes in operating assets and liabilities:		
Investments	(15,177)	4,381
Investments in associates and joint venture accounted under the equity method	56	(53)
Wakala contract receivable	-	(13,340)
Receivables	25	27,638
Funding to project companies	2,503	(4,386)
Other assets	10,052	(3,152)
Employee accruals	(644)	(652)
Other liabilities	(8,147)	(2,410)
<b>Net cash from operating activities</b>	<b>(18,461)</b>	<b>(1,248)</b>
<b>INVESTING ACTIVITIES</b>		
Dividends received	1,496	2,304
Property and equipment - net	(47)	(6)
<b>Net cash from investing activities</b>	<b>1,449</b>	<b>2,298</b>
<b>FINANCING ACTIVITIES</b>		
Islamic financing payables	(20,791)	537
Murabaha financing to investee companies	28,994	1,287
Rent paid towards right-of-use asset	(631)	-
<b>Net cash from financing activities</b>	<b>7,572</b>	<b>1,824</b>
Foreign currency translation adjustments	(96)	-
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,536)</b>	<b>2,874</b>
Cash and cash equivalents at beginning of the year	10,200	7,326
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>664</b>	<b>10,200</b>
Comprising:		
Balances in current and call accounts	664	7,330
Short-term placements	-	2,870
	<b>664</b>	<b>10,200</b>

Extracted from the financial statements reviewed by Ernst & Young and approved for issue by the Board on 5 November 2020.

**Abdulfatah Marafie**  
Chairman

**Robert C. Wages**  
Acting CEO-Head of Investments and Post Acquisition

Note: These financial statements have been audited by Ernst & Young who have expressed a qualified opinion on 8th November 2020 as they have not been able to obtain sufficient corroborative audit evidence with respect to Management's assessment of a provision amount on a specific Wakala contract receivable.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Share capital USD '000	Statutory reserve USD '000	Foreign currency translation reserve USD '000	Accumulated losses USD '000	Total USD '000
Balance at 1 July 2019	190,000	5,859	(71)	(93,302)	102,486
Net loss for the year	-	-	-	(80,261)	(80,261)
Foreign currency translation difference on investment in an associate	-	-	(96)	-	(96)
<b>Balance at 30 June 2020</b>	<b>190,000</b>	<b>5,859</b>	<b>(167)</b>	<b>(173,563)</b>	<b>22,129</b>
Balance at 1 July 2018	190,000	5,859	(71)	(30,330)	165,458
Transition adjustment on adoption of FAS 30 as of 1 July 2018	-	-	-	(4,791)	(4,791)
Restated balance as of 1 July 2018	190,000	5,859	(71)	(35,121)	160,667
Net loss for the year	-	-	-	(58,181)	(58,181)
Balance at 30 June 2019	190,000	5,859	(71)	(93,302)	102,486