BUILDING RESILIENCE
ANNUAL REPORT 2019
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> You can access our Annual Report on http://www.enbdreit.com/reit/investor-relations/

Connect with us https://www.linkedin.com/showcase/enbd-reit
01. STRATEGIC REVIEW
Based in Dubai, ENBD REIT is a Shari’a compliant real estate investment trust investing directly in income generating properties, with a primary focus on the UAE. In March 2017, ENBD REIT’s ordinary shares were offered for trading on Nasdaq Dubai, under ticker symbol ENBDREIT. The REIT’s investment holdings represent a diverse portfolio, covering office, residential and alternative real estate assets.

Prior to listing, ENBD REIT’s predecessor, Emirates Real Estate Fund (EREF), operated as a Jersey-domiciled open-ended fund. Since its inception in 2005, the Fund achieved its objectives of providing investors with a regular and stable source of income by paying a semi-annual dividend, combined with long-term capital appreciation in Net Asset Value (NAV) per unit.

ENBD REIT is managed by Emirates NBD Asset Management Limited (the “Fund Manager”), which is one of the leading asset managers in the GCC, with approximately USD 4.5 billion in assets under management (AUM, as at 31st March 2019), across a range of public funds and discretionary portfolios. The Fund Manager is a wholly owned subsidiary of Emirates NBD Bank PJSC, the 3rd largest in the MENA region by assets, with USD 143 billion as at Q1 2019, and 56% owned by the Government of Dubai.

As at 31st March 2019, ENBD REIT held 11 assets across Dubai:

**Office**
- The Edge (Dubai Internet City)
- Al Thuraya 1 (Dubai Media City)
- Burj Daman (two and a half floors, DIFC)
- DHCC 49 (Dubai Healthcare City)
- DHCC 25 (Dubai Healthcare City)

**Residential**
- Binghatti Terraces (Dubai Silicon Oasis)
- Arabian Oryx House (Barsha Heights)
- Remraam (Dubailand)

**Alternative**
- Uninest (Dubailand)
- South View School (Dubailand)
- Souq Extra Community Retail Centre Phase 1 (Dubai Silicon Oasis)

ENBD REIT has historically been recognised for its performance by several leading industry publications and bodies. In 2019, the REIT was named the UAE’s leading Real Estate Investment Expert for its real estate investment leadership at the annual Global Business Excellence Awards, organised by Wealth &
SNAPSHOT OF ENBD REIT

Finance International. The REIT was also recognised as the Most Innovative REIT in the UAE by International Business Magazine. In 2018, ENBD REIT was recognised as the Most Outstanding Real Estate Investment Services Company in the UAE at the 2018 Real Estate Excellence Awards. In 2017, ENBD REIT’s predecessor, Emirates Real Estate Fund (“EREF”) won MENA Fund Manager’s Sector Fund of the Year at the annual MENA Performance Awards, having previously won Real Estate Fund of the Year at the same awards in 2016. In prior years, EREF was awarded Best Real Estate Fund UAE at International Finance Magazine’s 2015 Awards and Best Real Estate Fund at the 2013 Islamic Business & Finance Awards.
FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-2018</th>
<th>FY 2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>(25,807,255)</td>
<td>38,171,997</td>
</tr>
<tr>
<td>Expenses</td>
<td>(20,541,698)</td>
<td>32,983,478</td>
</tr>
<tr>
<td>Net rental income / FFO</td>
<td>(21,713,870)</td>
<td>12,364,742</td>
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<tr>
<td>Unrealised valuation gain/(loss)</td>
<td>(9,349,128)</td>
<td>12,441,780</td>
</tr>
<tr>
<td>Net income</td>
<td>(13,001,027)</td>
<td>559,247</td>
</tr>
</tbody>
</table>
PORTFOLIO SUMMARY

ASSET VALUE AS % OF PORTFOLIO

PORTFOLIO CHARACTERISTICS
Strong occupancy of 86% across the portfolio

STRATEGIC REVIEW

 Offices 64%  Target 50-60%
 Residential 18%  Target 15-20%
 Alternative 18%  Target 25-35%
It is my pleasure to introduce ENBD REIT’s Annual Report 2019. This was a year for building resilience and the REIT’s management have addressed market challenges head-on, via an active approach to improving the quality of the portfolio, safeguarding income, maintaining strong occupancy and seeking out new opportunities. The Government of Dubai are deserving of our thanks for their forward-thinking leadership, which is so important for bolstering the emirate’s status as a business and investment destination.

Key achievements during the year included the commencement of operations at South View School – the REIT’s first education asset – which opened its doors in September 2018. In line with the potential that management has identified in Dubai’s burgeoning education sector, the school is managed by leading operator Interstar Education, with whom we look forward to a long and fruitful partnership.

In November, ENBD REIT secured a USD 90 million financing facility with Standard Chartered Bank, in an effort to reduce future cost of funding after a series of interest rate hikes. The three-year facility will support our focus on portfolio diversification through further acquisitions, maximizing income returns and mitigating risk.

Following shareholder approval, from 21st February to 31st March we engaged in a share buy-back programme, which aims to acquire 4.4 million shares from the market and will run until 30th September 2019. The programme is designed to add value to shareholders in light of a prevailing discount on ENBD REIT’s share price, while positively impacting liquidity of our stock in a market that has been affected by limited trading volumes and offering a level of protection to shareholders from disproportionate price movements.

Notable governance events included the expansion of our Board of Directors. Ali Rashid Humaid Al Mazroei was appointed after being nominated by our shareholder National Bonds Corporation.
Khalid AlFaheem was also appointed to the Board, having been a member of the Investment Committee. David Marshall resigned from the Board of Directors in December 2018, seeking to focus his attentions on new business ventures. We are deeply grateful to David for his wise counsel during his term, and we wish a warm welcome to our new Board members.

Following the approval of a reduction in share capital, the REIT paid to shareholders an interim dividend of USD 0.0270 per share or USD 6,868,836. The reduction in share capital of USD 84,521,056 has created a substantial distributable reserve that will allow the REIT to maintain dividend payments generated from net rental income in the future, regardless of movements in market values. At the Annual General Meeting for the year ended 31st March 2019, the Board will propose a final dividend of USD 0.0215 per share or USD 5,399,754, which is generated from net rental income.

I would like to conclude by adding my thanks, on behalf of the Directors, to our management and our shareholders. The management team are instrumental in ensuring the resilience of our business, applying both dedication and expertise to their work. Their strategy will assure the REIT’s future growth and success. Our shareholders continue to demonstrate both confidence and commitment to the REIT, for which we are collectively grateful, and we look forward to capitalizing on the opportunities ahead.

Dr. Tariq Bin Hendi
Chairman
MARKET OVERVIEW

THE FOLLOWING MACROECONOMIC SUMMARY HAS BEEN PROVIDED BY EMIRATES NBD’S WHOLESALE BANKING UNIT.

Dubai’s GDP growth came in below expectations last year, at just 1.9%, although this was largely due to 2017 GDP growth being revised up to 3.1%. The sector breakdown shows that real estate activities was the fastest growing sector, while construction sector growth accelerated to 4.5% from 2.7% in 2017. Transport and storage was also a key contributor to GDP growth, despite slowing from 2017. Growth in Dubai’s largest sector, wholesale and retail trade, was slightly better than in 2016 and 2017 but still sluggish by historical standards at 1.3%.

The low preliminary Dubai growth estimate of 1.9% for 2018 was a surprise to us, as the average Dubai Economy Tracker index for 2018 was only 1 point lower than in 2017. Even using the limited annual data available, there is a clear correlation between the Dubai Economy Tracker index and real GDP growth. The growth rate of 1.9% reported for 2018 looks unusually low in this context, and it would be unsurprising if the official estimate was revised higher in the future. Nevertheless, Dubai’s economy is likely to grow at a faster rate in 2019, as projects that need to be completed for Expo 2020 enter the final phase. Increased government spending and an end to the interest rate hiking cycle is expected to help underpin growth in the UAE’s non-oil sectors.

The latest data on residential real estate in Dubai shows price declines have accelerated in the first quarter of 2019. Property Monitor’s house price index shows residential villa prices declined in March while apartment prices were also down. Analysis indicates a high degree of correlation (over 70%) between the annual change in residential real estate prices in Dubai, and the 3-month moving average of the Dubai Economy Tracker’s employment component. This intuitively makes sense: if there is a decline in private sector jobs then there is likely to be less demand for residential real estate in Dubai.

Khatija Haque
Head of MENA Research, Emirates NBD Research

THE FOLLOWING REAL ESTATE MARKET REVIEW HAS BEEN PROVIDED BY CAVENDISH MAXWELL, AN INDEPENDENT VALUER.

Investment overview

The UAE remains a leading global destination for business and investment. With more than 20 free zones covering wide-ranging sectors and activities – from manufacturing to media and ICT – Dubai is an attractive option for services firms looking to grow in the GCC and Middle East. Where real estate investment is concerned, REITs are appearing in both Dubai and Abu Dhabi as attractive and reliable options for investing directly in institutional property. With two Dubai REITs already listed on Nasdaq Dubai, and others expected to come to the market soon, Abu Dhabi is developing a regulatory environment that will enable the growth of such vehicles, thereby diversifying options available to real estate investors in the emirate.
Residential market
During the year signs of a soft real estate market in Dubai continued, with 12-month declines in rent for residential properties averaging 8% during 2018, and 3.7% between Q3 and Q4. Upcoming supply in 2019 is concentrated in new areas of the city, such as Mohammed Bin Rashid City, with the materialization rate for 2019 expected to be in line with previous years. Annual handovers will range between 16,000 to 20,000 units.

Upcoming supply in the residential market is expected to continue to impact occupancy and increase downward pressure on rents and prices in 2019. Price movement in the last 12 months has varied between communities as well as among different buildings within the same community, thus reflecting greater differentiation in how available properties are traded. This differentiation is expected to continue in 2019 as buyers have increasing supply options to choose from, with property fundamentals such as developer track record, proximity to social and public infrastructure, ease of access and maintenance, among other factors, driving price movement.

Business growth and its impact on jobs remains a key determinant for housing demand in Dubai. This will continue to play a role in demand-supply dynamics during 2019, especially in maintaining occupancy levels in old communities as new supply comes to the market.

Office market
Throughout 2018, the Dubai office market recorded weakened demand, as was evidenced by lower take-up largely due to limited business growth. Demand has been mostly driven by the healthcare, technology and travel/leisure sectors. Rental rates for office space largely declined, particularly in secondary locations, as most tenants and investors had a specific demand for Grade A fitted stock in prime business areas such as DIFC, Business Bay, Dubai Marina and One Central buildings within the World Trade Centre district.

During 2018, more than 50% of demand for office space was from the general services sector, with 39% of enquiries for smaller office space between 1,000 and 5,000 sq. ft. However, the increasing trend in demand for flexible space and single-owned, Grade A fitted buildings with unique fit-outs and larger floor space is likely to continue.

Prime office average rental rates in major business hubs of Dubai such as DIFC, Downtown, JLT and Business Bay declined by 14% on average compared to last year, with the exception of an increase of 6% in the rate for Dubai Design District (D3). Office rental rates across Dubai are expected to come under further pressure in H1 2019, with the delivery of new supply.

Alternative market
Education
Dubai remains one of the fastest growing private schools’ markets in the world with an estimated revenue of USD 2 billion in the 2017/2018 academic year, compared to USD 1.9 billion the previous year. The number of school enrolments grew during the academic year with 11 new schools opening. Enrolments rose by 2.0 % to 281,000.

Retail
Despite the macroeconomic environment in Dubai, driven by ongoing diversification efforts, the emirate’s retail sector saw tougher trading conditions emerge over the last 24 months, resulting in downward rental pressure and higher vacancy rates. However, occupancy rates within the major destination malls and popular non-mall-based retail facilities remains high. As the sales environment has suffered, rental rates have become more fragmented, with prime locations commanding premiums over the wider market average, forcing secondary centres to make significant rental reductions to attract and maintain tenants. As the market has softened, retailers have become more cautious, with many scaling back roll-out plans to focus on key growth areas.

THE INCREASING TREND IN DEMAND FOR FLEXIBLE SPACE AND SINGLE-OWNED, GRADE A FITTED BUILDINGS WITH UNIQUE FIT-OUTS AND LARGER FLOOR SPACE IS LIKELY TO CONTINUE.

Manika Dhama
Associate Partner – Strategic Consulting & Research, Cavendish Maxwell
In 2018-19, ENBD REIT’s management focused on improving WAULT and maximizing rental income across the portfolio – to deliver strong and consistent returns to investors. Meanwhile, we addressed rising costs by refinancing a portion of our debt facilities at lower pricing and, in response to weak share price performance and trading volumes, introduced a share buy-back programme. These initiatives were complemented by a focus on maintaining healthy occupancy levels across the portfolio, which saw the REIT continue to adapt its leasing strategy in order to remain competitive in the market. Shareholders’ approval of the share capital reduction in November 2018 has given management flexibility to maintain its dividend strategy and we would like to thank shareholders for their continued support.

Diversification of the portfolio has proven vital in the context of a soft real estate market and slower economic growth. Alternative asset acquisitions made during the last year have supported a stable income stream and balanced out valuation losses across the residential and, to a lesser extent, the office segments. By maintaining a diversified portfolio, we have been able to deliver returns from net income in the portfolio, while our team has worked on reducing costs from operations, focusing on lowering our cost of debt and minimizing operating expenditure in the portfolio.

During the year, the REIT faced a number of challenges, primarily resulting from real estate market headwinds. A continuous focus on active asset management and a flexible rental strategy has resulted in maintaining high occupancy levels that have protected income revenue. A highlight of the year was the opening of South View School, moving from an asset under development to a fully operational property, which contributed to increased yield and WAULT in our alternative portfolio to 7.9% and 12.14 years respectively.

Looking ahead, we will continue to focus on growing the portfolio and diversifying our asset allocation. The investment focus for the coming years will be on acquiring...
BY MAINTAINING A DIVERSIFIED PORTFOLIO, WE HAVE BEEN ABLE TO DELIVER RETURNS FROM NET INCOME IN THE PORTFOLIO, WHILE OUR TEAM HAS WORKED ON REDUCING COSTS FROM OPERATIONS, FOCUSING ON LOWERING OUR COST OF DEBT AND MINIMIZING OPERATING EXPENDITURE IN THE PORTFOLIO.

assets in the alternative segment, particularly looking at industrial assets that are set to benefit from infrastructure spending around Expo 2020. We have also identified considerable potential in Dubai’s growing healthcare sector. ENBD REIT has a robust pipeline of potential acquisitions, supported by a welcoming regulatory environment, which will support further mitigation of market risk through acquiring assets carrying longer-term leases.

In addition, we will assess the results of the share buy-back programme during the next reporting period and will continue to focus on delivering value to shareholders, in line with our promise of consistent and competitive income.

While the local real estate sector has faced well-publicized pressure during the last two years, developments in the market are supportive of the growth of GCC REITs, which should result in greater investor participation in institutional real estate. We consider our approach to minimizing risk by maintaining a well-diversified portfolio a core characteristic of the successful REIT proposition.

ENBD REIT’s management would like to thank the Board, its Committees and shareholders for their support during a challenging and pivotal year, and to the Real Estate team for their continuous efforts to deliver value to both shareholders and tenants. We look forward to the year ahead, to implementing our strategy, achieving sustainable income from a growing portfolio and, ultimately, delivering competitive dividend returns.

Anthony Taylor
Head of Real Estate, Emirates NBD Asset Management
OUR STRATEGY

In 2018-19, ENBD REIT’s strategy was to maximise rental income by maintaining healthy occupancy levels across the portfolio – in order to deliver strong returns while also reducing operating costs, and identifying opportunities to build resilience by diversifying portfolio holdings.

As at 31st March 2019, occupancy levels across the portfolio stood at 86%, compared to 89% in the previous year. The REIT has sought to maintain healthy occupancy levels by deploying a leasing strategy that is both competitive in current market conditions and supportive of long-term income sustainability.

ENBD REIT’s WAULT stands at 3.48 years, down slightly on the previous year. The REIT has also sought to improve the efficiency of its leverage position by increasing drawdown on debt to enhance shareholder returns, targeting an eventual Loan-to-Value (LTV) ratio ceiling of 45%. As at 31st March 2019, LTV reached 40%, increasing from 36% during the 12-month period.

Four pillars guide ENBD REIT’s strategy:

- Prudent acquisitions, with a focus on achieving diversification and lengthening unexpired lease terms across the portfolio
- Targeting off-market, relationship driven transactions
- Active asset management and value enhancement of existing portfolio
- Best practice governance ensuring both capital and risk management

The strategy for the portfolio is focused on achieving diversification to mitigate risk and maximise potential returns. ENBD REIT’s approach to acquisitions is to focus on high-quality properties across office, residential and alternative asset classes. In current market conditions, the REIT is committed to rationalization of the portfolio, with a primary focus on increasing the share of alternative assets to 35% by investing in properties in growth areas in the UAE.

Acquisitions

The REIT’s acquisition strategy is focused on high-quality assets with an optimum portfolio mix as summarized below:

- Office 50-60%
- Residential 15-20%
- Alternative 25-35%

In selecting acquisition targets, the following investment criteria are applied:

- Stable income profile
- Quality of tenants and length of lease term
- Detailed due diligence
- Delivery and completion (in the case of incomplete buildings)
- Returns profile
- Portfolio balance
- Market timing and cycle (e.g. yield forecast)
- Ownership terms (e.g. freehold vs. leasehold)
- Operating cost analysis
- Market and macroeconomic risk
- Exit potential
Asset management and leasing
An active portfolio management team is constantly on the lookout to implement initiatives to enhance assets for additional income or cost savings, while maintaining building standards to a level that drives inflow of new tenants and secures loyalty from existing tenants.

In a soft real estate market, ENBD REIT’s leasing strategy has proved successful in maintaining relationships with existing tenants as well as securing new ones for vacant spaces. The REIT takes a long-term view on tenant relationships, with the flexibility to offer restructured lease agreements for existing occupants, as well as incentives that make properties attractive to new tenants. When offering incentives, the REIT secures longer leases with tenants, which are supportive of securing income during challenging market conditions.

REIT regulation and governance
ENBD REIT’s investment and operating strategy is delivered within the regulations applicable to REITs registered in DIFC. ENBD REIT is, firstly, required to distribute to shareholders a minimum of 80% of audited net income. The LTV ratio is limited to a maximum of 50% of Gross Asset Value (GAV), and ENBD REIT requires a majority stake in all joint ventures it enters.

Where governance is concerned, ENBD REIT ensures a high level of independence for its committees and related parties, and is managed by an external Fund Manager, in the form of the Emirates NBD Asset Management Real Estate team. Governance roles occupied by independent members include the Board of Directors, the Oversight Committee, the Investment Committee and the Shari’a Supervisory Board. Both ENBD REIT and its Fund Manager are regulated by the Dubai Financial Services Authority and are audited on a regular basis.
As at 31st March 2019, the total value of ENBD REIT’s property portfolio reached USD 450 million, decreasing from USD 463 million in the previous year, with a cash balance of USD 15.8 million. Gross Asset Value reached USD 451 million, decreasing from USD 469 million in the previous year, with a year-end Net Asset Value of USD 270 million, as compared to USD 300 million in March 2018.

During the year, ENBD REIT paid a final dividend of USD 3,281,777 for full year 2017-18; returned share capital of USD 8,725,966 to shareholders; and paid an interim dividend of USD 0.027 per share – amounting to USD 6,868,836 (2.41% of NAV). Meanwhile, following a share capital reduction of USD 84,521,056 and the creation of a distributable reserve, the REIT initiated a share buyback programme for acquiring 4,401,340 shares until 30th September 2019. This initiative aims to positively impact the liquidity of ENBD REIT’s stock, in a market affected by limited trading volumes, while offering a level of protection to shareholders from disproportionate price movements.

The Board of Directors have proposed a final dividend of USD 5,399,754 or USD 0.0215 per share – equivalent to 2% of NAV and 3.81% of the share price – subject to shareholder approval at the Annual General Meeting on 24th June 2019. This proposed dividend is equivalent to the net rental income generated by ENBD REIT’s portfolio, despite movements in valuation experienced during the period. This brings the total dividend payable to shareholders for the year ended 31st March 2019 to USD 12,268,590 – equivalent to 4.54% of the cum-dividend NAV and 8.65% of the share price.

ENBD REIT’s asset management strategy has been successful in maintaining healthy occupancy levels across the portfolio, which now stand at 86%. An ongoing focus on diversification of the property portfolio has proved successful in building resilience against difficult market conditions. Diversification has resulted in solid rental income which, while remaining off management’s targets, has held strong compared to wider market trends.

Within the portfolio, the total leasable area of the 11 properties was 1.29 million sq. ft., holding steady on the previous year. The portfolio’s WAULT remained at healthy levels in line with last year. This robust average length of lease terms is the result of a constructive and forward-thinking approach to leasing, coupled with a focus on the alternative asset space, which enables long-term leasing agreements.

During the reporting period, ENBD REIT experienced growing costs in line with rising interest rates. The REIT was successful in securing a USD 90 million Murabaha finance facility with Standard Chartered Bank. The facility is partially used to repay previous financing and remaining balance available to support acquisitions in the alternative real estate sector. At three-month LIBOR +2.15% the new facility offers shareholders a reduction in financing costs of 0.60-1.00% on the respective facility. The Loan-to-Value (LTV) ratio for the reporting period was 40%, increasing by 4% in line with the REIT’s strategy to improve shareholders’ returns by effectively utilizing its leverage position.

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property portfolio value</td>
<td>USD 450 m</td>
<td>USD 463 m</td>
</tr>
<tr>
<td>Gross Asset Value (GAV)</td>
<td>USD 451 m</td>
<td>USD 469 m</td>
</tr>
<tr>
<td>Net Asset Value (NAV)</td>
<td>USD 270 m</td>
<td>USD 300 m</td>
</tr>
<tr>
<td>NAV per share</td>
<td>USD 1.08</td>
<td>USD 1.18</td>
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<tr>
<td>Net yield on NAV</td>
<td>4.58%</td>
<td>4.33%</td>
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SHARE PRICE AND SHAREHOLDER INFORMATION

ENBD REIT’s shares are listed and traded on Nasdaq Dubai under ticker symbol “ENBDREIT”. The share price ended the year at USD 0.57. A detailed or custom analysis of ENBD REIT’s trading history is available on the Investor Relations page of our website, as well as a full collection of disclosures made to the market, quarterly investor presentations, and quarterly NAV call details and transcripts.

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price</td>
<td>USD 0.57</td>
<td>USD 0.99</td>
</tr>
<tr>
<td>Dividend % per share</td>
<td>8.65%</td>
<td>5.16%</td>
</tr>
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</table>
02. PORTFOLIO
As at 31st March 2019, ENBD REIT held 11 office, residential and alternative assets across Dubai. The total value of the portfolio was USD 450 million, with a net leasable area of 1.29 million sq. ft. The WAULT for the full portfolio was 3.48 years, with a blended occupancy rate of 86%.

The assets are spread throughout Dubai and are all situated in strategic locations with promising growth potential in terms of both income and market valuation. These include DIFC, Dubai Media City, Dubai Internet City, Dubai Healthcare City, Dubai Silicon Oasis, Barsha Heights and Dubailand.

The portfolio properties are managed and maintained by an experienced and committed asset management team, who work closely with selected third-party property and facility managers. ENBD REIT is thereby committed to delivering value for both tenants and shareholders, and this philosophy is at the heart of the asset management strategy.

ENBD REIT’s portfolio currently comprises the following assets:

**Office**
- The Edge (Dubai Internet City)
- Al Thuraya 1 (Dubai Media City)
- Burj Daman (two and a half floors, DIFC)
- DHCC 49 (Dubai Healthcare City)
- DHCC 25 (Dubai Healthcare City)

**Residential**
- Binghatti Terraces (Dubai Silicon Oasis)
- Arabian Oryx House (Barsha Heights)
- Remraam (Dubailand)

**Alternative**
- Uninest (Dubailand)
- South View School (Dubailand)
- Souq Extra Community Retail Centre Phase 1 (Dubai Silicon Oasis)
Office portfolio

AL THURAYA 1  DUBAI MEDIA CITY

A G+29-storey high rise commercial tower, located at a prime location in Dubai Media City with views over Barsha Heights and Palm Jumeirah.

Asset management highlights

- EP&T energy efficiency technology through the use of Internet-of-Things and Artificial Intelligence continues to be used to identify utilities cost saving opportunities – delivering 13% cost savings on the affected utilities
- The external boundary wall repainting was completed, improving the external appearance and feel of the building
- A ramp to facilitate easy access for people of determination was installed in the building
- Building security was improved and SIRA standards met through the installation of additional security cameras covering entry and exit points of the building

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAI MEDIA CITY</td>
<td>NOVEMBER 2006</td>
<td>USD 90M</td>
<td>20%</td>
</tr>
</tbody>
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<thead>
<tr>
<th>NET LEASABLE AREA</th>
<th>OCCUPANCY RATE</th>
<th>WAULT</th>
<th>GROSS RENTAL YIELD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>208,565 SQ. FT.</td>
<td>78%</td>
<td>0.55</td>
<td>9.2%</td>
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</tbody>
</table>

*Annual contractual rental
A G+6-storey office tower, located in a prime location in Dubai Internet City with prominent frontage and Grade A tenants.

Asset management highlights
- Occupancy stable at 100%
- New security booth at the parking entrance was installed for security guards to match the building’s architectural design
- Emergency evacuation plan signage (3D format) installed on all floors

As at 31st March 2019

LOCATION | ACQUIRED | MARKET VALUE | % OF PORTFOLIO VALUE
---|---|---|---
DUBAI INTERNET CITY | OCTOBER 2017 | USD 76M | 17%

NET LEASABLE AREA | OCCUPANCY RATE | WAULT | GROSS RENTAL YIELD*
---|---|---|---
92,208 SQ. FT. | 100% | 2.46 | 7.7%

*Annual contractual rental
Asset management highlights

- Stable occupancy throughout the year
- Signed a new lease for 5 years for 7,700 sq. ft.

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIFC</td>
<td>JUNE 2015</td>
<td>USD 66M</td>
<td>15%</td>
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<tr>
<td>NET LEASABLE AREA</td>
<td>87,618 SQ. FT.</td>
<td>74%</td>
<td>2.76</td>
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<tr>
<td>OCCUPANCY RATE</td>
<td></td>
<td></td>
<td>6.3%</td>
</tr>
</tbody>
</table>

*Annual contractual rental
Asset management highlights
- B1 basement epoxy painting work has been completed
- New ladies’ prayer room has been added to the building common area
- Improvement of the exterior green area in collaboration with Dubai Municipality
- Ongoing process of changing the common area lighting to LED
- Installation of gate barrier long range card reader

As at 31st March 2019

- LOCATION: DHCC
- ACQUIRED: APRIL 2007
- MARKET VALUE: USD 31M
- % OF PORTFOLIO VALUE: 7%
- NET LEASABLE AREA: 80,808 SQ. FT.
- OCCUPANCY RATE: 88%
- WAULT: 1.65
- GROSS RENTAL YIELD*: 10.2%

*Annual contractual rental
Asset management highlights

- Occupancy stable at 83%
- Fixed aerators in the taps to conserve water and reduce cost of utilities
- Upgrades on 5th floor Ladies and Gents toilets completed

As at 31st March 2019

- LOCATION: DHCC
- ACQUIRED: JULY 2007
- MARKET VALUE: USD 25M
- % OF PORTFOLIO VALUE: 5%
- NET LEASABLE AREA: 71,034 SQ. FT.
- OCCUPANCY RATE: 83%
- WAULT: 1.92
- GROSS RENTAL YIELD*: 9.7%

*Annual contractual rental
Residential portfolio

ARABIAN ORYX HOUSE  BARSHA HEIGHTS

A residential tower with 128 units in the Barsha Heights community. The building comprises of one, two and four-bedroom apartments.

Asset management highlights

• Building security was improved and SIRA standards met through the installation of additional security cameras covering entry and exit points of the building
• Kitchen improvements in the units have been completed through hob, oven and counter top replacements
• Automatic dosing system installed for the swimming pool to improve swimming pool water quality
• Conversion of playroom area to a retail area was completed and new retail tenant signed on a five-year lease

As at 31\textsuperscript{st} March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARSHA HEIGHTS</td>
<td>OCTOBER 2014</td>
<td>USD 33M</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET LEASABLE AREA</th>
<th>OCCUPANCY RATE</th>
<th>WAULT</th>
<th>GROSS RENTAL YIELD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>133,432 SQ. FT.</td>
<td>86%</td>
<td>0.59</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

*Annual contractual rental
BINGHATTI TERRACES  DUBAI SILICON OASIS

A residential tower with 201 residential and 5 retail units in Dubai Silicon Oasis, constructed by developers with an established track record.

Asset management highlights
- In line with Smart Dubai 2021 and DSOA’s strategy for a Desired Society, Binghatti Terraces has been awarded certification as a green building
- Engaging services contract with specialist companies for comprehensive, planned, preventive and inspections of the services provided at the building
- Improvement of the building’s AC system to improve the tenant’s comfort at home

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAI SILICON OASIS</td>
<td>MAY 2016</td>
<td>USD 31M</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET LEASABLE AREA</th>
<th>OCCUPANCY RATE</th>
<th>WAULT</th>
<th>GROSS RENTAL YIELD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>178,907 SQ. FT.</td>
<td>73%</td>
<td>1.15</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

*Annual contractual rental
Two residential towers offering 105 units in the form of mainly 1 & 2 bedroom apartments.

Asset management highlights
• CCTV upgrade as per Security Industry Regulatory Agency (SIRA) implemented in Al Ramth 57 and 59
• Ground and 1st floor entrance lift lobby area refurbished in Al Ramth 57 and 59
• Bicycle racks fixed in Al Ramth 57 and 59
• Parking lights changed to LED as part of energy saving measures

As at 31st March 2019

LOCATION
DUBAILAND

ACQUIRED
SEPTEMBER 2015

MARKET VALUE
USD 17M

% OF PORTFOLIO VALUE
4%

NET LEASABLE AREA
112,154 SQ. FT.

OCCUPANCY RATE
88%

WAULT
0.74

GROSS RENTAL YIELD*
9.6%

*Annual contractual rental
Alternative portfolio

UNINEST DUBAILAND

A purpose built 424 bed student accommodation building conveniently located in the heart of Dubailand.

Asset management highlights

- 100% occupancy
- Asset continues to be leased on a seven-year agreement to GSA, a global student accommodation provider
- Improved outdoor facilities on the ground floor

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAILAND</td>
<td>MAY 2017</td>
<td>USD 34M</td>
<td>7%</td>
</tr>
<tr>
<td>NET LEASABLE AREA</td>
<td>160,264 SQ. FT.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCCUPANCY RATE</td>
<td>100%</td>
<td>W A U L T 5.16</td>
<td></td>
</tr>
<tr>
<td>GROSS RENTAL YIELD*</td>
<td>7.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Annual contractual rental
Asset management highlights
- Construction completed in September 2018
- Successfully opened to pupils and commenced operations for the start of the 2018/2019 academic year
- School operated by Interstar Education team with a proven track record in UAE education

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAILAND</td>
<td>AUGUST 2017</td>
<td>USD 21M</td>
<td>5%</td>
</tr>
<tr>
<td>NET LEASABLE AREA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>132,000 SQ. FT.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCCUPANCY RATE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WAULT</td>
<td></td>
<td>34.36</td>
<td></td>
</tr>
<tr>
<td>GROSS RENTAL YIELD*</td>
<td></td>
<td></td>
<td>6.4%</td>
</tr>
</tbody>
</table>

*Annual contractual rental
Phase 1 is a well-situated community retail centre in Dubai Silicon Oasis, with 42 retail tenants including Carrefour Market, KFC, McDonalds and Starbucks.

**Asset management highlights**

- Installation of a new parking management system and security guard booths to regulate traffic to improve parking conditions in the external mall area
- Light box installation at the west and east car park light poles and on the slip road light poles to improve building illumination
- Improvement in car park area through replacement of granite with interlock
- Slip road outdoor landscaping plants replaced with new species that are more sustainable and easier to maintain, to improve the building’s look and feel
- Phase II and Mosque currently under construction

As at 31st March 2019

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ACQUIRED</th>
<th>MARKET VALUE</th>
<th>% OF PORTFOLIO VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAI SILICON OASIS</td>
<td>DECEMBER 2017</td>
<td>USD 25M*</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET LEASABLE AREA</th>
<th>OCCUPANCY RATE</th>
<th>WAULT</th>
<th>GROSS RENTAL YIELD**</th>
</tr>
</thead>
<tbody>
<tr>
<td>36,027 SQ. FT.</td>
<td>100%</td>
<td>2.65</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

*Further commitment of USD 35 million for Phase 2
**Annual contractual rental
03. GOVERNANCE
DIRECTORS’ REPORT

Incorporation
ENBD REIT (CEIC) PLC (formerly known as ENBD REIT (CEIC) Limited) – a DIFC Company with Registration Number 2209 (the “Company” or “ENBD REIT”) was incorporated on 18th July 2016. ENBD REIT and its subsidiaries and Special Purpose Vehicles (SPVs) are collectively referred to as “the Group”.

ENBD REIT was incorporated as a company limited by shares under the Companies Law DIFC Law No. 2 of 2009 and has been renamed to ENBD REIT (CEIC) PLC from ENBD REIT (CEIC) Limited due to the introduction of the new DIFC Companies Law, DIFC Law No. 5 of 2018.

Structure
On 23rd March 2017, the shares of ENBD REIT were admitted to the Dubai Financial Services Authority (“DFSA”) list of shares to trade on Nasdaq Dubai after the Initial Public Offering (the “IPO”).

Investment policy and objectives
The purpose of the Group is to provide investors with a professionally managed means of participating in the United Arab Emirates (“UAE”) real estate market. The primary investment objective of the Group is to achieve regular rental income and long-term capital growth from a diversified portfolio of commercial, residential and alternative properties. Investment decisions under the supervision of the Directors of the Group will be made on behalf of the Group by the Fund Manager, and will reflect the medium to long-term objective to maximise total return made up of rental income and capital appreciation.

The Group shall have the capacity to seek finance in a manner compliant with Islamic Shari’a law to aid further property acquisitions from time to time with an aim to further increase shareholders’ returns. The Group may invest in properties via offshore special purpose vehicles (“SPVs”). A single SPV may be used to hold each separate property, and any finance sought for the property acquisitions will be either at the Group level or at the SPV level.

All investments of the Group will take place according to Shari’a guidelines, as defined by the Shari’a Supervisory Board of the Group. The Shari’a Supervisory Board will also periodically review that all implemented investment decisions of the Fund Manager remain within Shari’a guidelines.

Results and distributions
The results for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 65. During the current year, a final dividend of USD 0.0129 per share amounting to USD 3,281,777 (2.2% of NAV) was declared and approved for the year ended 31st March 2018 and paid on 13th June 2018. Furthermore, an interim dividend of USD 0.027 per share amounting to USD 6,868,836 (4.8% of NAV) for the year ended 31st March 2019 was declared and approved and subsequently paid on 25th February 2019. The payment of the interim dividend was delayed while ENBD REIT sought the appropriate regulatory and court approvals for its reduction of share capital. At the Annual General Meeting (“AGM”) to be held on 24th June 2019, the Board of Directors will propose a final dividend of USD 0.0215 per share amounting to USD 5,399,754 (4% of NAV) for the 12-month period ended 31st March 2019.

Return of Capital
During the year, ENBD REIT returned share capital of USD 8,725,966 to its shareholders on 13th June 2018, subsequent to shareholders’ approval at the Annual General Meeting held on 3rd June 2018 (for the year ended 31st March 2018: nil).

Reduction of Share Capital
ENBD REIT reduced its share capital by USD 84,521,056 subsequent to shareholders’ approval at a General Meeting held on 27th November 2018 and following the necessary regulatory approvals. It transferred from its share capital the amount of USD 69,843,561 to a distributable reserve account and USD 14,677,495 to a special reserve account following the requisite court order. The purpose of the distributable reserve is to enable ENBD REIT to maintain consistent dividend payments despite movements in capital values. The purpose of the special reserve account is for coverage of liabilities outstanding as at 31st December 2018, where the balance will move to the distributable reserve account as and when these liabilities are settled. As at 31st March 2019, ENBD REIT has settled USD 6,508,343 and the balance in the special reserve account stands at USD 8,169,152.
Share Buyback Programme
After its share capital reduction ENBD REIT initiated a share buyback programme for 4,401,340 shares and successfully implemented the programme from 21st February 2019 until 31st March 2019. The buyback programme will recommence after the approval of the full-year financial statements until its maturity at 30th September 2019, or until the shares are fully bought back, whichever occurs first. By 31st March 2019, ENBD REIT had bought back 3,250,000 shares at the prevailing market price. Integrated Securities LLC are appointed as independent broker to execute the programme on behalf of ENBD REIT, with the programme aiming to add value to shareholder’s holding equity at the discounted share price level. The initiative aims to positively impact the liquidity of ENBD REIT’s stock, in a market affected by limited trading volumes, while offering a level of protection to shareholders from disproportionate price movements.

Islamic Financing
During the year, ENBD REIT signed a 3-year profit only commodity Murabaha facility of USD 90,000,000 at a profit margin of 2.15% above quarterly LIBOR. The Shari’a-compliant facility was agreed with Standard Chartered Bank and delivers a reduction in profit costs. The financing will facilitate further portfolio diversification through real estate acquisitions.

Property valuations
The values of the properties that form the bulk of the assets in the Group are determined regularly by CB Richard Ellis and Cavendish Maxwell, independent experts in real estate valuations. The Directors express comfort in the level of expertise applied to the valuation process which requires significant accounting estimates and judgements (refer note 2(d) of the consolidated financial statements).

Changes to the Board of Directors
During the year, ENBD REIT announced the resignation of Mr. David Jonathan Marshall from its Board of Directors, and the appointment of Mr. Ali AlMazroei and Mr. Khalid AlFaheem to the Board of Directors as independent non-executive members. Mr. Al Mazroei was nominated for the Board by National Bonds Corporation, one of the largest investors in ENBD REIT, and Mr. AlFaheem had been a member of ENBD REIT’s Investment Committee since March 2017.

Declaration
The Directors have analysed the Group’s ability to continue as a going concern and have not identified a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Therefore, they have prepared the consolidated financial statements of the Group for the year ended 31 March 2019 on a going concern basis.

KPMG LLP were appointed as external auditors of the Group for the year ended 31st March 2019. The Board of Directors has recommended the appointment of Deloitte & Touche M.E. as the auditor for 2019-20 for approval by the shareholders at the forthcoming Annual General Meeting.

Signed on behalf of the Board

[signature]
Director:
Date: 28th May 2019
CORPORATE GOVERNANCE FRAMEWORK

ENBD REIT’s corporate governance framework is managed in accordance with the responsibilities of three independent boards and committees, reporting directly to the Board of Directors. The activities and membership of the Board of Directors and ENBD REIT’s boards and committees are outlined below.

Board of Directors

Responsibilities

Overall responsibility to shareholders for the success of ENBD REIT and for oversight of its strategic direction, investment policy and corporate governance. The Board answers directly to the General Assembly of Shareholders, with responsibility for approving ENBD REIT’s audited financial statements and dividend distributions.

Members

Tariq Bin Hendi
Chairman

Tariq is currently an Executive Vice President and the Head of Products & Advisory at Emirates NBD Group, having previously served as the CEO of Emirates NBD Asset Management. He has over 18 years of experience, with a primary focus on asset management, private equity and investment banking. Prior to his current role, Tariq held various roles at Commercial Bank of Dubai, Mubadala, Citigroup, Dubai Holding, Delta Airlines and UPS. He holds a PhD in Labour Economics from Imperial College London (UK) as well as degrees from Columbia University (USA), London Business School (UK), and Clayton State (USA).

Khalid Al Fahim
Director

Khalid has over 15 years of professional experience in management and board advisory, and has been an active member of various organisations and industries in the UAE, including Al Fahim Group (UAE), where he has held offices from business development to council member and executive management, most recently sitting as an advisor to the Board since 2012. He also represents the Group as a director of a number of its subsidiaries and affiliated companies. From 2010 to 2012, Khalid served as an Executive Director of Dubai Pearl. In 2007 he joined the UAE Professional Football League Assessment Committee and was later appointed to the first Board of the UAE Professional League. He is a partner of Quintessentially, the leading luxury lifestyle and concierge group, in Abu Dhabi, and since 2009 has served as a Director of the philanthropic Abdul Jalil Al Fahim & Family Endowment. Khalid holds a degree in Business Administration from the American Intercontinental University in London and a Master’s degree in Diplomacy from the University of Westminster, London.
Ali Rashid Humaid Al Mazroei
Director

Ali is Group Director and CFO at Bahri & Mazroei Group, a diversified investment group established in 1968. Prior to this, Ali worked at Citibank N.A where he held various positions at the regional and country level including TMEA Business Planning & Analysis Head, UAE Regulatory Head, and Director of Citi Business. He is a Board Member of Dubai Financial Market (DFM) since 2010, Emirates Investment & Development PSC since 2008, and National Bonds since 2011. Ali holds an MBA from Southern New Hampshire University and Bachelor of Business Administration from American University in Dubai.

Mark Creasey
Director

In addition to his position on the Board of ENBD REIT, Mark sits on the boards of a number of other conventional and Shari’a compliant structures, investing in Commercial and Residential Real Estate; Private Equity; and UK, European, African and MENA securities. His other board positions include Duet Asset Management, Castle Trust, Abris, Bridport and Standard Bank. Mark has over twenty five years’ experience in the finance sector covering Audit, Finance, Banking and Funds, with his most recent focus on Funds Services. From 2011 to 2015 he was Client Director, Funds Services Division at JTC Group, having previously spent six years as Director, Client Relationship Management at Standard Bank in Jersey (UK). He is a Fellow of the Chartered Association of Certified Accountants and a Member of the Securities Institute.
Investment Committee

Responsibilities
Review and confirm investment opportunities recommended by ENBD REIT’s management, subject to no objections being raised based on the committee members’ expertise as long-standing real estate or investment professionals. The Investment Committee is not actively involved in the daily management of ENBD REIT.

Members
- Khalid Al Fahim
- Sophie Llewellyn
- Christopher Seymour

Oversight Committee

Responsibilities
Independent oversight and supervision of ENBD REIT and its management. Ensures that financial and governance controls are in place to secure regulatory compliance, reporting findings directly to the Board of Directors for their attention or that of the DFSA.

Members
- Abdulla Mohammed Al Awar
- Hari Bhambra
- James Anderson

Shari’a Supervisory Board

Responsibilities
Ensure compliance with the principles of Shari’a, providing advice and guidance to ENBD REIT in delivering Shari’a compliant transactions and running the business according to best practice in Shari’a compliance.

Members
- Dr. Mohamed Ali Elgari
- Dr. Mohd Daud Bakar
- Dr. Muhammad Amin Ali Qattan
- Dr. Osama Al Dereai
# MANAGEMENT AND ADMINISTRATION

**Directors of ENBD REIT (CEIC) PLC (Formerly known as ENBD REIT (CEIC) Limited):**
- Tariq Bin Hendi
- Khalid Al Fahim
- Ali Rashid Humaid Al Mazroei
- Mark Creasey

**Registered Office:**
- 8th Floor East Wing
- DIFC – The Gate Building
- PO Box 506578
- Dubai
- United Arab Emirates

**Fund Manager:**
- Emirates NBD Asset Management Limited
- 8th Floor East Wing
- DIFC – The Gate Building
- PO Box 506578
- Dubai
- United Arab Emirates

**Shari’a Supervisory Board:**
- Fatwa and Shari’a Supervision Board
- Amanie Advisors LLC
- Emirates NBD Asset Management Limited
- Dr. Mohamed Ali Elgari (Chairman)
- Dr. Mohd Daud Bakar (Executive Member)
- Dr. Muhammad Amin Ali Qattan
- Dr. Osama Al Dereai

**Independent Auditor:**
- KPMG LLP
- Unit No. 819, Liberty House, DIFC
- P.O. Box 3800, Dubai, UAE

**Administrator and Company Secretary:**
- Apex Fund Services (Dubai) Ltd.
- Office 101, Level 1,
- Gate Village, Building 5, DIFC
- PO Box 506534
- Dubai
- United Arab Emirates

**Custodian:**
- Apex Fund Services (Guernsey) Limited
- 1st Floor Tudor House Le Bordage,
- St. Peter Port
- Guernsey GY1 1DB
RISK MANAGEMENT

Transparency is at the heart of ENBD REIT’s risk and governance culture. ENBD REIT’s approach to risk management within the portfolio is to spread risk by acquiring high quality assets across a diverse range of properties, both in terms of asset type and location. The current portfolio is considered to carry a medium-to-low level of risk, which is further mitigated by an experienced, well-established and highly qualified management team. The focus of ENBD REIT’s investments is on sustainable medium to long-term income generation, as opposed to short-term capital gains.

All risk-related policies are reviewed on an annual basis and presented to the Board of Directors, with Emirates NBD Group providing oversight and risk reviews on both a monthly and quarterly basis. ENBD REIT’s risk strategy is driven by the Board of Directors, who meet on a quarterly basis, being highly active in robustly challenging major decisions taken by management.

ENBD REIT has a sound governance structure, with boards and committees meeting at varying degrees of regularity. The Investment Committee meets on an ad hoc basis, according to the requirements of ENBD REIT’s acquisition and disposal activities, while the Oversight Committee meets on a quarterly basis and the Shari’a Supervisory Board meets annually. Apex Fund Management Services acts as ENBD REIT’s custodian, administrator and Company Secretary, managing its relationship with Nasdaq Dubai. Meanwhile, ENBD REIT’s regulator, the Dubai Financial Services Authority (DFSA), performs formal risk assessments every 2 years.

ENBD REIT further benefits from an internal controls programme run by the Fund Manager, Emirates NBD Asset Management. Risks relating to ENBD REIT are also discussed during Emirates NBD Asset Management board meetings, with an internal audit conducted every 18 months. The most recent internal audit of Emirates NBD Asset Management resulted in a satisfactory audit. Additional ad hoc and themed reviews are conducted by Emirates NBD Group’s compliance department as part of their normal review schedule.

Risk profile

- A publicly listed investment company subject to the rules and regulations of Nasdaq Dubai and the DFSA
- No compliance-related issues in the last 12 months
- Investment activities of acquiring and holding assets are considered to carry a medium-to-low level of risk
- Performance is subject to conditions in the UAE real estate and equities markets, whereby fluctuations may impact share price, occupancy, rental yield and asset valuation
- Weakened asset valuation resulting from market fluctuation may impact ENBD REIT’s ability to secure financing
- ENBD REIT’s risk appetite is conservative, as advised by the Board of Directors, and is not due to change in the immediate future
The Investment Committee is responsible for developing and monitoring ENBD REIT’s investment strategy. The Investment Committee shall review investment opportunities and report to the Fund Manager as to whether or not it consents to such transactions. No property transaction shall be made by the Fund without the prior consent of the Investment Committee. During the reporting period, no acquisitions or divestments of any real estate assets took place.

Investment pipeline
ENBD REIT’s future acquisition pipeline focuses on specific sectors – and in particular on the alternative assets segment – as it looks to deploy remaining finance available. Alternative assets remain particularly attractive, due to their resilience to otherwise soft real estate market conditions, and their typically long-term lease agreements.

The Investment Committee’s outlook remains positive, with a healthy pipeline of potential assets identified for investment. Despite current market conditions, demand for institutional real estate investment in the UAE remains strong, with a number of institutional and private family offices focused on acquiring income producing assets. Movements in interest rates and supply levels will continue to be monitored throughout the year, as these will both have an impact going forward.

Which sectors are we focusing on?
Focus is on good quality properties in the following sectors:

- Office: 50-60%
- Residential: 15-20%
- Alternative: 25-35%

Which areas are we focusing on?
The Portfolio aims to be diversified across the UAE.

- Dubai: 50-75%
- Abu Dhabi: 10-20%
- Other Emirates (tenant driven): 10%
In the Name Of Allah, The Beneficent, The Merciful.

To: The Board of Directors of ENBD REIT (CEIC) PLC.

Assalam Alaikum Wa Rahmat Allah Wa Barakatu

We have reviewed the principles and the contracts relating to the transactions entered into by ENBD REIT (CEIC) PLC (“ENBD REIT”), for the year ended 31st March 2019.

We have also conducted our review to form an opinion as to whether ENBD REIT has complied with the Shari’a rules and principles and also with the relevant fatwa and specific decisions and guidelines which were issued by us.

You are responsible for ensuring that ENBD REIT conducts its business in accordance with the Shari’a rules and principles, as interpreted by us. It is our responsibility to express an independent opinion based on our review of ENBD REIT’s operations, and preparing our report to you.

We conducted our review in accordance with the Auditing and Governance Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”). An audit includes examining, on a test basis, evidence to give reasonable assurance that the Fund have neither violated any Shari’a rules and principles nor violated any relevant fatwa and specific decisions and guidelines which were issued by us. We have planned and performed our review so as to obtain all necessary information and explanations which we considered necessary for us to provide you with our opinion. We believe that the review provides us with a reasonable basis for our opinion.

In our opinion:

a. ENBD REIT remained in compliance with the Shari’a rules and principles and also with the relevant fatwa and specific decisions and guidelines which were issued by us, for the year ended 31st March 2019.

b. All earnings that have been realized between 1st April 2018 and 31st March 2019 from the sources or by means prohibited by the Shari’a rules and principles have either been disposed of or have been segregated for disposal for charitable causes.

We ask Allah Almighty to grant us all the success and straightforwardness.

Dr. Mohamed Ali Elgari
Chairman, Fatwa and Shari’a Supervisory Board
ENBD REIT (CEIC) PLC

Date: 29 April 2019
In the Name of Allah, The Most Beneficent, The Most Merciful

Date: 29 April 2019

ENBD REIT (CEIC) PLC FUND
ANNUAL SHARI’AH COMPLIANCE CERTIFICATE FOR THE PERIOD OF 1 APRIL 2018 TO 31 MARCH 2019

The Shariah Supervisory Board ("SSB") has performed its annual Shariah audit on the business activities of the Shariah compliant ENBD REIT (CEIC) PLC Fund (the "Fund") for the financial year period of 1 April 2018 until the 31 March 2019 ("FY 2018-2019"). The SSB has performed its supervision to enable it to express an opinion on the Fund’s level of compliance with the provisions and principles of Shariah, as well as with fatwas, resolutions and specific guidelines that were issued by it from time to time (collectively the "Shariah Principles") within the FY 2018-2019. The audit of the Fund has been conducted as per the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") standards as required by the Dubai Financial Services Authority ("DFSA") Islamic Finance Rules ("IFR").

Pursuant to the above, the SSB confirms that the Fund has performed its business activities as per the Shariah Principles, all earnings realised by the Fund were through Shari’a compliant means and had complied with the AAOIFI standards as required by the DFSA IFR, throughout the FY 2018-2019 period.

Allah Almighty knows best.

APPROVED BY:

Dr. Mohamed Ali Elgari (Chairman)

Dr. Mohd Daud Bakar (Member)

Dr. Muhammad Amin Ali Al- Qattan (Member)

Dr. Osama Al- Dereai (Member)
In line with the DFSA Collective Investment Rules and DIFC Collective Investment Law, Markets rules (hereinafter the applicable regulations), the Oversight Committee supervises and reviews the activities of the Fund Manager for ENBD REIT and advises the Board of Directors on the Fund Manager’s internal system and controls, compliance with the articles, laws and regulations, risk management and safekeeping of ENBD REIT assets.

The Oversight Committee has adequate resources and access to accurate, timely and comprehensive information relating to the management of ENBD REIT and can report any actual or suspected compliance breaches or inadequacies that they identify and have recourse to the Directors.

The Oversight Committee has reviewed the internal system and controls of the Fund Manager and was satisfied that the Fund Manager has adequate procedures in place.

During the course of the year, the Oversight Committee has considered the Fund Manager’s compliance, inter alia, with the following:

• Ensuring that ENBD REIT’s articles of association (the “Articles”) and prospectus remains in compliance with the applicable regulations;
• Ensuring that the Fund Manager is complying with the terms and conditions of its licence, particularly with respect to the management of ENBD REIT;
• The investment and borrowing limitations as imposed on ENBD REIT under the Collective Investment Law or CIR have not been transgressed;
• The issue, sale, redemption and cancellation, and calculation of the price of the Units and the application of ENBD REIT ’s income, has been carried out in accordance with the applicable regulations and the Articles;
• NAV/ Valuation process has been considered, and due regard also given to the feedback of the External Auditors, noting that the Fund Manager has also satisfied the related obligations;
• Following discussion with the Compliance Officer and review of related compliance and risk reports, noted that the Fund Manager has effective systems and controls in place to comply with the applicable regulations;
• There were no Sharia issues noted during the course of the year;
• The audit report confirmed that all safekeeping requirements have been complied with; and
• No conflicts of interest and no related party transactions were noted.

The important areas considered by the Oversight Committee are as below:

Calculation of Net Asset Value (“NAV”)
The Oversight Committee considers that the process of calculation and publication of the NAV is satisfactory. The calculation of the NAV is done by an external and independent fund administrator based in the DIFC and is published on a quarterly basis on the ENBD REIT’s website and ENBD REIT’s regulatory announcement service.

Risk & Compliance Overview
The Fund Manager’s compliance and risk infrastructure has been reviewed and reconfirmed in the Fund Manager’s IRAP and ICAAP. The size and scale of the structure is appropriate to support ENBD REIT. The compliance framework at the Fund Manager is subject to risk oversight independent from the Fund Manager.

The Fund Manager made available to the Oversight Committee, the IRAP and ICAAP and Operational Risk review. The Oversight Committee was satisfied that the systems and controls in place within the Fund Manager are effective in so far as they relate to ENBD REIT.

Valuation of Properties
All investment properties are valued independently by external valuation companies. The Oversight Committee considered the valuation methodology and process adopted and is satisfied that the valuations of the properties were conducted appropriately in accordance with the rules. The external auditors confirmed that they had, as part of their financial audit, assessed the competence, independence and integrity of the valuation process and thereafter confirmed that reasonable valuations were adopted by the Fund Manager.
Investment
ENBD REIT owns only investments that are consistent with its Constitutional documents and Prospectus. All investments were made in compliance with Shari’a and investments in corporate entities, for e.g. investment holding SPVs, were made only where the liability of shareholders is limited. ENBD REIT also remained compliant with its maximum limit of 40% for investment in cash, government and public securities.

Financials
The Oversight Committee met with and reviewed the materials presented by the external audit team to assess the accuracy of, and any issues relating to the financial information of the Fund manager and the financial position of ENBD REIT. No material issues were noted.

Dividends
In light of the recent developments, where property values fell more than the net income from rentals, the retained earnings of ENBD REIT has turned into accumulated losses which, although are non-cash losses, did not permit ENBD REIT to pay dividends until after a reduction of the share capital of ENBD REIT and the creation of a new distributable reserve.

ENBD REIT distributed an interim dividend payment relating to the 6 months period ending 30th September 2018 on 25th February 2019. The interim dividend distribution had previously been scheduled for December 2018 but was delayed while ENBD REIT sought approval from DIFC Courts for its share capital reduction, as this was the first time such a process had been applied in the DIFC following a change in the DIFC Company Law in 2018. The capital reduction process, and consequential matters, were also discussed with the Oversight Committee. The Oversight Committee was satisfied that the dividend distribution was made in accordance with the applicable regulations. The proposed final dividend for the year ended 31st March 2019 will also be distributed in accordance with the applicable regulations.

Borrowing
The Oversight Committee noted that ENBD REIT’s total outstanding borrowing amounted to USD 179,994,963, which represents 40% of the Gross Asset Value of ENBD REIT amounting to USD 451,518,731 as of 31st March 2019. This is in compliance with the CIL and CIR in terms of borrowing limits.

The members of the Oversight Committee hereby confirm that the Fund Manager has complied with the Fund’s Articles and applicable regulations.
SHARE PERFORMANCE AND DIVIDEND DISTRIBUTION

ENBD REIT’s ordinary shares were offered for trading on Nasdaq Dubai on 23rd March 2017. For live and custom information relating to ENBD REIT’s stock (ticker symbol: ENBDREIT), visit our Investor Relations website: www.enbdreit.com/reit/investor-relations.

The REIT’s Board of Directors proposed a final dividend of USD 5,399,754 or USD 0.0215 per share – equivalent to 4% (annualised) of NAV and 7.62% (annualised) of the share price – subject to shareholder approval at the Annual General Meeting (“AGM”) on 24th June 2019. This proposed dividend is equivalent to the net rental income generated by ENBD REIT’s portfolio, despite movements in valuation experienced during the period. An interim dividend of USD 6,868,836 (USD 0.0270 per share) was paid to shareholders for the 6-months ended 30th September 2018. This brings the total dividend payable to shareholders for the year ended 31st March 2019 to USD 12,268,590 – equivalent to 4.54% of the cum-dividend NAV and 8.65% of the share price.

Following the AGM and subject to Shareholder approval, the shares will trade ex-dividend on 2nd July 2019, with the record date set as 3rd July 2019 and the payment date on 15th July 2019.

ENBD REIT intends to continue paying dividends on a semi-annual basis.
04. FINANCIAL STATEMENTS
INDEPENDENT AUDITORS’ REPORT

KPMG LLP
Unit No. 819, Liberty House,
DIFC, Dubai, UAE
Tel. +971 (4) 403 3300, Fax +971 (4) 330 1515

Independent Auditors’ Report

To the Shareholders of ENBD REIT (CEIC) PLC (formerly ENBD REIT (CEIC) Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ENBD REIT (CEIC) PLC (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 March 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties

Refer to notes 3 and 15 to the consolidated financial statements

The Group’s investment property portfolio comprises residential, commercial and alternative use properties.

As at 31 March 2019, the Group’s total investment property portfolio is valued at USD 447.4 million. The net fair valuation loss for the year ended 31 March 2019 recognised in the consolidated statement of profit or loss amounts to USD 21.7 million.

The investment properties are stated at their fair values based on independent external valuations carried out by professionally qualified external valuers. The valuation process is considered a key audit matter because significant judgement is involved in determining the appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied. The valuations are sensitive to changes in the key assumptions applied, particularly those relating to estimated rental value and equivalent yields. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the fair value, whether deliberate or not, could lead to a material misstatement in the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures included:

- We evaluated the external valuers’ independence, competence and objectivity;

- We obtained the external valuers’ report for all investment properties as at 31 March 2019 and confirmed that the valuation approach is in accordance with Royal Institute of Chartered Surveyors (RICS) guidelines and suitable for use in determining the carrying values in line with IFRS 13 as at the reporting date;
Key Audit Matters (continued)

Valuation of Investment Properties (continued)

How our audit addressed the key audit matter (continued)

- We met with the external valuers of the investment properties to discuss the results of their work. We discussed and evaluated the valuation process, overall performance of the portfolio and the significant assumptions used in the valuation;

- We carried out procedures to test, on a sample basis, whether property specific data provided to the external valuers by management reflected the underlying property records held by the Group;

- We involved our own internal valuation specialist to assess the reasonableness of the valuation methodology and key assumptions (equivalent yield rates and estimated rental value) used by the external valuer; and

- Based on the outcome of our evaluation, we determined the adequacy of the disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditors’ report thereon. We obtained the Director’s Report, at the date of our auditors’ report, and we expect to obtain the remaining sections of the Annual report after the date of the auditors’ report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained up to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.
Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP
Luke Ellyard
Dubai, United Arab Emirates

Date: 28 MAY 2019
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>31 March 2019 USD</th>
<th>31 March 2018* USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>3 &amp; 15</td>
<td>447,434,883</td>
<td>462,561,122</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4</td>
<td>3,686,938</td>
<td>2,778,834</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>5</td>
<td>239,068</td>
<td>913,821</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>15,754,585</td>
<td>18,693,403</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>19,680,591</td>
<td>22,386,058</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>467,115,474</td>
<td>484,947,180</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7</td>
<td>12,320,249</td>
<td>11,520,319</td>
</tr>
<tr>
<td>Payable for investments</td>
<td>9</td>
<td>2,153,945</td>
<td>2,041,928</td>
</tr>
<tr>
<td>Finance cost payable on islamic financing</td>
<td></td>
<td>1,262,184</td>
<td>428,036</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>15,736,378</td>
<td>13,990,283</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Islamic finance payable</td>
<td>8</td>
<td>178,564,658</td>
<td>167,034,088</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7</td>
<td>2,747,562</td>
<td>2,794,501</td>
</tr>
<tr>
<td>Payable for Investments</td>
<td>9</td>
<td>-</td>
<td>866,728</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>197,048,598</td>
<td>184,685,600</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>10 (a)</td>
<td>201,581,109</td>
<td>296,768,094</td>
</tr>
<tr>
<td>Distributable reserve</td>
<td>10 (c)</td>
<td>54,351,904</td>
<td>-</td>
</tr>
<tr>
<td>Special reserve</td>
<td>10 (c)</td>
<td>8,169,152</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>5,964,711</td>
<td>3,493,486</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>270,066,876</td>
<td>300,261,580</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>467,115,474</td>
<td>484,947,180</td>
</tr>
</tbody>
</table>

The Group has applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contract with Customer effective from 1 April 2018. Under the transition method elected, this comparative information is not restated. Also refer to note 2(c).

The consolidated financial statements were approved and authorised for issue by the Directors on 28th May 2019 and signed on behalf of the Board by:

Director

Director

Date: 28th May 2019

The accompanying notes on pages 68 to 91 form an integral part of this consolidated financial statements.

The independent auditor’s report is set out on pages 58 to 63.
# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>31 March 2019 USD</th>
<th>31 March 2018* USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rental income</td>
<td>38,040,334</td>
<td>32,434,112</td>
</tr>
<tr>
<td></td>
<td>Property operating expenses</td>
<td>(8,240,625)</td>
<td>(7,483,319)</td>
</tr>
<tr>
<td></td>
<td><strong>Property operating income</strong></td>
<td>29,799,709</td>
<td>24,950,793</td>
</tr>
<tr>
<td></td>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General and administrative expenses</td>
<td>(1,815,746)</td>
<td>(1,905,224)</td>
</tr>
<tr>
<td></td>
<td>Management fees</td>
<td>(4,123,021)</td>
<td>(4,167,172)</td>
</tr>
<tr>
<td></td>
<td>Property valuation fees</td>
<td>(102,369)</td>
<td>(126,491)</td>
</tr>
<tr>
<td></td>
<td>Allowance for impairment against trade receivables</td>
<td>(158,162)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total fund expenses</strong></td>
<td>(6,199,298)</td>
<td>(6,198,887)</td>
</tr>
<tr>
<td></td>
<td><strong>Finance income / (cost)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit on Islamic deposits</td>
<td>131,663</td>
<td>549,366</td>
</tr>
<tr>
<td></td>
<td>Islamic financing costs</td>
<td>(11,367,334)</td>
<td>(6,859,494)</td>
</tr>
<tr>
<td></td>
<td><strong>Net finance cost</strong></td>
<td><strong>(11,235,671)</strong></td>
<td><strong>(6,310,128)</strong></td>
</tr>
<tr>
<td></td>
<td>Profit before (loss) / gain on fair valuation of investment properties</td>
<td>12,364,740</td>
<td>12,441,778</td>
</tr>
<tr>
<td></td>
<td>Unrealised (loss) / gain on fair valuation of investment properties, net</td>
<td>(21,713,870)</td>
<td>559,247</td>
</tr>
<tr>
<td></td>
<td><strong>(Loss) / profit for the year</strong></td>
<td><strong>(9,349,130)</strong></td>
<td>13,001,025</td>
</tr>
<tr>
<td></td>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total comprehensive income for the year</strong></td>
<td><strong>(9,349,130)</strong></td>
<td><strong>13,001,025</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Basic (loss) / earnings per share (USD)</strong></td>
<td>18</td>
<td>0.05</td>
</tr>
</tbody>
</table>

* The Group has applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contract with Customers effective from 1 April 2018. Under the transition method elected, this comparative information is not restated. Also refer to note 2(c).

The accompanying notes on pages 68 to 91 form an integral part of this consolidated financial statements.
The independent auditor’s report is set out on pages 58 to 63.
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Share capital USD</th>
<th>Distributable reserve USD</th>
<th>Special reserve USD</th>
<th>Retained earnings USD</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 April 2017</strong></td>
<td>296,768,094</td>
<td>-</td>
<td>-</td>
<td>210,592</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>13,001,025</td>
<td>13,001,025</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transactions with owners recorded directly in equity</strong></td>
<td>(9,718,131)</td>
<td>(9,718,131)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 31 March 2018</strong></td>
<td>296,768,094</td>
<td>3,493,486</td>
<td>300,261,580</td>
<td></td>
</tr>
<tr>
<td><strong>As at 1 April 2018 as previously reported</strong></td>
<td>296,768,094</td>
<td>3,493,486</td>
<td>300,261,580</td>
<td></td>
</tr>
<tr>
<td><strong>Cumulative effect of adoption of IFRS 9 – Financial Instruments (refer to note 2(c))</strong></td>
<td>(29,032)</td>
<td>(29,032)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 1 April 2018 (restated)</strong></td>
<td>296,768,094</td>
<td>3,464,454</td>
<td>300,232,548</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>(9,349,130)</td>
<td>(9,349,130)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transactions with owners recorded directly in equity</strong></td>
<td>(84,521,056)</td>
<td>69,843,561</td>
<td>14,677,495</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transfer from Special Reserve (refer to note 10)</strong></td>
<td>-</td>
<td>6,508,343</td>
<td>(6,508,343)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transfer from distributable reserve</strong></td>
<td>-</td>
<td>(22,000,000)</td>
<td>22,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dividend distribution (refer to note 17)</strong></td>
<td>-</td>
<td>-</td>
<td>(10,150,613)</td>
<td>(10,150,613)</td>
</tr>
<tr>
<td><strong>Return of capital (refer to note 10)</strong></td>
<td>(8,725,966)</td>
<td>-</td>
<td>-</td>
<td>(8,725,966)</td>
</tr>
<tr>
<td><strong>Shares buy-back (refer to note 10)</strong></td>
<td>(1,939,963)</td>
<td>-</td>
<td>-</td>
<td>(1,939,963)</td>
</tr>
<tr>
<td><strong>At 31 March 2019</strong></td>
<td>201,581,109</td>
<td>54,351,904</td>
<td>8,169,152</td>
<td>5,964,711</td>
</tr>
</tbody>
</table>

* The Group has applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contract with Customer effective from 1 April 2018. Under the transition method elected, this comparative information is not restated. Also refer note 2(c).

The accompanying notes on pages 68 to 91 form an integral part of this consolidated financial statements.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>Cash flows from operating activities</th>
<th>2019 USD</th>
<th>2018* USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Loss) /profit for the year</td>
<td>(9,349,130)</td>
<td>13,001,025</td>
</tr>
<tr>
<td></td>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unrealised loss / (gain) on fair valuation of investment properties, net</td>
<td>3</td>
<td>21,713,870</td>
</tr>
<tr>
<td></td>
<td>Profit on islamic deposits</td>
<td>(131,663)</td>
<td>(549,366)</td>
</tr>
<tr>
<td></td>
<td>Allowance for impairment against trade receivables</td>
<td>4</td>
<td>158,162</td>
</tr>
<tr>
<td></td>
<td>Islamic financing cost</td>
<td>13</td>
<td>11,367,334</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and other receivables</td>
<td>(1,095,298)</td>
<td>(1,961,838)</td>
</tr>
<tr>
<td></td>
<td>Prepaid expenses</td>
<td>674,753</td>
<td>(816,423)</td>
</tr>
<tr>
<td></td>
<td>Payable for investments</td>
<td>(754,711)</td>
<td>1,547,371</td>
</tr>
<tr>
<td></td>
<td>Trade and other payables</td>
<td>752,991</td>
<td>2,357,490</td>
</tr>
<tr>
<td></td>
<td>Deferred finance cost</td>
<td>(209,560)</td>
<td>255,859</td>
</tr>
<tr>
<td></td>
<td>Net cash flows generated from operating activities</td>
<td>23,126,748</td>
<td>19,800,882</td>
</tr>
<tr>
<td></td>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acquisition of investment properties</td>
<td>3</td>
<td>(6,587,631)</td>
</tr>
<tr>
<td></td>
<td>Changes in islamic deposits and receivables</td>
<td>-</td>
<td>99,959,162</td>
</tr>
<tr>
<td></td>
<td>Profit on Islamic deposits</td>
<td>131,663</td>
<td>549,366</td>
</tr>
<tr>
<td></td>
<td>Net cash flows used in investing activities</td>
<td>(6,455,968)</td>
<td>(46,219,729)</td>
</tr>
<tr>
<td></td>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Proceeds from islamic financing</td>
<td>8</td>
<td>54,729,512</td>
</tr>
<tr>
<td></td>
<td>Repayment of Islamic financing</td>
<td>(42,989,382)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Dividend distribution to ordinary shareholders</td>
<td>16</td>
<td>(10,150,613)</td>
</tr>
<tr>
<td></td>
<td>Shares buy-back</td>
<td>(1,939,963)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Return of capital</td>
<td>10</td>
<td>(8,725,966)</td>
</tr>
<tr>
<td></td>
<td>Islamic financing cost paid</td>
<td>(10,533,186)</td>
<td>(6,250,015)</td>
</tr>
<tr>
<td></td>
<td>Net cash flows (used in) / generated from financing activities</td>
<td>(19,609,598)</td>
<td>35,216,172</td>
</tr>
<tr>
<td></td>
<td>Net (decrease) / increase in cash and cash equivalents for the year</td>
<td>2,938,818</td>
<td>8,797,325</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>6</td>
<td>18,693,403</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents at the end of the year</td>
<td>6</td>
<td>15,754,585</td>
</tr>
</tbody>
</table>

* The Group has applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contract with Customer effective from 1 April 2018. Under the transition method elected, this comparative information is not restated. Also refer to note 2(c).

The accompanying notes on pages 68 to 91 form an integral part of this consolidated financial statements.
The independent auditor’s report is set out on pages 58 to 63.
1. General Information

ENBD REIT (CEIC) PLC (formerly known as ENBD REIT (CEIC) Limited) – a DIFC Company with registration number 2209 (“the Company” or “ENBD REIT”) was incorporated on 18 July 2016. The Company has changed its name from ENBD REIT (CEIC) Limited to ENBD REIT (CEIC) PLC following the introduction of the Companies Law, DIFC Law No. 5 of 2018. ENBD REIT (CEIC) PLC is registered as a Public Fund with the Dubai Financial Services Authority (“DFSA”). The Company is regulated by the DFSA and is governed by, amongst others, the Collective Investment Law No. 2 of 2010 (“CIL”), the Collective Investment Rules module of the DFSA Rules (“CIR”), the Market Law DIFC Law No. 1 of 2012 (the “Market Law”), the Market Rules module of the DFSA Rules (“Market Rules”) and the applicable Dubai International Financial Centre (“DIFC”) companies law. The Company is categorised under the CIL as a Public Fund and the CIR as a Domestic Fund, an Islamic Fund, a Property Fund and a Real Estate Investment Trust (REIT). On 15 February 2017, the name of the Company was changed from EREF Dubai to ENBD REIT (CEIC) Limited. ENBD REIT and its subsidiaries and special purpose vehicles (“SPV”) are collectively referred to as “the Group”. The registered address of the Company is 8th Floor, East Wing, Dubai International Financial Centre, The Gate Building, PO Box 506578, Dubai, United Arab Emirates.

ENBD REIT has been established as a Shari’a compliant company limited by shares under the DIFC Companies Law. The principal activity of the Group is to participate in the United Arab Emirates (“UAE”) real estate markets to achieve regular rental income and some long-term capital growth from a diversified portfolio of property and property related assets. All investments of the Group take place according to Shari’a guidelines, as defined by the Shari’a Supervisory Board of the Group. The Shari’a Supervisory Board also periodically review that all investment decisions made by the Fund Manager are within Shari’a guidelines.

On 23 March 2017, the shares of ENBD REIT were admitted to the Dubai Financial Services Authority (“DFSA”) list of shares to trade on Nasdaq Dubai after an Initial Public Offering (the “IPO”).

2. Significant accounting policies

a. Basis of presentation

The consolidated financial statements for the year ended 31 March 2019 has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Islamic Shari’a rules and principles as determined by the Shari’a Supervisory Board of the Group and in accordance with the applicable regulatory requirements of the DFSA. The consolidated financial statements are prepared under the historical cost convention basis except for investment properties which are stated at fair value. The preparation of financial statement in conformity with IFRS requires the Directors to make certain accounting estimates, judgement and assumptions. Actual results may differ from those estimates and assumptions. It also requires the Directors to exercise judgement in the process of applying the Group’s accounting policies. Critical accounting estimates, judgements and assumptions are set out in Note 2(d).

b. New Standards, Interpretations and Amendments

i) Issued but not effective

A number of new standards and amendments to standards, set out below, are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, these standards and amendments have not been applied early in preparing these consolidated financial statements. The new standards which may be relevant to the Group have been set out below.

IFRS 16 Leases

The Group is required to adopt IFRS 16 Leases from 1 April 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below. The actual impacts of adopting the standard on 1 April 2019 may change because:
• the Group has not finalised the testing and assessment of controls over its new IT systems; and
• the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include the date of initial application.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

i) Leases in which the Group is a lessee
The Group will recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability.

As at the reporting date, the Group has non-cancellable operating lease commitments of USD 36,164,114. These are mainly land operating leases which are long term in nature. The Group expects to recognise right-of-use assets of approximately USD 14,640,000 on 1 April 2019 and lease liabilities of USD 14,640,000. The Group expects that net profit after tax will decrease by approximately USD 521,000 for 2020 as a result of adopting the new standard. This change will have no overall impact on Group’s cash flows, except that operating cash flows will increase and financing cash flows will decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

ii. Leases in which the Group is a lessor
The Group will reassess the classification of leases in which the Group is a lessor. Based on the information currently available, the Group does not expect a significant impact on consolidated financial statements for leases in which the Group is a lessor.

iii. Transition
The Group plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Other standards
The following amended standards and interpretations are not expected to have a significant impact on the Group’s consolidated financial statements.
• Prepayment Features with Negative Compensation (Amendments to IFRS 9) (effective for annual periods beginning on or after 1 January 2019).
• Annual improvements to IFRS Standards 2015 - 2017 Cycle - various standards (effective for annual periods beginning on or after 1 January 2019).
• Amendments to References to Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020).

The following standards, amendments and interpretations that are mandatorily effective from the current year:

• Transfers of Investment Property (Amendments to IAS 40).
• Annual Improvements to IFRSs 2014-2016 Cycle – various standards (amendments to IFRS1 and IAS 28).

These standards and amendments do not have a significant impact on the Group’s consolidated financial statements as at 31 March 2019.

c. Changes in accounting policies

i) IFRS 9 Financial instruments – policy applicable from 1 April 2018

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The following table summarises the impact of transition to IFRS 9 on opening balances:

<table>
<thead>
<tr>
<th>Impact of adopting IFRS 9 on opening balance USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retained earnings</strong></td>
</tr>
<tr>
<td>Recognition of expected credit losses under IFRS 9 as at 1 April 2018</td>
</tr>
</tbody>
</table>

a) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) – debt investment; FVOCI – equity investment; or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition):

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 April 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group’s financial assets as at 1 April 2018.

<table>
<thead>
<tr>
<th>USD</th>
<th>Original classification under IAS 39</th>
<th>Original carrying amount under IAS 39</th>
<th>New classification under IFRS 9</th>
<th>New carrying amount under IFRS 9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables (excluding accrued rental income)</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>USD 1,337,357</td>
<td>USD 1,308,325</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>USD 18,693,403</td>
<td>USD 18,693,403</td>
</tr>
<tr>
<td>Islamic deposits</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of USD 29,032 in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 April 2018 on transition to IFRS 9.
b) Impairment

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI and contract assets, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The financial assets at amortised cost consist of trade and other receivables, Islamic deposits and cash at banks.

Under IFRS 9, loss allowances are measured on either of the following bases:

- **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.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for cash at banks and Islamic deposits, which are measured as 12-month ECLs for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Presentation of impairment**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Impact on consolidated financial statements**

Apart from changes in classification and measurement of financial assets and financial liabilities, the effect of initially applying this standard is mainly attributed to an increase in impairment losses recognised on financial assets. The details of adjustments to the opening balances of retained earnings and trade and other receivables (excluding accrued rental income) are detailed below:
ii) IFRS 15 Revenue from contracts with customers - policy applicable from 1 April 2018

The Group has adopted IFRS 15 from 1 April 2018 and has taken an exemption not to restate comparative information for prior periods with respect to revenue recognition requirements, as the impact of IFRS 15 is not material.

The Group’s management has assessed the application of IFRS 15 to the Group’s revenue streams and concluded that it has not resulted in any significant changes to the timing and amount of revenue recognition from 1 April 2018 onwards.

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

Rental Income
Rental income on operating leases from investment properties is accounted for on a straight line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight line basis.

d. Critical accounting estimates and judgements
The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies that affect the reported amounts of assets and liabilities, income and expenses. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities relates to Investment Properties and allowance for impairment losses on financial assets.

i. Valuation of investment properties
The Group follows the fair value model under IAS 40 whereby investment property owned for the purpose of generating rental income or capital appreciation, or both, are fair valued based on valuation carried out by an independent registered valuer in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors.

Investment properties are stated at fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date. The value of a liability reflects its non-performance risk.

The fair values have been determined by taking into consideration discounted cash flows where the Group has on-going lease arrangements. In this regard, the Group’s current lease arrangements, which are entered into on an arm’s length basis and which are comparable to those for similar properties in the same location, have been taken into account.
In case where the Group does not have any on-going lease arrangements, fair values have been determined, where relevant, having regard to recent market transactions for similar properties in the same location as the Group’s investment properties. These values are adjusted for differences in key attributes such as property size.

The Group’s management has reviewed the assumptions and methodologies used by the independent registered valuer and, in their opinion, these assumptions and methodologies appears reasonable as at the reporting date considering the current economic and real estate outlook in the UAE.

e. Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiaries at 31 March 2019, as listed below.

**Subsidiary**
- Arabian Oryx Property SPV 1 Limited
- Blanford Fox Property SPV 2 Limited
- Camel Property SPV 3 Limited
- Dana Property SPV 4 Limited
- Ewan Property SPV 5 Limited
- Fajr Property SPV 6 Limited
- Gazal Property SPV 7 Limited
- Hesan Property SPV 8 Limited
- Ibex Property SPV 9 Limited

The subsidiaries are consolidated from the date on which control is transferred to the Group and will cease to be consolidated from the date on which control is transferred from the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the Subsidiary. Control of the subsidiaries transferred to the Group on the acquisition dates detailed above. Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. The Group does not meet the Investment Entity definition under IFRS 10.

**Common control transactions**
Common control transactions are accounted at book value on the basis that the investment has transferred from one part of the group to another. Accordingly, the Group recognises the assets acquired and liabilities assumed using the book values in the financial statements of the entity transferred. Difference between the consideration paid and the capital of the acquiree, if any, is disclosed as an adjustment in equity under group restructuring reserve.

**Loss of control**
When the Group loses control over a subsidiary, the assets and liabilities of the subsidiary, any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.
e. Foreign currency translation

(i) Functional and presentation currency
The functional currency, which is the currency of the primary economic environment in which the Group operates is United Arab Emirates Dirham (“AED”). The presentation currency of these financial statements is United States Dollar (“USD”). The AED is currently pegged at a conversion rate of AED 3.673 for every USD.

(ii) Transactions and balances
Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to USD at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on retranslation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the consolidated statement of profit or loss and other comprehensive income.

f. Financial instruments - policy applicable before 1 April 2018
Financial assets are classified in the following categories: available-for-sale, held to maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial liabilities are classified at amortised cost. The Group does not have any financial assets that are available for sale or held to maturity.

i) Classification and measurement

Loans and receivables
Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective yield method less any allowance for impairment. They are included in current assets except for maturities greater than 12 months from reporting date which are classified as non-current assets.

ii) Financial liabilities at amortised cost
Amortised cost financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using effective interest method.

iii) Recognition and derecognition of financial assets and liabilities
Regular purchases and sales of financial assets and liabilities are recognised on the trade date, being the date on which the Group commits to purchase or sell the instrument. The Group derecognises financial assets where: the rights to receive cash flows from the assets have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; or either

(a) the Group has transferred substantially all the risks and rewards of the assets; or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
Where the Group has not transferred control of the asset, the asset is recognised to the extent of the Group’s involvement in the asset, which is measured as the extent to which the Group is exposed to changes in the value of the transferred asset. The Group derecognises a financial liability when the obligation under the liability is discharged.

iv) Impairment of financial assets not at Fair Value through Profit or Loss
The Group assesses at each reporting date whether a financial asset or any group of financial assets has been impaired. Where there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted using the effective interest rate. The loss is adjusted against the carrying amount through the use of an allowance account. Evidence of impairment includes non-activity of the asset’s trading, defaults in payments of the asset’s coupons and indications from observable market data that there is a significant decrease in the estimated future cash flows.

v) Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

g. Investment properties
All properties owned by the Group are classified as investment properties, as they are held for the purpose of earning rental income or for capital appreciation or a combination of the two. Investment properties are recognised as an asset when it is probable that the future economic benefits that are associated with the investment properties will flow to the group and the cost of the investment properties can be measured reliably. Property that is held under a lease is capitalised and treated as investment property.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are recognised at fair value at the reporting date. Gains and losses attributable to changes in fair value of investment properties are recognised in the period in which they arise in the profit or loss as “Unrealised gain / loss on investment properties”. Gains or losses from the sale or disposal of investment properties are calculated as the difference between the selling price and the carrying value of the property.

h. Cash and cash equivalents
Cash and cash equivalents comprises cash at bank. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For the purposes of the consolidated statement of cash flows, cash and cash equivalent consist of cash and short-term deposits, as defined above.

i. Rental income - policy applicable before 1 April 2018
Rental income on operating leases from investment properties is accounted for on a straight line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight line basis.

j. Expenses
The Group is responsible for the payment of management fees, administration fees and custodian fees, which are accrued on a monthly basis and the payment of other expenses as detailed in the Prospectus of the Company. Expenses are accounted for on an accruals basis.
k. Dividend distribution

Collective Investment Rules (“CIR”) requires a Real Estate Investment Trust to distribute to its shareholders at least 80% of its audited annual net income. Accordingly, at the reporting date, the Group has an obligation to its shareholders to pay at least 80% of its net profits as dividend and Management will propose a final dividend to the shareholders for their approval to comply the CIR rule.

l. Leases

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the lease. A reassessment is made after inception of the lease only if any of the following applies:

(i) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(ii) A renewal option is exercised or extension granted, unless the term of the renewal or extension was originally included in the lease term;
(iii) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
(iv) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Where the Group leases out property under the terms of which the Group retains substantially all the risks and rewards of ownership, such leases are classified as operating leases. Receipts from operating leases are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

All of the Group’s properties are leased out on an operating lease basis.

m. Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of obligation can be estimated reliably.

n. Finance income and costs

Finance income and expense are recognised within ‘Profits on Islamic deposits’ and ‘Finance Cost on Mudaraba / Ijarah’ in profit or loss using the effective yield method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of the asset. The Group has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective yield method is a method of calculating the amortised cost of a financial asset or liability and of allocating profit income or profit expense over the relevant period. The effective yield rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective yield rate, the Group estimates cash flows...
considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective yield rate, transaction costs and all other premiums or discounts.

**o. Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The company has no dilutive potential ordinary shares; therefore, the diluted earnings per share are the same as the basic earnings per share.

**p. Operating segment**

The Group has only one operating segment in the UAE.

**3. Investment properties**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of the year</td>
<td>462,561,122</td>
<td>315,273,618</td>
</tr>
<tr>
<td>Additions to / acquisition of investment properties</td>
<td>6,587,631</td>
<td>146,728,257</td>
</tr>
<tr>
<td>Changes in fair value – net</td>
<td>(21,713,870)</td>
<td>559,247</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td><strong>447,434,883</strong></td>
<td><strong>462,561,122</strong></td>
</tr>
</tbody>
</table>

Investment properties as at 31 March, 2019 were valued by CB Richard Ellis and Cavendish Maxwell who are qualified external independent property valuation companies and carried out the valuation in accordance with the RICS Valuation Global Standards 2017. Property valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (“RICS”) and are undertaken by appropriately qualified valuers who are members of RICS and who have recent experience in the locations and categories of the properties being valued. Fair value is estimated based on the Investment Method as described below and benchmarked to comparable transactions wherever applicable.

For certain investment properties, valuer has used the Market Approach to value the apartments, where fair value was determined by taking into consideration market comparable and benchmarked from sale transactions of similar properties.

Under the investment method, fair value is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions, yields have been applied to the properties taking into account size, location, terms, covenants and other material factors at the valuation date.

Accrued lease income of USD 2.88 million (31 March 2018: Nil) as at the reporting date, relating to the accounting for operating lease rentals on a straight line basis has been eliminated from the valuation of investment properties, in order to avoid double counting of assets and liabilities.

Investment properties with carrying value of USD 428.8 million (2018: USD 356.7 million) are mortgaged against bank borrowings.
Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The fair value measurement for the investment properties has been categorised as Level 3 based on the inputs to the valuation technique used. For all investment properties, the current use of the property is considered to be highest and best use. The significant unobservable inputs used in the fair value measurement of investment properties are:

- Estimated Rental Value (“ERV”)
- Long-term vacancy rate with the exception of fully occupied properties, void periods of 6 months – 12 months were applied for units that were vacant as at the reporting date, which is over and above 3% - 10% permanent void periods applied on these properties
- Equivalent yield (31 March 2019: 6.5% - 8%; 31 March 2018: 6.2% - 8%)

Significant increases / (decreases) in the ERV (per sqm p.a.) in isolation would result in a significantly higher / (lower) fair value measurement. Significant increases / (decreases) in the long-term vacancy rate and equivalent yield in isolation would result in a significantly lower / (higher) fair value measurement.

Generally, a change in the assumption made for the ERV (per sqm p.a.) is accompanied by:

- a similar change in the equivalent yield, and
- an opposite change in the long-term vacancy rate.

4. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018* USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rent receivable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross amount receivable</td>
<td>1,152,281</td>
<td>276,963</td>
</tr>
<tr>
<td>Less: allowance for impairment</td>
<td>(187,194)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>965,087</td>
<td>276,963</td>
</tr>
<tr>
<td><strong>Other Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits for utilities</td>
<td>945,535</td>
<td>802,759</td>
</tr>
<tr>
<td>Accrued rental income</td>
<td>1,089,350</td>
<td>1,441,477</td>
</tr>
<tr>
<td>Other receivables</td>
<td>686,966</td>
<td>257,635</td>
</tr>
<tr>
<td></td>
<td>2,721,851</td>
<td>2,501,871</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>3,686,938</td>
<td>2,778,834</td>
</tr>
</tbody>
</table>

Movement in allowance for impairment

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018* USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of the year *</td>
<td>(29,032)</td>
<td>(15,700,472)</td>
</tr>
<tr>
<td>Allowance for impairment written off</td>
<td>-</td>
<td>15,700,472</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>(158,162)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td>(187,194)</td>
<td>-</td>
</tr>
</tbody>
</table>

* The Group has applied IFRS 9 – Financial Instruments effective from 1 April 2018. Under the transition method elected, this comparative information is not restated. Also refer to note 2(c).
5. Prepaid expenses

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other prepaid expenses</td>
<td>239,068</td>
<td>263,271</td>
</tr>
<tr>
<td>Advance paid for investment property</td>
<td>650,550</td>
<td></td>
</tr>
<tr>
<td><strong>Total prepaid expenses</strong></td>
<td><strong>239,068</strong></td>
<td><strong>913,821</strong></td>
</tr>
</tbody>
</table>

6. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank (in USD accounts)</td>
<td>2,027,510</td>
<td>199,987</td>
</tr>
<tr>
<td>Cash at bank (in AED accounts)</td>
<td>13,727,075</td>
<td>18,493,416</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>15,754,585</strong></td>
<td><strong>18,693,403</strong></td>
</tr>
</tbody>
</table>

7. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent received in advance and unearned income</td>
<td>8,521,807</td>
<td>8,778,527</td>
</tr>
<tr>
<td>Tenants’ security deposits</td>
<td>845,923</td>
<td>625,281</td>
</tr>
<tr>
<td>Management fees</td>
<td>904,072</td>
<td>1,187,096</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>2,048,447</td>
<td>929,415</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>12,320,249</strong></td>
<td><strong>11,520,319</strong></td>
</tr>
<tr>
<td>Tenants’ security deposits</td>
<td>2,747,562</td>
<td>2,794,501</td>
</tr>
</tbody>
</table>

8. Islamic financing

The Group signed a Mudaraba facility of USD 190,579,907 on 15 December 2016 with Emirates NBD Bank which is secured against selected investment properties. The profit rate is 3.0% above the quarterly EIBOR, payable in arrears. As at March 2019, the Group had drawn down, net of repayment, USD 134,494,963 equivalent to AED 494,000,000 (31 March 2018: USD 168,254,833 equivalent to AED 618,000,000) of the facility of which 10% of the drawn down amount is payable at the end of year 4 and the balance is payable at the end of the 5-year term of the facility.

During the year, the Group also signed a new commodity murabaha facility on 14 November 2018 with Standard Chartered Bank of USD 90,000,000 which is secured against selected investment properties. The profit rate is 2.15% above the quarterly LIBOR, payable in arrears. As at March 2019, the Group has drawn down USD 45,500,000 from the facility which is payable at the end of the 3-year term of the facility. The facilities are payable as follows:
Contractual cash flows

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Less than one year</td>
<td>9,565,869</td>
<td>6,730,193</td>
</tr>
<tr>
<td>- Between one and five years</td>
<td>196,382,395</td>
<td>186,564,646</td>
</tr>
<tr>
<td></td>
<td>205,948,264</td>
<td>193,294,839</td>
</tr>
<tr>
<td>Future finance costs not recognised in the consolidated financial statements</td>
<td>(25,953,301)</td>
<td>(25,040,006)</td>
</tr>
<tr>
<td></td>
<td>179,994,963</td>
<td>168,254,833</td>
</tr>
<tr>
<td>Less: Deferred finance costs (refer note i below)</td>
<td>(1,430,305)</td>
<td>(1,220,745)</td>
</tr>
<tr>
<td><strong>Net Islamic finance liability – carrying value</strong></td>
<td><strong>178,564,658</strong></td>
<td><strong>167,034,088</strong></td>
</tr>
</tbody>
</table>

Net Islamic financing liability is presented in these consolidated financial statements as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>178,564,658</td>
<td>167,034,088</td>
</tr>
</tbody>
</table>

9. Payable for investments

The balance represents retention payables of USD 2,153,945 (31 March 2018: USD 2,908,656) for the investment properties to be paid to third party on completion of certain terms as per individual agreements.

10. Share Capital

a) Share capital

The authorised share capital of the Company is USD 500,000,000 divided into 500,000,000 fully paid Ordinary Shares each with no par value. The fully paid ordinary shares of the Company are 251,151,340 (31 March 2018: 254,401,340). Pursuant to return of share capital (note 10(b)), reduction in share capital (note 10(c)) and shares buy-back (note 10(d)), the share capital of the Company is USD 201,581,109 (31 March 2018: USD 296,768,094).
b) Return of capital
During the current year, the Company has returned share capital of USD 8,725,966 to its shareholders on 13 June 2018 based on final approval of the shareholders in the Annual General Meeting dated 3 June 2018 (31 March 2018: Nil), reducing its share capital from USD 296,768,094 to USD 288,042,128.

c) Reduction of capital
During the current year, shareholders’ in General Meeting dated 27th November 2018 approved to reduce the issued share capital of the Company from USD 288,042,128 to USD 203,521,072 by cancelling and extinguishing share capital to the extent of USD 84,521,056 (USD 0.3322 per share) subject to the necessary regulatory approvals.

Following the requisite court orders and necessary regulatory approvals, the amount, by which the share capital was reduced, was transferred to distributable reserve and to special reserve amounting to USD 69,843,561 and USD 14,677,495 respectively.

The purpose of the distributable reserve is to enable ENBD REIT to maintain consistent dividend payments despite movements in capital values. During the current year, the Company has transferred USD 22,000,000 from distributable reserves to retained earnings for the payment of dividend.

The purpose of the special reserve account is for coverage of liabilities outstanding as at 31st December 2018, where the balance will move to the distributable reserve account as and when these liabilities are settled. As at 31st March 2019, ENBD REIT has settled USD 6,508,343 and the balance in the special reserve account stands at USD 8,169,152.

d) Shares buy-back
Following share capital reduction, the Company initiated a share buy-back programme for total number of 4,401,340 shares, commencing from 21st February 2019 until 31st March 2019. The buyback programme will recommence after the approval of the consolidated financial statements for the year ended 31st March 2019 until its maturity at 30th September 2019, or until the shares are fully bought back, whichever is earlier. As at reporting date, ENBD REIT had bought back 3,250,000 shares at the prevailing market price. The Company appointed Integrated Securities LLC as an independent broker to execute the programme on behalf of ENBD REIT, with the programme aiming to add value to shareholders holding equity at the discounted share price level.

11. Property operating expenses

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 March 2019</th>
<th>For the year ended 31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building managers’ expenses</td>
<td>5,059,377</td>
<td>4,103,691</td>
</tr>
<tr>
<td>Cleaning, electricity and water</td>
<td>1,425,828</td>
<td>1,193,954</td>
</tr>
<tr>
<td>Building maintenance expenses</td>
<td>906,222</td>
<td>1,292,401</td>
</tr>
<tr>
<td>Air conditioning</td>
<td>499,017</td>
<td>467,575</td>
</tr>
<tr>
<td>Insurance</td>
<td>142,660</td>
<td>106,341</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>90,915</td>
<td>216,691</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>116,606</td>
<td>102,666</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,240,625</strong></td>
<td><strong>7,483,319</strong></td>
</tr>
</tbody>
</table>
12. General and administrative expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31 March 2019 USD</th>
<th>For the year ended 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and professional fees</td>
<td>902,728</td>
<td>916,163</td>
</tr>
<tr>
<td>Board and committee fees (refer to note 13(ii))</td>
<td>544,067</td>
<td>523,825</td>
</tr>
<tr>
<td>Fund administration custodian and related services (refer to note 13(iv))</td>
<td>112,696</td>
<td>140,780</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>256,255</td>
<td>324,456</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,815,746</strong></td>
<td><strong>1,905,224</strong></td>
</tr>
</tbody>
</table>

13. Related parties and significant transactions

Related parties of the Group include significant shareholders, key management personnel, directors and businesses which are controlled directly or indirectly by the significant shareholders or directors or over which they exercise significant management influence. Pricing policies and terms of these transactions are approved by the Group’s management and are carried out at arm’s length transaction.

The following are considered related parties of the Group:

<table>
<thead>
<tr>
<th>Related party</th>
<th>Relationship (basis for being a related party)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emirates NBD Bank PJSC</td>
<td>Shareholder</td>
</tr>
<tr>
<td>Emirates NBD Asset Management Limited</td>
<td>Fund Manager</td>
</tr>
<tr>
<td>Board of Directors (“the Board”)</td>
<td>Directing and making key decisions for the Group</td>
</tr>
</tbody>
</table>

The basis of the fees payable to the related parties are set out below. The fees incurred during the year are disclosed in the consolidated statement of profit or loss, with amounts outstanding at the reporting date included in trade and other payables.

<table>
<thead>
<tr>
<th>Related party transactions</th>
<th>For the year ended 31 March 2019 USD</th>
<th>For the year ended 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance cost on Mudaraba</td>
<td>10,724,248</td>
<td>6,859,494</td>
</tr>
<tr>
<td>Management fees (i)</td>
<td>4,123,021</td>
<td>4,167,172</td>
</tr>
<tr>
<td>Board and Committee fees (ii)</td>
<td>544,067</td>
<td>523,825</td>
</tr>
<tr>
<td>Transaction and development fee (iii)</td>
<td>152,464</td>
<td>465,818</td>
</tr>
<tr>
<td>Profit on Islamic deposit</td>
<td>131,663</td>
<td>549,366</td>
</tr>
<tr>
<td>Fund administration custodian and related services (iv)</td>
<td>112,696</td>
<td>140,780</td>
</tr>
<tr>
<td>Other Asset Management expenses</td>
<td>99,646</td>
<td>-</td>
</tr>
</tbody>
</table>
i) The Group has appointed Emirates NBD Asset Management Limited as the Fund Manager. The following management fee is payable to the Fund Manager:

<table>
<thead>
<tr>
<th>Total Net Assets per Fund</th>
<th>Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>On first USD 550 million Net Assets</td>
<td>1.50% of NAV</td>
</tr>
<tr>
<td>On next USD 450 million Net Assets</td>
<td>1.25% of NAV</td>
</tr>
<tr>
<td>Over USD 1,000 million Net Assets</td>
<td>1.00% of NAV</td>
</tr>
</tbody>
</table>

Until the Company has invested 80% of the proceeds from the IPO, the Fund Manager is entitled to 50% of the Management fee for the corresponding IPO proceeds. In the financial year 2017-2018, the Company invested 100% of the proceeds from the IPO.

The Fund Manager is entitled to receive from the Fund a Performance Fee of 10% above a 7% hurdle rate on the annualised total return to investors calculated on a change in NAV per Share cum-dividend, with a High-water Mark (High-water Mark is the highest NAV from the date of the incorporation of the Company to the date of calculation of the performance fee) rebased every 12 months upwards only, provided that no Performance Fee shall be payable in respect of an increase in NAV per Share from an amount below the High-water Mark up to an amount which is still below or equal to the High-water Mark. No performance fee has been paid or is payable to the Fund Manager (31 March 2018: NIL).

ii) Each director of ENBD REIT is entitled to a remuneration of USD 75,000 per annum. Director fees charged to the Group for the year ended 31 March 2019 were USD USD 259,110 (31 March 2018: USD 225,000) and USD 216,369 was owed to Directors at 31 March 2019 (31 March 2018: USD 81,370).

iii) The Fund Manager is also entitled to receive transaction and development fees from the Fund on the acquisition and development of investment properties at agreed rate.

iv) The Company has appointed Apex Fund Services (Guernsey) Ltd as the Custodian. The custodian fees are divided into two categories for each market of investment, namely safekeeping fees and transaction fees.

Balances with related parties
Cash and cash equivalents of the Group is placed with a shareholder of the Company (a bank) amounting to USD 12,817,209 (31 March 2018: USD 18,693,403).

At 31 March 2019, the Group had a Mudaraba payable to the shareholder (bank) of USD 134,494,963 (31 March 2018: USD 168,254,833) at market prevailing profit rates. The finance cost on bank borrowing for the year amounts to USD 10,724,249 (For the year ended 31 March 2018: USD 6,859,495).

As at 31 March 2019, the Group has an amount payable to the Fund Manager of USD 904,072 (31 March 2018: USD 1,187,096).
14. Financial risk and capital management

The Group’s investing activities expose it to various types of risk that are associated with financial instruments and markets in which it invests. The Group’s approach to some of the most important types of financial risk to which the Group is exposed, including the Group’s objectives, policies and procedures for managing the risks, are summarised below:

Objectives for managing financial risks

The Group’s objective for managing financial risks is to ensure that shareholder value is created and protected through ongoing identification, measurement and monitoring of the risks including assessment of the returns to ensure they are commensurate with the risks taken.

Risk management structure

The Fund Manager is responsible for the identification, measurement and controlling of financial risks. The Investment Committee of the Company provides the necessary advice and guidance in managing financial risks. The Investment Committee meets on a regular basis with the Fund Manager to discuss and monitor the Group’s risk exposure.

Concentration of financial risks

In order to avoid excessive risk concentration, the Group’s policies and procedures include specific guidelines to limit some geographic, counterparty, security, industry or currency exposures.

The Group’s objectives for capital management are to ensure that there are adequate funds to seize investment opportunities as they arise, in line with the investment objectives. The Group may borrow for funding investments, provided that, the amount of such outstanding financing shall not, in the aggregate, exceed 50% of the GAV.

(i) Credit risk

Credit risk is the risk that counterparty will be unable or unwilling to meet commitments it has entered into with the Group. The Group’s main credit risk derives from the possibility of defaults in rental payments by tenants and other receivables.

The table below shows the maximum exposure to credit risk as at the reporting date:

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>15,754,585</td>
<td>18,693,403</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3,686,938</td>
<td>2,778,834</td>
</tr>
<tr>
<td>Maximum exposure to credit risk</td>
<td>19,441,523</td>
<td>21,472,237</td>
</tr>
</tbody>
</table>

The Group’s objective for managing credit risk is to ensure that the exposure is limited to acceptable levels in line with the investment guidelines and risk management processes. The investment decisions under the supervision of the Directors are made on behalf of the Group by the Fund Manager, advised by the Investment Committee, and they reflect the medium to long-term objectives of the Group.
In determining the provisions, the Group considered the status of the counterparties, status of any recovery procedures and the likelihood of recovering these amounts. The following table summarises, for the Group, the credit quality of the financial assets that are exposed to credit risk:

<table>
<thead>
<tr>
<th>Ratings</th>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3 (Moody’s)</td>
<td>15,754,585</td>
<td>18,693,403</td>
</tr>
<tr>
<td>Other / not rated</td>
<td>3,686,938</td>
<td>2,778,834</td>
</tr>
<tr>
<td>Maximum gross exposure to credit risk</td>
<td>19,441,523</td>
<td>21,472,237</td>
</tr>
</tbody>
</table>

Some securities are not rated but the credit risk exposure is managed and monitored through regular reviews of the underlying issuers and making assumptions on their credit risks in relation to other rated issuers. Non-rated securities mainly relate to deposits for utilities and accrued rental income.

The Fund Manager monitors the counterparties with whom the Group trades to ensure that they have a sound credit standing and that they do not expose the Group to unreasonably high exposure to credit risk. As provided for in the Group’s Prospectus, there are specific limits on each type of investment as a proportion of the NAV of the Group in order to limit the concentration of either counterparty or investment-type risk.

Based on management judgement, an allowance for impairment for expected credit loss of USD 187,194 has been recognised as at 31 March 2019.

None of the amounts above are past due nor have their terms been renegotiated.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The extent of liquidity risk for the Group is dependent upon the nature of the Group and its investment objectives, which are discussed in detail in the Directors’ Report on pages 3 and 4.

The Company’s objective is to ensure that there are adequate liquid resources to meet the obligations under the financial liabilities and invest in accordance with the investment objectives.

The tables below show the maturity profiles and the contractual cash flows for the financial liabilities:

<table>
<thead>
<tr>
<th>As at 31 March 2019</th>
<th>Carrying value</th>
<th>Less than 1 year USD</th>
<th>1 to 5 years USD</th>
<th>Over 5 years USD</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic financing payable (Note 8)</td>
<td>179,994,963</td>
<td>9,565,869</td>
<td>196,382,395</td>
<td>-</td>
<td>205,948,264</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>9,962,133</td>
<td>7,214,571</td>
<td>2,379,843</td>
<td>367,719</td>
<td>9,962,133</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>189,957,096</strong></td>
<td><strong>16,780,440</strong></td>
<td><strong>198,762,238</strong></td>
<td><strong>367,719</strong></td>
<td><strong>215,910,397</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As at 31 March 2018</th>
<th>Carrying value</th>
<th>Less than 1 year USD</th>
<th>1 to 5 years USD</th>
<th>Over 5 years USD</th>
<th>Total USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic financing payable (Note 8)</td>
<td>168,254,833</td>
<td>6,730,193</td>
<td>186,564,646</td>
<td>-</td>
<td>193,294,839</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>8,872,985</td>
<td>5,211,756</td>
<td>2,435,893</td>
<td>1,225,336</td>
<td>8,872,985</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>177,127,818</strong></td>
<td><strong>11,941,949</strong></td>
<td><strong>189,000,539</strong></td>
<td><strong>1,225,336</strong></td>
<td><strong>202,167,824</strong></td>
</tr>
</tbody>
</table>
Reconciliation of the maturity values of the financial liabilities per the Consolidated Statement of Financial Position to the contractual cash flows

<table>
<thead>
<tr>
<th>As at 31 March 2019 USD</th>
<th>As at 31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current liabilities per the consolidated statement of financial position</td>
<td>15,736,378</td>
</tr>
<tr>
<td>Total non-current liabilities per the consolidated statement of financial position</td>
<td>181,312,220</td>
</tr>
<tr>
<td>Add: future finance costs not recognised in the consolidated financial statements (refer to note 8)</td>
<td>25,953,301</td>
</tr>
<tr>
<td>Add: deferred finance cost excluded in Islamic finance payable (refer to note 8)</td>
<td>1,430,305</td>
</tr>
<tr>
<td>Less: deferred income excluded in maturity profile (refer to note 7)</td>
<td>(8,521,807)</td>
</tr>
<tr>
<td>Total per maturity profile</td>
<td>215,910,397</td>
</tr>
</tbody>
</table>

(iii) Market risk
Market risk is the risk that the fair value and/or future cash flows of financial instruments will be adversely affected by the movements in market variables. The key components of market risk that the Group is exposed to are Currency Risk, Equity Price Risk, and Profit Rate Risk. These are considered in turn below:

Currency risk
Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. The Group may hold assets denominated in currencies other than its functional currency of US Dollar. The majority of the assets of the Group are denominated either in US Dollar or in currencies pegged to US Dollar. Therefore the Group is not significantly exposed to currency risk from such currencies.

The Group’s objective for managing currency risk is to ensure that the assets of the Group in a particular currency are adequate to cover the corresponding currency liabilities.

The Ordinary Shares of ENBD REIT are in US Dollar.

The investment restrictions provide for limits, such as maximum exposure to a particular country thereby limiting concentration to any one currency, or investing in collective funds that are, in themselves, well diversified.

Equity price risk
Equity price risk is the sensitivity of the Group to movements in the value of its investments in shares or units. The Group is not exposed to any equity price risk.

Profit rate risk
Profit rate risk is the risk that changes in profit rates will affect future cash flows or the fair value of financial instruments of the Group.

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market profit rates.
The following table sets out the contractual maturities of the Group’s financial instruments that are exposed to profit rate risk as at 31 March 2019:

<table>
<thead>
<tr>
<th>Within 1 year</th>
<th>Between 1 and 5 years</th>
<th>Over 5 years</th>
<th>Total Contractual Cash Flows</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Floating rate</td>
<td>Islamic financing payable (gross)</td>
<td>9,565,869</td>
<td>196,382,395</td>
<td>-</td>
</tr>
</tbody>
</table>

The following table sets out the contractual maturities of the Group’s financial instruments that are exposed to profit rate risk as at 31 March 2018:

<table>
<thead>
<tr>
<th>Within 1 year</th>
<th>Between 1 and 5 years</th>
<th>Over 5 years</th>
<th>Total Contractual Cash Flows</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Floating rate</td>
<td>Islamic financing payable (gross)</td>
<td>6,730,193</td>
<td>186,564,646</td>
<td>-</td>
</tr>
</tbody>
</table>

The Group considers that floating rate securities are not materially affected in their fair values by changes in profit rates. However, cash flows are affected by changes in profit rates of floating rate securities. The sensitivity analysis for the Group shows that an increase in profit rates of 50bps across Investments and Islamic financing payable would impact NAV by -0.02% (2018: -0.02%). In practice, the actual movements and sensitivity may vary and the difference could be significant.

(iv) Fair value of financial instruments

The carrying amounts of the Group financial assets and financial liabilities approximate their fair values as at the reporting date.

15. Schedule of investment properties

Investment properties as at 31 March 2019

<table>
<thead>
<tr>
<th>Cost USD</th>
<th>Fair value as at 31-Mar-18 USD</th>
<th>Additions during the year USD</th>
<th>Fair value as at 31-Mar-19 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHCC 49*</td>
<td>39,666,921</td>
<td>30,792,268</td>
<td>30,882,441</td>
</tr>
<tr>
<td>DHCC 25*</td>
<td>34,663,109</td>
<td>24,121,971</td>
<td>24,616,106</td>
</tr>
<tr>
<td>Arabian Oryx House *</td>
<td>37,078,538</td>
<td>35,720,120</td>
<td>-</td>
</tr>
<tr>
<td>Burj Daman (DIFC) *</td>
<td>72,717,075</td>
<td>68,200,381</td>
<td>-</td>
</tr>
<tr>
<td>Remraam (Dubailand)*</td>
<td>23,457,367</td>
<td>21,406,752</td>
<td>-</td>
</tr>
<tr>
<td>Al Thuraya Towers 1*</td>
<td>69,295,924</td>
<td>90,471,005</td>
<td>-</td>
</tr>
<tr>
<td>BinGhatti Terraces*</td>
<td>41,563,653</td>
<td>38,529,812</td>
<td>-</td>
</tr>
<tr>
<td>The Edge*</td>
<td>80,462,402</td>
<td>80,547,237</td>
<td>-</td>
</tr>
<tr>
<td>Souq Extra*</td>
<td>23,592,605</td>
<td>24,584,808</td>
<td>-</td>
</tr>
<tr>
<td>Uninest*</td>
<td>33,698,053</td>
<td>35,200,109</td>
<td>-</td>
</tr>
<tr>
<td>South View School</td>
<td>8,991,780</td>
<td>12,986,659</td>
<td>6,587,631</td>
</tr>
<tr>
<td>Total investment properties</td>
<td>465,187,427</td>
<td>462,561,122</td>
<td>6,587,631</td>
</tr>
</tbody>
</table>

*Specific investment properties in the portfolio are secured against Islamic financing facility.
16. Fair value hierarchy
The Group is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted market price in an active market for an identical asset or liability.

Level 2 - Valuation techniques based on observable inputs. This category includes an asset or liability valued using: quoted market prices in active markets for similar or assets or liabilities; quoted prices for similar assets or liabilities in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all assets or liabilities where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the asset or liabilities’ valuation. This category includes assets or liabilities that are valued based on quoted prices for similar assets or liabilities where significant unobservable adjustments or assumptions are required to reflect differences between the assets or liabilities.

The Director’s/Fund Manager appoint independent external valuers to be responsible for the external valuations of the Group’s properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 3).

There were no transfers between, into or out of Level 1, Level 2 or Level 3 during the year ended 31 March 2019 (31 March 2018: Nil).

17. Dividend distribution
During the current year, a final dividend of USD 0.0129 per share amounting to USD 3,281,777 (2.2% of NAV) was declared and approved for the year ended 31 March 2018 and paid on 13th June 2018 (31 March 2018: Nil). Subsequent to 30th September 2018, an interim dividend of USD 0.027 per share amounting to USD 6,868,836 (4.8% of NAV) (31 March 2018: USD 9,718,131) was declared and approved for the six-month period ended 30th September 2018 and subsequently paid on 25th February 2019. The payment of the interim dividend was delayed while ENBD REIT sought the appropriate regulatory and court approvals for its reduction of share capital. At the Annual General Meeting (“AGM”) to be held on 24th June 2019, the Board of Directors will propose a final dividend of USD 0.0215 per share amounting to USD 5,399,754 (4% of NAV) for the 12-month period ended 31st March 2019. The final dividend has been determined based on the actual net rental return and funds from operations (“FFO”) generated during the 12-month period.

18. (Loss) / earnings per share
The calculation of basic earnings per share is based on the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding. The Group does not have any potential ordinary shares and accordingly basic and diluted earnings per share are the same.
19. Contingent Liabilities and Commitments

Capital commitments and contingencies
The Group does not have any significant contingent liabilities at 31 March 2019 (31 March 2018: Nil). The Group has capital commitments of Nil (31 March 2018: USD 5,854,936) for the construction of the South View School and USD 34,304,383 (31 March 2018: USD 34,304,383) for the acquisition of Souq Extra Phase II as at the reporting date.

Operating lease commitments as a lessee
The Group has entered into commercial property leases on certain properties. Future minimum lease payable under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019 USD</th>
<th>31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>659,588</td>
<td>622,118</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>2,865,933</td>
<td>2,752,143</td>
</tr>
<tr>
<td>More than five years</td>
<td>32,638,593</td>
<td>33,411,972</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,164,114</strong></td>
<td><strong>36,786,233</strong></td>
</tr>
</tbody>
</table>

Operating lease commitments as a lessor
The Group leases out its investment properties. Future minimum lease receivable under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019 USD</th>
<th>31 March 2018 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>26,166,316</td>
<td>30,449,051</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>43,468,233</td>
<td>56,800,908</td>
</tr>
<tr>
<td>More than five years</td>
<td>53,829,943</td>
<td>59,176,575</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123,464,492</strong></td>
<td><strong>146,426,534</strong></td>
</tr>
</tbody>
</table>

i) Reconciliation of weighted average number of ordinary shares

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April</td>
<td>254,010,340</td>
<td>254,010,340</td>
</tr>
<tr>
<td>Impact of shares buy back</td>
<td>(192,560)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Weighted average number of ordinary shares at year end</strong></td>
<td>254,208,780</td>
<td>254,401,340</td>
</tr>
</tbody>
</table>
20. Significant events since the reporting date
On 28 May 2019, the Directors proposed a final dividend of USD 0.0215 per share amounting to USD 5,399,754 to the Ordinary shareholders of the Company for the year ended 31 March 2019. Also refer note 17.

21. Corresponding figures
Certain corresponding figures have been regrouped / reclassified to conform to the presentation adopted in this consolidated financial statements.

22. Approval of the financial information
The consolidated financial statements were approved by the Board of Directors on 28 May 2019.