

Dubai Investments PJSC and its subsidiaries
Condensed consolidated interim financial statements
For the six-month period ended 30 June 2024

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements
For the six-month period ended 30 June 2024

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

To the Shareholders of Dubai Investments PJSC

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of Dubai Investments PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2024;
- the condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 7 March 2024. Furthermore, the condensed consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2023 was reviewed by another auditor who expressed an unqualified conclusion on those condensed consolidated interim financial statements on 3 August 2023.



Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 8 August 2024

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of profit or loss (Unaudited)

		Three-month period ended		Six-month period ended	
		30 June		30 June	
	Note	2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
Sale of goods and provision of services		278,600	286,828	555,580	574,740
Rental income		258,305	239,047	504,507	464,236
Contract revenue		38,227	35,281	79,391	88,381
Sale of properties		455,384	154,820	623,135	290,141
Gain on fair valuation of investments properties	10	106,642	163,507	106,642	414,909
Gain on fair valuation of investments		46,748	79,695	70,187	117,718
Gain on sale of investments Properties	10	-	-	-	1,100
Gain on sale of investments		14,186	22,933	17,631	37,756
Share of profit from equity accounted investees		25,774	14,402	47,865	20,639
Dividend income		14,249	16,174	25,065	21,881
Total income		1,238,115	1,012,687	2,030,003	2,031,501
Cost of sales and providing services	6	(717,913)	(489,541)	(1,188,691)	(1,007,798)
Administrative expenses	7	(136,559)	(114,143)	(248,464)	(222,197)
Finance costs		(106,360)	(113,484)	(213,274)	(206,462)
Net impairment losses on trade receivables		(1,693)	(77,892)	(4,275)	(80,390)
Finance income		24,574	13,626	41,850	26,132
Other income	8	9,177	5,275	14,534	9,778
Profit before tax for the period		309,341	236,528	431,683	550,564
Income tax expenses					
Current tax expenses		(15,913)	-	(22,770)	-
Deferred tax expenses		(4,326)	-	(7,448)	-
Profit after tax for the period		289,102	236,528	401,465	550,564
Profit / (loss) after tax attributable to:					
Owners of the Company		289,240	266,032	409,201	580,477
Non-controlling interests		(138)	(29,504)	(7,736)	(29,913)
Profit after tax for the period		289,102	236,528	401,465	550,564
Earnings per share					
Basic and diluted earnings per share (AED)	15	0.07	0.06	0.10	0.14

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income (Unaudited)

	Three-month period ended		Six-month period ended	
	30 June		30 June	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Profit after tax for the period	289,102	236,528	401,465	550,564
Other comprehensive income ("OCI"):				
<i>Items that will not be reclassified to profit or loss</i>				
Net change in fair value of investments at fair value through OCI	297	9	239	6,388
Share of other comprehensive loss of equity accounted investees'	-	(268)	-	(268)
Total other comprehensive income for the period	297	(259)	239	6,120
Total comprehensive income for the period	289,399	236,269	401,704	556,684
Attributable to:				
Owners of the Company	289,542	265,771	409,460	585,837
Non-controlling interests	(143)	(29,502)	(7,756)	(29,153)
Total comprehensive income for the period	289,399	236,269	401,704	556,684

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

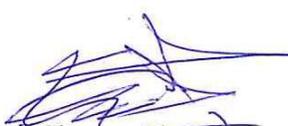
		30 June 2024	31 December 2023	30 June 2023
	<i>Note</i>	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	9	1,429,971	1,486,999	1,494,538
Right-of-use-assets		302,622	323,079	341,973
Goodwill and intangible assets		239,393	242,447	246,702
Investment properties	10	10,615,059	10,099,681	9,945,963
Investments at fair value through other comprehensive income	11	85,056	84,839	65,930
Other financial assets at fair value through profit or loss		24,091	38,706	40,117
Investments in equity accounted investees		1,517,661	1,506,287	1,479,465
Rent receivable		38,113	46,529	31,837
Inventories	12	21,356	21,356	254,246
Trade receivables		420,065	408,950	241,207
Other receivables		6,515	5,650	5,229
Total non-current assets		14,699,902	14,264,523	14,147,207
Current assets				
Inventories	12	1,046,143	1,350,632	1,438,147
Investments at fair value through profit or loss	11	2,003,820	2,023,908	2,006,782
Trade receivables		2,361,471	1,957,390	1,934,494
Due from related parties and other receivables		509,803	463,540	620,764
Short-term deposits with banks	14	111,514	69,102	187,471
Cash and cash equivalents	14	1,087,732	1,166,702	528,476
Assets of a disposal group classified as held for sale		-	142,000	-
Total current assets		7,120,483	7,173,274	6,716,134
Total assets		21,820,385	21,437,797	20,863,341
EQUITY AND LIABILITIES				
EQUITY				
Share capital		4,252,020	4,252,020	4,252,020
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		1,579,751	1,579,751	1,491,289
General reserve		1,433,939	1,433,939	1,433,939
Fair value reserve		(171,914)	(172,173)	(187,618)
Proposed dividend	17	-	531,503	-
Retained earnings		6,220,995	5,810,370	5,879,875
Equity attributable to owners of the Company		13,340,339	13,460,958	12,895,053
Non-controlling interests		241,576	204,922	159,414
Total equity		13,581,915	13,665,880	13,054,467

Dubai Investments PJSC and its subsidiaries

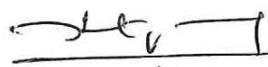
Condensed consolidated interim statement of financial position (continued)

		30 June	31 December	30 June
		2024	2023	2023
	<i>Note</i>	AED'000	AED'000	AED'000
		(Unaudited)	(Audited)	(Unaudited)
LIABILITIES				
Non-current liabilities				
Long-term bank borrowings	16	3,615,769	3,541,844	3,727,486
Lease liabilities		311,835	329,907	339,532
Other payables		74,789	72,937	105,961
Deferred tax liabilities		27,249	19,530	-
Total non-current liabilities		4,029,642	3,964,218	4,172,979
Current liabilities				
Bank borrowings	16	2,073,272	1,789,747	1,630,866
Lease liabilities		36,115	36,533	37,960
Due to related parties, trade and other payables		2,099,441	1,981,419	1,967,069
Total current liabilities		4,208,828	3,807,699	3,635,895
Total liabilities		8,238,470	7,771,917	7,808,874
Total equity and liabilities		21,820,385	21,437,797	20,863,341

To the best of our knowledge, the condensed consolidated interim financial statements are prepared in all material respects, in accordance with IAS 34. These condensed consolidated interim financial statements were approved by the Board of Directors on 8 August 2024 and were signed on its behalf by:


Abdulrahman Ghanem Almutalwee
Chairman


Khalid Jassim Kalban
Vice – Chairman and Chief Executive Officer


Mushtaq Masood
Group Chief Financial Officer

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of cash flows (Unaudited)

	Note	Six-month period ended 30 June	
		2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax for the period		431,683	550,564
<i>Adjustments for:</i>			
Depreciation		76,925	73,270
Amortisation of intangible assets		6,622	6,769
Assets written off and impairment loss on property, plant and equipment		14,320	41,547
Revaluation loss on assets transferred from property, plant and equipment to investment properties	6	-	24,119
Gain on disposal of property, plant and equipment		-	(225)
Gain on sale of investments		(17,631)	(37,756)
Share of profit from equity accounted investees		(47,865)	(20,639)
Gain on fair valuation of investment properties	10	(106,642)	(414,909)
Gain on sale of investment properties		-	(1,100)
Gain on fair valuation of investments		(70,187)	(117,718)
Net impairment losses on trade receivables		4,275	80,390
Finance income		(41,850)	(26,132)
Finance costs		213,274	206,462
Operating profit before changes in working capital		462,924	364,642
<i>Changes in:</i>			
- Investments at fair value		107,928	(93,734)
- Due from related parties, trade and other receivables		(297,781)	(237,839)
- Inventories		304,489	236,934
- Due to related parties, trade and other payables		115,104	264,584
- directors' fee paid		(18,000)	(17,500)
Net cash generated from operating activities		674,664	517,087
Cash flows from investing activities			
Additions to investment properties		(408,736)	(298,806)
Proceeds from disposal of investment property		-	97,001
Proceeds from disposal of asset held for sale		16,500	-
Acquisition of property, plant and equipment		(16,555)	(23,266)
Proceeds from disposal of property, plant and equipment		-	851
Net additions to intangible assets		(3,568)	(1,361)
Finance income received		21,834	19,121
Net movement in equity accounted investees		36,491	69,638
Proceeds from sale of partial equity stake in a subsidiary		15,024	-
Consideration paid for acquisition of non-controlling interest		-	(6,651)
Net cash used in investing activities		(339,010)	(143,473)
Cash flows from financing activities			
Proceeds from bank borrowings		1,163,597	706,407
Repayment of bank borrowings		(862,471)	(513,521)
Dividend paid to non-controlling interest		(2,731)	(4,537)
Dividend paid		(531,503)	(531,503)
Additional contribution by non-controlling interest		33,541	3,500
Principal elements of lease payments		(15,695)	(18,392)
Net movement in short term deposits		(42,412)	(77,333)
Finance costs		(201,378)	(201,353)
Net cash used in financing activities		(459,052)	(636,732)
Net decrease in cash and cash equivalents		(123,398)	(263,118)
Cash and cash equivalents at 1 January	14	986,782	622,133
Cash and cash equivalents at 30 June		863,384	359,015
<i>Cash and cash equivalents comprise following:</i>			
Cash in hand, current and call accounts with banks	14	1,022,712	452,156
Short term deposits with banks (excluding those under lien)	14	65,020	76,320
Bank overdrafts, trust receipts loans and bills discounted		(224,348)	(169,461)
		863,384	359,015

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity
For the six-month period ended 30 June 2024 (Unaudited)

	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Fair value reserve	Proposed dividend	Retained earnings	Sub total	Non-controlling interests	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2023 (Audited)	4,252,020	46	25,502	1,491,289	1,445,397	(192,978)	531,503	5,287,593	12,840,372	196,602	13,036,974
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	580,477	580,477	(29,913)	550,564
Other comprehensive income											
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	5,628	-	-	5,628	760	6,388
Share of other comprehensive loss of equity accounted investees'	-	-	-	-	-	(268)	-	-	(268)	-	(268)
Total other comprehensive income for the period	-	-	-	-	-	5,360	-	-	5,360	760	6,120
Total comprehensive income for the period	-	-	-	-	-	5,360	-	580,477	585,837	(29,153)	556,684
Transactions with owners, in their capacity as owners											
Dividend paid	-	-	-	-	-	-	(531,503)	-	(531,503)	-	(531,503)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	(4,537)	(4,537)
Total transaction with owners in the capacity as owners	-	-	-	-	-	-	(531,503)	-	(531,503)	(4,537)	(536,040)
Changes in ownership interests											
Acquisition of non-controlling interest	-	-	-	-	-	-	-	347	347	(6,998)	(6,651)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	3,500	3,500
Total contributions by and distribution to owners	-	-	-	-	-	-	-	347	347	(3,498)	(3,151)
Transactions with owners, in the capacity as owners	-	-	-	-	-	-	(531,503)	347	(531,156)	(8,035)	(539,191)
Other movements											
Transfers	-	-	-	-	(11,458)	-	-	11,458	-	-	-
Total other movements	-	-	-	-	(11,458)	-	-	11,458	-	-	-
Balance at 30 June 2023 (Unaudited)	4,252,020	46	25,502	1,491,289	1,433,939	(187,618)	-	5,879,875	12,895,053	159,414	13,054,467

The notes set out on pages 10 to 19 form part of these condensed consolidated interim financial statements

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Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity (continued)
For the six-month period ended 30 June 2024 (Unaudited)

	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Fair value reserve	Proposed dividend	Retained earnings	Sub total	Non- controlling interests	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2024 (Audited)	4,252,020	46	25,502	1,579,751	1,433,939	(172,173)	531,503	5,810,370	13,460,958	204,922	13,665,880
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	409,201	409,201	(7,736)	401,465
Other comprehensive income											
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	259	-	-	259	(20)	239
Total other comprehensive income for the period	-	-	-	-	-	259	-	-	259	(20)	239
Total comprehensive income for the period	-	-	-	-	-	259	-	409,201	409,460	(7,756)	401,704
Transactions with owners, in their capacity as owners											
Distributions to owners											
Dividend paid	-	-	-	-	-	-	(531,503)	-	(531,503)	-	(531,503)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	(2,731)	(2,731)
Total distribution to owners	-	-	-	-	-	-	(531,503)	-	(531,503)	(2,731)	(534,234)
Changes in ownership interests											
Sale of partial stake of a subsidiary without change in control (Note 19)	-	-	-	-	-	-	-	1,424	1,424	13,600	15,024
Contribution by non-controlling interest (Note 19)	-	-	-	-	-	-	-	-	-	33,541	33,541
Total contribution by owners	-	-	-	-	-	-	-	1,424	1,424	47,141	48,565
Transactions with owners, in their capacity as owners	-	-	-	-	-	-	(531,503)	1,424	(530,079)	44,410	(485,669)
Balance at 30 June 2024 (Unaudited)	4,252,020	46	25,502	1,579,751	1,433,939	(171,914)	-	6,220,995	13,340,339	241,576	13,581,915

The notes set out on pages 10 to 19 form part of these condensed consolidated interim financial statements

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Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2024 (continued)

1. Reporting entity

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16 July 1995. These condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2024 (“the current period”) comprise the financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and joint arrangements.

The Group is primarily involved in the development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, district cooling, investment banking, asset management, financial investments, healthcare and education.

The registered address of the Company is P.O. Box 28171, Dubai, United Arab Emirates (“UAE”).

2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34, Interim Financial Reporting issued by International Accounting Standard Board (“IASB”) and comply with the provisions of the UAE Companies law. The condensed consolidated interim financial statements does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023. In addition, results for the period from 1 January 2024 to 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3. Material accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its recent annual audited consolidated financial statements as at and for the year ended 31 December 2023.

Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2024

- 1) Disclosure Non-current Liabilities with Covenants – amendments to IAS 1 and Classification of Liabilities as Current or Non-current – amendments to IAS 1
- 2) Lease liability in a sale and leaseback – amendments to IFRS 16
- 3) Supplier Finance Arrangements – amendment to IAS 7 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and current period and are not expected to significantly affect the future periods.

New standards, interpretations and amendments issued but not yet effective for the year beginning 1 January 2024 and not early adopted by the Group

- 1) Lack of Exchangeability - amendments to IAS 21 (effective from 1 January 2025)
- 2) Sale or contribution of Assets between an Investor and its Associate or Joint Venture - amendment to IFRS 10 and IAS 28 (Available for optional adoption/ effective date deferred indefinitely)

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. Use of estimates and judgments

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

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2024 (continued)

5. Financial instruments

- Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2023.

- Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments 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: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

<i>30 June 2024</i>	Level 1 AED'000 (Unaudited)	Level 2 AED'000 (Unaudited)	Level 3 AED'000 (Unaudited)	Total AED'000 (Unaudited)
Financial assets at fair value through profit or loss	194,306	1,009,685	799,829	2,003,820
Financial assets at fair value through other comprehensive income	290	-	84,766	85,056
	<u>194,596</u>	<u>1,009,685</u>	<u>884,595</u>	<u>2,088,876</u>
<i>31 December 2023</i>	Level 1 AED'000 (Audited)	Level 2 AED'000 (Audited)	Level 3 AED'000 (Audited)	Total AED'000 (Audited)
Financial assets at fair value through profit or loss	177,627	1,061,799	784,482	2,023,908
Financial assets at fair value through other comprehensive income	385	-	84,454	84,839
	<u>178,012</u>	<u>1,061,799</u>	<u>868,936</u>	<u>2,108,747</u>

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 June 2024 (continued)

5. Financial instruments (continued)

- Reconciliation of Level 3 fair value measurements of financial assets

	2024 AED'000 (Unaudited)	2023 AED'000 (Audited)
As at 1 January	868,936	596,674
Additions during the period	56,060	242,287
Redeemed/sold during the period	(105,000)	(60,821)
Transfer from level 2	-	14,831
Gain included in OCI		
- Net change in fair value (unrealised)	313	25,310
Gain recorded in profit and loss		
- Net change in fair value (unrealised)	64,286	50,655
As at 30 June/ 31 December	884,595	868,936

- Valuation techniques

The fair values of Level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31 December 2023.

6. Cost of sales and providing services

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Materials consumed	173,743	187,198	366,508	388,173
Cost of properties sold	378,444	143,977	531,073	269,739
Impairment loss on property, plant and equipment (Note 9)	-	-	-	41,547
Revaluation loss on assets transferred from property, plant and equipment to investment properties (Note 9)	-	18,252	-	24,119
Depreciation and amortisation	36,609	36,235	73,814	69,054
Staff costs	28,761	28,396	57,086	55,574
Share of Government of Dubai in the realised profits of a subsidiary	27,650	27,494	53,137	52,596
Infrastructure and development works cost sharing with Road and Transport Authority ("RTA")	7,270	7,270	14,540	14,540
	7,270	7,270	14,540	14,540

7. Administrative expenses

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Staff costs	59,496	54,517	120,185	108,766
Selling and marketing expenses	15,399	10,365	27,793	25,217
Depreciation and amortisation	5,202	3,281	9,733	10,985
	5,202	3,281	9,733	10,985

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2024 (continued)

8. Other income

Other income mainly includes income from sale of scrap, dewatering income, penalty charges for late payments from customers, advertisement income and miscellaneous income.

9. Property, plant and equipment

During the six-month period ended 30 June 2024, the Group's additions to property, plant and equipment amounted to AED 16.56 million (year ended 31 December 2023: AED 75.57 million).

During the six-month period ended 30 June 2024, the Group has written off property, plant and equipment amounting to AED 14.32 million which were damaged as a result of Dubai Floods (during six-month period ended 30 June 2023: Nil). The Group has adequate insurance coverage for the assets and submitted insurance claim which is currently under approval process.

No impairment loss was recorded during the six-month period ended 30 June 2024 (during six-month period ended 30 June 2023: AED 41.55 million).

Based on a change in use supported by observable actions, the Group reclassified an amount of AED 102 million from property, plant and equipment to investment properties during the six-month period ended 30 June 2023 (Note 10), consequently, had recorded a revaluation loss of AED 24.12 million during the six-month period ended 30 June 2023 (Note 6).

10. Investment properties

Included in investment properties are mainly the following:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)	30 June 2023 AED'000 (Unaudited)
- Infrastructure and ancillary facilities	5,875,108	5,787,253	5,388,485
- Plots of land for future development	1,603,054	1,600,908	1,410,970
- Residential facilities	1,104,921	1,089,189	1,042,807
- Retail and commercial facilities	1,536,843	1,127,251	1,542,472
- Labor camps and warehouses	495,133	495,080	561,229
	10,615,059	10,099,681	9,945,963

(i) During the six-month period ended 30 June 2024, additions to investment properties amounting to AED 408.74 million (year ended 31 December 2023: AED 351.63 million). These mainly include acquisition of Land and buildings related to education facilities which have been leased to a third party for 25 years.

(ii) During the six-month period ended 30 June 2024, the Group has obtained fair values of;

- Land and buildings related to education facilities (classified under retail and commercial facilities) and recorded a gain of AED 20.45 million (six-month period ended 30 June 2023: AED 9.79 million);
- Infrastructure and ancillary facilities leased to third parties built on the land (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area). The fair valuation gain of AED 86.19 million (six-month period ended 30 June 2023: fair valuation gain of AED 87.03 million) has been recorded which has arisen due to significant change in the contractual and expected net cash flows based on the terms of lease contracts with tenants on the land.

Dubai Investments PJSC and its subsidiaries

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For the six-month period ended 30 June 2024 (continued)

10. Investment properties (continued)

- (iii) The valuation of above properties were carried out by independent registered valuers in accordance with the RICS Valuation – Global Standards issued by the Royal Institute of Chartered Surveyors using sales comparison and income valuation approach taking into account requirements of IFRS 13 ‘Fair value measurements’.
- (iv) The key assumptions used for valuation of the remaining investment properties are largely consistent with those adopted as at 31 December 2023 and accordingly the fair value of the investment properties have not changed significantly during the six-month period ended 30 June 2024 and consequently, no fair valuation gain / loss has been recorded for the six-month period ended 30 June 2024.
- (v) As at 30 June 2023, given there was a change of use supported by observable actions, the Group had reclassified an amount of;
- AED 510.39 million from investment properties to inventories and recorded a fair valuation gain of AED 316.04 million at the time of transfer (Note 12);
 - AED 44.37 million from inventories to investment properties and recorded a fair valuation gain of AED 3.13 million at the time of transfer (Note 12); and
 - AED 102 million from property, plant and equipment to investment properties (Note 9).
- (vi) Key assumptions and the significant unobservable inputs used in the fair value measurement of investment properties are as follows:

Type of property	Key assumptions
Infrastructure and ancillary facilities	Future contractual rental cash inflows, discount rate, capitalisation yield rates and outgoing expenses.
Plots of land for future development and residential facilities	Market sales rates
Retail and commercial facilities and labor camps and warehouses	Future market rental cash inflows and capitalisation yield rates

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Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 June 2024 (continued)

11. Financial investments

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)	30 June 2023 AED'000 (Unaudited)
<i>Investments at fair value through other comprehensive income</i>			
- Equity securities (i)	85,056	84,839	65,930
<i>Investments at fair value through profit or loss</i>			
- Quoted equity securities and unquoted equity securities	484,097	393,268	514,875
- Funds, bonds and sukuk (ii)	1,519,723	1,630,640	1,491,907
	2,003,820	2,023,908	2,006,782
<i>Geographical distribution of investments</i>			
UAE	526,058	602,330	682,264
Other GCC countries	310,526	280,082	274,827
Other countries (i)+(ii)	1,252,292	1,226,335	1,115,621
	2,088,876	2,108,747	2,072,712

12. Inventories

Inventories at 30 June 2024 include properties held for development and sale in the ordinary course of business amounting to AED 819 million (31 December 2023: AED 1,130 million) and represent costs of land and expenditure incurred towards the development of properties for subsequent sale. The Group intends to develop/has developed these properties for sale and has classified these properties as long term or short term based on completion/future development plans.

Based on change in use, the Group reclassified as amount of AED 510.39 million from investment properties to inventories and AED 44.37 million from inventories to investment properties during the six month period ended 30 June 2023.

Net realisable value ("NRV") estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. The Group has considered whether there are any indicators, such as comparable market transactions giving rise to lower sales values, to show that the estimated NRV for properties held for development and sale are less than the carrying values. Based on their assessment, management have concluded that no provision for NRV is required to be recorded.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 June 2024 (continued)

13. Related party transactions

Significant related party transactions during the period were as follows:

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2024 AED'000	2023 AED'000	2024 AED'000	2023 AED'000
Sale of partial stake of subsidiary without change in control	15,024	-	15,024	-
Rental income	483	531	1,660	1,062
Cooling charges	1,370	7,397	3,045	10,467
Interest income	1,660	-	2,273	-
Compensation to key management personnel				
Short term benefits	12,231	10,578	22,714	20,411
Post-employment benefits	113	127	249	254

14. Short-term deposits with banks and cash and cash equivalents

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)	30 June 2023 AED'000 (Unaudited)
Short term deposits with banks			
Short term deposits with banks having maturity of more than 3 months	20,000	20,000	1,640
Short term deposits within UAE under lien with banks	91,514	49,102	185,831
	111,514	69,102	187,471
Cash and cash equivalents			
Cash in hand	4,340	1,848	2,852
Cash at bank within UAE (current accounts)	886,272	973,750	385,462
Cash at bank outside UAE – GCC Countries (current accounts)	827	36	4,795
Cash at bank outside UAE – Other countries (current accounts)	131,273	73,482	59,047
Short term deposits within UAE having maturity of less than 3 months	65,020	117,586	76,320
	1,087,732	1,166,702	528,476

15. Basic and diluted earnings per share

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2024	2023	2024	2023
Profit after tax for the period attributable to the Owners of the Company (AED'000)	289,240	266,032	409,201	580,477
Weighted average number of shares outstanding ('000s)	4,252,020	4,252,020	4,252,020	4,252,020
Basic and diluted earnings per share (AED)	0.07	0.06	0.10	0.14

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Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 June 2024 (continued)

16. Bank borrowings

The terms of the bank borrowings vary from one to ten years. These are secured by a combination of the Company's corporate guarantee, mortgages over certain investment properties, inventories, trade receivables, property, plant and equipment, assignment of receivables and insurance policies over assets of the Group and lien on bank deposits. The interest rate of majority of the bank borrowings range between 0.45% to 3.5% over relevant EIBOR /SOFR p.a. Where there is a corporate guarantee, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.

17. Proposed dividend and directors' fee

- (i) At the Annual General Meeting held on 17 April 2024, the shareholders approved a 12.5% (AED 0.125 per share) cash dividend proposed by the Board of Directors. The dividend amounting to AED 531.5 million was paid in May 2024.
- (ii) At the Annual General Meeting held on 17 April 2024, the shareholders approved the proposed Directors' fee amounting to AED 18 million for the year ended 31 December 2023.

18. Capital commitments

	30 June 2024 AED'000 Unaudited	31 December 2023 AED'000 Audited
Capital commitments – contracted and committed	<u>498,813</u>	<u>565,147</u>

Commitments mainly include the following:

- Value of construction contracts awarded to contractors for real estate projects under development.

Dubai Investments Park Development Company LLC, a subsidiary of the Company, had signed an agreement with RTA to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 30 June 2024 amounts to AED 145.4 million (31 December 2023: AED 159.9 million) which will be invoiced and paid until 2029.

19. Investment and divestment in subsidiary without change in control

During the six-month period ended 30 June 2024, the Group acquired 100% equity interest in Carnation Education LLC which primarily holds the land and building related to education facilities in Dubai.

Further, during the six-month period ended 30 June 2024, the Group subscribed additional units in Al Mal Capital REIT pursuant to right issues and sold certain units to National General Insurance PJSC. Subsequent to this, the Group's effective shareholding in Al Mal Capital REIT is 76.29%.

20. Investment in equity accounted investees'

Further, during the six-month period ended 30 June 2024, the Group acquired additional 5% equity interest in its existing associate KCH Healthcare LLC. Post-acquisition of additional interest, the Group's shareholding in KCH Healthcare LLC has increased to 31.75%.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2024 (continued)

21. Corporate tax law

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. For the Group, current taxes shall be accounted for as appropriate in the consolidated financial statements for the period beginning 1 January 2024.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax or 0% for qualifying free zone persons. It is not currently foreseen that the Group’s UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in 2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS) – Pillar Two rules by the countries where the Group operates and the implementation of a top-up tax regime in the UAE.

The Group's consolidated effective tax rate in respect of continuing operations for the six months period ended 30 June 2024 was 7 percent (six months ended 30 June 2023: Nil, as the new CT Law was effective for accounting periods beginning on or after 1 June 2023).

The income tax expense is determined by multiplying the profit before tax for the reporting period ended 30 June 2024 by applicable income tax rate adjusted for the tax effect of certain items recognized in full in the period which is in line with the weighted average annual income tax rate expected for the full year multiplied by the profit before tax.

For the purposes of computing the corporate tax charge, the Group has considered proposed tax groups as permitted under the CT Law.

22. Segment reporting

The Group has broadly three reportable segments as discussed below, which are the Group’s strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group’s reportable segments:

<i>Property</i>	development of real estate for sale and leasing
<i>Manufacturing, contracting and services</i>	manufacture and sale of materials used in construction projects, executing construction contracts, production of raw and architectural glass, pharmaceutical products production, aluminium extruded products, laboratory furniture, healthcare and education
<i>Investments</i>	strategic investments in joint ventures and associates, investment banking, asset management and financial investments

Information regarding the operations of each segment is included hereafter. Performance is measured based on segment revenue and profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are a few transactions between the segments and such transaction are carried out on arm’s length basis and are eliminated on consolidation.

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Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2024 (continued)

22. Segment reporting (continued)

Information about reportable segments

<i>Business Segments</i>	Property		Manufacturing, contracting and services		Investments		Total	
	Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June	
	2024	2023	2024	2023	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sales of goods and services	44,250	40,486	499,843	528,196	11,487	6,058	555,580	574,740
Rental income	504,507	464,236	-	-	-	-	504,507	464,236
Contract revenue (over time)	-	-	79,391	88,381	-	-	79,391	88,381
Sale of properties - at a point in time	162,905	290,141	-	-	-	-	162,905	290,141
Overtime	460,230	-	-	-	-	-	460,230	-
Gain on fair valuation of investment properties	106,642	414,909	-	-	-	-	106,642	414,909
Gain on sale of investments	-	-	-	-	17,631	37,756	17,631	37,756
Gain on fair valuation of investment	-	-	-	-	70,187	117,718	70,187	117,718
Others	-	1,100	-	-	72,930	42,520	72,930	43,620
Total income	1,278,534	1,210,872	579,234	616,577	172,235	204,052	2,030,003	2,031,501
Cost of sales and providing services	(706,345)	(512,737)	(482,346)	(495,061)	-	-	(1,188,691)	(1,007,798)
Administrative expenses	(64,649)	(48,105)	(117,747)	(95,606)	(66,068)	(78,486)	(248,464)	(222,197)
Finance costs	(154,552)	(140,987)	(26,081)	(26,494)	(32,641)	(38,981)	(213,274)	(206,462)
Net impairment loss on trade receivables	(1,423)	(75,176)	(2,852)	(5,214)	-	-	(4,275)	(80,390)
Finance income and other income	34,287	15,382	8,638	3,089	13,459	17,439	56,384	35,910
Profit before tax for the period	385,852	449,249	(41,154)	(2,709)	86,985	104,024	431,683	550,564
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Assets	15,709,285	14,834,935	1,888,420	1,936,537	4,222,680	4,666,325	21,820,385	21,437,797
Liabilities	5,409,846	5,155,475	1,113,373	1,244,518	1,715,251	1,371,924	8,238,470	7,771,917

The Group's revenue is mainly earned from transactions carried out in UAE and other GCC countries.