

Dubai Investments PJSC and its subsidiaries
Condensed consolidated interim financial statements
For the three-month period ended 31 March 2023

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

For the three-month period ended 31 March 2023

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Review report on condensed consolidated interim financial statements to the board of directors and shareholders of Dubai Investments PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Investments PJSC (the “Company”) and its subsidiaries (together, the “Group”) as at 31 March 2023 and the related condensed consolidated interim statements of profit or loss, comprehensive income, cash flows and changes in equity for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' (“IAS 34”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers
11 May 2023

Wassim El Afchal
Registered Auditor Number 5454
Dubai, United Arab Emirates

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of profit or loss

	<i>Note</i>	Three-month period ended	
		31 March	
		2023	2022
		AED'000	AED'000
Sale of goods and provision of services		287,912	409,377
Rental income		225,189	209,318
Contract revenue		53,100	41,311
Sale of properties		135,321	66,588
Gain on fair valuation of investments properties	<i>10</i>	251,402	-
Gain on sale of investments properties	<i>10</i>	1,100	-
Gain on fair valuation of investments		38,023	12,854
Gain on sale of investments		14,823	7,773
Dividend income		5,707	6,410
Share of profit from equity accounted investees		6,237	7,411
Total income		1,018,814	761,042
Cost of sales and providing services	<i>6</i>	(518,257)	(464,832)
Administrative expenses	<i>7</i>	(108,054)	(106,687)
Finance costs		(92,978)	(47,682)
Net impairment losses on trade receivables		(2,498)	(1,609)
Finance income		12,506	53,310
Other income	<i>8</i>	4,503	8,998
Profit for the period		314,036	202,540
Profit attributable to:			
Owners of the Company		314,445	202,548
Non-controlling interests		(409)	(8)
Profit for the period		314,036	202,540
Earnings per share			
Basic and diluted earnings per share (AED)	<i>15</i>	0.074	0.048

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income

	Three-month period ended	
	31 March	
	2023	2022
	AED'000	AED'000
Profit for the period	314,036	202,540
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	6,379	4,191
Total other comprehensive income for the period	6,379	4,191
Total comprehensive income for the period	320,415	206,731
Attributable to:		
Owners of the Company	320,066	206,756
Non-controlling interests	349	(25)
Total comprehensive income for the period	320,415	206,731

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

		31 March 2023	31 December 2022	31 March 2022
	Note	AED'000	AED'000	AED'000
Assets				
Non-current assets				
Property, plant and equipment	9	1,557,437	1,693,639	1,582,821
Right-of-use-assets		338,331	347,774	381,656
Goodwill and intangible assets		248,824	252,110	272,619
Investment properties	10	9,809,232	9,692,168	9,004,494
Investments at fair value through other comprehensive income	11	65,921	59,542	66,959
Other financial assets at fair value through profit or loss		42,797	43,928	55,150
Investments in equity accounted investees		1,516,579	1,528,464	329,817
Rent receivable		33,356	38,548	48,525
Inventories	12	253,680	253,680	243,305
Trade receivables		253,735	237,594	359,557
Other receivables		5,530	13,388	13,038
Total non-current assets		14,125,422	14,160,835	12,357,941
Current assets				
Inventories	12	1,485,775	1,209,628	2,038,412
Investments at fair value through profit or loss	11	1,935,676	1,757,842	1,611,344
Trade receivables		1,858,299	1,794,354	1,670,519
Due from related parties and other receivables		601,962	581,376	601,549
Short-term deposits with banks	14	146,014	110,138	69,087
Cash and cash equivalents	14	803,793	853,082	753,166
Assets of a disposal group classified as held for sale	19	-	-	2,837,871
Total current assets		6,831,519	6,306,420	9,581,948
Total assets		20,956,941	20,467,255	21,939,889
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		1,491,289	1,491,289	1,278,017
General reserve		1,433,939	1,445,397	1,445,397
Fair value reserve		(187,357)	(192,978)	(187,646)
Proposed dividend	17	531,503	531,503	510,242
Proposed directors' fee	17	-	-	12,000
Retained earnings		5,613,496	5,287,593	4,942,769
Equity attributable to owners of the Company		13,160,438	12,840,372	12,278,347
Non-controlling interests		198,252	196,602	224,696
Total equity		13,358,690	13,036,974	12,503,043

Dubai Investments PJSC and its subsidiaries

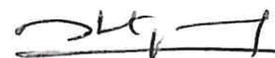
Condensed consolidated interim statement of financial position (continued)

		31 March 2023	31 December 2022	31 March 2022
	<i>Note(s)</i>	AED'000	AED'000	AED'000
LIABILITIES				
Non-current liabilities				
Long-term bank borrowings	<i>16</i>	3,805,395	3,754,952	3,844,243
Lease liabilities		341,124	342,760	368,625
Other payables		130,893	108,803	181,942
Total non-current liabilities		4,277,412	4,206,515	4,394,810
Current liabilities				
Bank borrowings	<i>16</i>	1,462,045	1,466,893	1,896,079
Lease liabilities		36,237	39,730	41,021
Due to related parties, trade and other payables		1,822,557	1,717,143	1,660,096
Liabilities of a disposal group classified as held for sale	<i>19</i>	-	-	1,444,840
Total current liabilities		3,320,839	3,223,766	5,042,036
Total liabilities		7,598,251	7,430,281	9,436,846
Total equity and liabilities		20,956,941	20,467,255	21,939,889

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 11 May 2023 and were signed on its behalf by:



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

	Three-month period ended 31	
	March	
<i>Note</i>	2023	2022
	AED'000	AED'000
Cash flows from operating activities		
Profit for the period	314,036	202,540
<i>Adjustments for:</i>		
Depreciation	37,095	52,444
Amortisation of intangible assets	3,428	6,033
Impairment loss on property, plant and equipment	41,547	-
Revaluation loss on assets transferred from property, plant and equipment to investment properties	5,867	-
Gain on disposal of property, plant and equipment	(39)	(278)
Gain on sale of investments	(14,823)	(7,773)
Share of profit from equity accounted investees	(6,237)	(7,411)
Gain on fair valuation of investment properties	(251,402)	-
Gain on sale of investment properties	(1,100)	-
Gain on fair valuation of investments	(38,023)	(12,854)
Net impairment losses on trade receivables	2,498	1,609
Finance income	(12,506)	(53,310)
Finance costs	92,978	47,682
Operating profit before changes in working capital	173,319	228,682
<i>Changes in:</i>		
- Investments at fair value	(124,988)	70,835
- Due from related parties, trade and other receivables	(88,989)	(113,597)
- Inventories	121,647	51,709
- Due to related parties, trade and other payables	127,504	(30,447)
Net cash generated from operating activities	208,493	207,182
Cash flows from investing activities		
Additions to investment properties	(287,357)	(26,865)
Proceeds from disposal of investment property	97,001	-
Acquisition of property, plant and equipment	(10,998)	(18,636)
Proceeds from disposal of property, plant and equipment	173	319
Additions to intangible assets	(142)	(175)
Finance income received	12,506	13,234
Net movement in short term deposits	(35,876)	9,631
Net movement in equity accounted investees	18,122	3,706
Net cash used in investing activities	(206,571)	(18,786)
Cash flows from financing activities		
Proceeds from bank borrowings	177,529	1,280,598
Repayment of bank borrowings	(76,088)	(1,310,689)
Dividend paid to non-controlling interest	(2,199)	-
Additional contribution by non-controlling interest	3,500	-
Principal elements of lease payments	(5,129)	(7,394)
Interest expenses on lease liabilities	(7,141)	(6,047)
Finance costs	(85,837)	(41,635)
Net cash generated from / (used in) financing activities	4,635	(85,167)
Net increase in cash and cash equivalents	6,557	103,229
Cash and cash equivalents at 1 January	622,133	509,138
Cash and cash equivalents at 31 March	628,690	612,367
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call accounts with banks	433,218	832,892
Short term deposits with banks (excluding those under lien)	370,575	8,750
Bank overdrafts, trust receipt loans and bills discounted	(175,103)	(229,275)
	628,690	612,367

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity
For the three-month period ended 31 March 2023

	-----Equity attributable to owners of the Company-----										Non- controlling interests	Total
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	Retained earnings	Sub total		
	AED'000	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 2022	4,252,020	46	25,502	1,278,017	1,445,397	(191,854)	510,242	12,000	4,740,221	12,071,591	224,721	12,296,312
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	202,548	202,548	(8)	202,540
Other comprehensive income												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	4,208	-	-	-	4,208	(17)	4,191
Total other comprehensive income for the period	-	-	-	-	-	4,208	-	-	-	4,208	(17)	4,191
Total comprehensive income for the period	-	-	-	-	-	4,208	-	-	202,548	206,756	(25)	206,731
Balance at 31 March 2022	4,252,020	46	25,502	1,278,017	1,445,397	(187,646)	510,242	12,000	4,942,769	12,278,347	224,696	12,503,043

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity
For the three-month period ended 31 March 2023 (continued)

	-----Equity attributable to owners of the Company-----											
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	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	AED'000
Balance at 1 January 2023	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	-	-	-	-	-	-	-	-	314,445	314,445	(409)	314,036
Other comprehensive income												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	5,621	-	-	-	5,621	758	6,379
Total other comprehensive income for the period	-	-	-	-	-	5,621	-	-	-	5,621	758	6,379
Total comprehensive income for the period	-	-	-	-	-	5,621	-	-	314,445	320,066	349	320,415
Transactions with owners, in their capacity as owners												
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,199)	(2,199)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	-	3,500	3,500
Total transaction with owners in the capacity as owners	-	-	-	-	-	-	-	-	-	-	1,301	1,301
Other movements												
Transfers	-	-	-	-	(11,458)	-	-	-	11,458	-	-	-
Total other movements	-	-	-	-	(11,458)	-	-	-	11,458	-	-	-
Balance at 31 March 2023	4,252,020	46	25,502	1,491,289	1,433,939	(187,357)	531,503	-	5,613,496	13,160,438	198,252	13,358,690

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the three-month period ended 31 March 2023

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 three-month period ended 31 March 2023 (“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”) a 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 2022. In addition, results for the period from 1 January 2023 to 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3. Significant 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 2022, except for the accounting policy disclosed below on disposal group classified as held for sale and adoption of new amendments to the accounting standards effective as of 1 January 2023, which did not have an impact on the condensed consolidated interim financial statements of the Group.

Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2023

- 1) Disclosure of Accounting Policies - amendments to IAS 1 and IFRS Practice Statement 2
- 2) Definition of Accounting Estimates - amendments to IAS 8
- 3) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12

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 2022 and not early adopted by the Group

- 1) Classification of Liabilities as Current or Non-Current - amendments to IAS 1 (effective from 1 January 2024)
- 2) Lease liabilities in a Sale and Leaseback - Amendment to IFRS 16 (effective from 1 January 2024)
- 3) Non-current liabilities with covenants - amendments to IAS 1 (effective from 1 January 2024)

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 2022.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (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 2022.

- 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>31 March 2023</i>	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	349,560	977,858	608,258	1,935,676
Financial assets at fair value through other comprehensive income	411	-	65,510	65,921
	<u>349,971</u>	<u>977,858</u>	<u>673,768</u>	<u>2,001,597</u>
<i>31 December 2022</i>	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	251,179	969,133	537,530	1,757,842
Financial assets at fair value through other comprehensive income	398	-	59,144	59,542
	<u>251,577</u>	<u>969,133</u>	<u>596,674</u>	<u>1,817,384</u>

- Reconciliation of Level 3 fair value measurements of financial assets

	2023 AED'000	2022 AED'000
As at 1 January	596,674	524,408
Purchased during the period/year	97,176	134,483
Redeemed/sold during the period/year	(41,915)	(64,209)
Transfer to level 3	14,831	-
Loss included in OCI		
- Net change in fair value (unrealised)	6,367	6,263
Loss recorded in profit and loss		
- Net change in fair value (unrealised)	635	(4,271)
As at 31 March/December	<u>673,768</u>	<u>596,674</u>

There were transfers between Level 2 and Level 3 fair value measurements.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

5. Financial instruments (continued)

- 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 2022.

6. Cost of sales and providing services

	Three-month period ended 31 March	
	2023 AED'000	2022 AED'000
<i>These mainly include:</i>		
Materials consumed	200,975	227,477
Cost of properties sold	125,762	60,600
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)	5,867	-
Depreciation and amortisation	32,819	51,148
Staff costs	27,178	31,362
Share of Government of Dubai in the realised profits of a subsidiary	25,102	28,397
Infrastructure and development works cost sharing with Road and Transport Authority ("RTA")	7,270	7,270

7. Administrative expenses

	Three-month period ended 31 March	
	2023 AED'000	2022 AED'000
<i>These mainly include:</i>		
Staff costs	54,249	68,823
Selling and marketing expenses	12,927	9,508
Depreciation and amortisation	7,704	7,329

8. Other income

Other income mainly includes advertisement income and miscellaneous income.

9. Property, plant and equipment

During the three-month period ended 31 March 2023, the Group's additions to property, plant and equipment amounted to AED 10.99 million (year ended 31 December 2022: AED 80.52 million).

During the three-month period ended 31 March 2023, the Group recognised an impairment loss of AED 41.55 million (three-month period ended 31 March 2022: AED Nil).

Based on a change in use supported by observable actions, the Group reclassified an amount of AED 72 million from property, plant and equipment to investment properties during the three-month period ended 31 March 2023 (Note 10), consequently, recorded a revaluation loss of AED 5.9 million during the three-month period ended 31 March 2023 (three-month period ended 31 March 2022: AED Nil).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

10. Investment properties

Included in investment properties are mainly the following:

	31 March 2023	31 December 2022	31 March 2022
	AED'000	AED'000	AED'000
- Infrastructure and ancillary facilities	5,302,212	5,293,183	5,278,852
- Plots of land for future development	1,510,565	1,585,843	1,468,910
- Residential facilities	967,398	968,354	693,264
- Retail and commercial facilities	1,467,286	1,282,481	989,137
- Labor camps and warehouses	561,771	562,307	574,331
	9,809,232	9,692,168	9,004,494

- (i) During the three-month period ended 31 March 2023, additions to investment properties amounted to AED 287.36 million (year ended 31 December 2022: AED 161.96 million) which mainly include acquisition of a school campuses in Sharjah, UAE. Furthermore, the Group sold investment properties amounted to AED 97 million during the three-month period ended 31 March 2023 (year ended 31 December 2022: AED Nil) and recorded gain of AED 1.1 million on sale of investment properties during the three-month period ended 31 March 2023 (three-month period ended 31 March 2022: AED Nil).
- (ii) As at 31 March 2023, given there had been a change of use supported by observable actions, the Group reclassified an amount of;
- AED 397.79 million from investment properties to inventories and recorded fair valuation gain of AED 243.31 million at the time of transfer (iii) (Note 12); and
 - AED 72 million from property, plant and equipment to investment properties (Note 9).
- (iii) As a result of the above reclassifications and acquisition of school campuses, the Group has obtained fair values of certain plots of land, retail and commercial facilities. The valuations 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. Based on this, fair valuation gain of AED 251.4 million (three-month period ended 31 March 2022: fair valuation gain of AED Nil) has been recorded for the three-month period ended 31 March 2023.
- (iv) The key assumptions used for valuation of the remaining investment properties are largely consistent with those adopted as at 31 December 2022 and accordingly the fair value of the investment properties have not changed significantly during the three-month period ended 31 March 2023 and consequently, no fair valuation gain / loss has been recorded for the three-month period ended 31 March 2023.
- (v) 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 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

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

11. Financial investments

	31 March 2023	31 December 2022	31 March 2022
	AED'000	AED'000	AED'000
<i>Investments at fair value through other comprehensive income</i>			
- Equity securities (i)	65,921	59,542	66,959
<i>Investments at fair value through profit or loss</i>			
- Held for trading quoted equity securities	500,024	378,978	251,335
- Unquoted equity securities, funds, bonds and sukus	1,435,652	1,378,864	1,360,009
(ii)	1,935,676	1,757,842	1,611,344
<i>Geographical distribution of investments</i>			
UAE	682,030	600,233	607,062
Other GCC countries	261,307	262,337	275,802
Other countries	1,058,260	954,814	795,439
(i)+(ii)	2,001,597	1,817,384	1,678,303

12. Inventories

Inventories at 31 March 2023 include properties held for development and sale in the ordinary course of business amounting to AED 1,496 million (31 December 2022: AED 1,215 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 a change in use as mentioned above, the Group reclassified an amount of AED 397.79 million from investment properties to inventories during the three-month period ended 31 March 2023 (Note 10).

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.

13. Related party transactions

Significant related party transactions during the period were as follows:

	Three-month period ended 31 March	
	2023	2022
	AED'000	AED'000
Rental income	531	-
Cooling charges	3,070	-
Compensation to key management personnel		
Short term benefits	9,833	7,988
Post-employment benefits	127	127

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Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

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

	31 March 2023	31 December 2022	31 March 2022
	AED'000	AED'000	AED'000
Short term deposits with banks			
Short term deposits within UAE under lien with banks	146,014	110,138	69,087
Cash and cash equivalents			
Cash in hand	1,352	1,517	1,178
Cash at bank within UAE (current accounts)	357,077	362,460	715,281
Cash at bank outside UAE – GCC Countries (current accounts)	880	7,349	1,759
Cash at bank outside UAE – Other countries (current accounts)	73,909	66,422	34,948
Short term deposits within UAE having maturity of less than 3 months	370,575	415,334	-
	803,793	853,082	753,166

15. Basic and diluted earnings per share

	Three-month period ended 31 March	
	2023	2022
Profit for the period attributable to the Owners of the Company (AED'000)	314,445	202,548
Weighted average number of shares outstanding ('000s)	4,252,020	4,252,020
Basic and diluted earnings per share (AED)	0.074	0.048

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/LIBOR/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.

The Group has exposure to interbank offered rates subject to reform that are yet to transition to risk-free rates in relation to the USD LIBOR denominated borrowings. The Group continues to monitor the impact of the interest rate benchmark reform on their contracts and arrangements on an ongoing basis and have either transitioned or are in the process of transitioning to alternative benchmark rates.

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Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

17. Proposed dividend and directors' fee

- (i) At the Annual General Meeting held on 26 April 2023, the shareholders approved a 12.5% (AED 0.125 per share) cash dividend proposed by the Board of Directors.
- (ii) At the Annual General Meeting held on 26 April 2023, the shareholders approved the proposed Directors' fee amounting to AED 17.5 million for the year ended 31 December 2022.

18. Capital commitments

	31 March 2023	31 December 2022
	AED'000	AED'000
Capital commitments – contracted and committed	565,147	461,476

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 31 March 2023 amounts to AED 189.4 million (31 December 2022: AED 196.7 million) which will be invoiced and paid until 2029.

19. Disposal of controlling interest in subsidiaries

During the period ended 31 March 2022, the Group committed to a plan to divest 50% equity interest in Emicool District Cooling LLC (“Emicool”) upon receipt of an offer from a third party (“Buyer”). On 11 April 2022, the Group entered into sales and purchase agreement (“SPA”) with the Buyer for the disposal against cash consideration. Accordingly, assets and liabilities of Emicool and its subsidiaries (“the disposal group”) were classified as held for sale as at 31 March 2022.

On 25 July 2022, the Group signed a shareholders' agreement with the Buyer, transferred shares to the Buyer and received the consideration for the divestment of the equity interest resulting in the loss of control in Emicool which resulted in a gain of AED 980.42 million on the transaction which was reflected in the condensed consolidated interim financial statements for the nine-month period ending 30 September 2022.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the three-month period ended 31 March 2023 (continued)

20. Corporate tax law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (“CT”) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities.

The Group will be subject to CT commencing 1 January 2024. Based on the information available to date, the Group assessed the deferred tax implications and concluded it is not expected to be significant as of and for the three-month period ended 31 March 2023. As certain other cabinet decisions are pending as on the date of these condensed consolidated interim financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published. Impact if any, will be accordingly reflected in the Group’s financial statements when such additional information will be substantively issued.

21. 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, district cooling services, production, aluminium extruded products, laboratory furniture, healthcare and education
<i>Investments</i>	strategic minority investments in 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 three-month period ended 31 March 2023 (continued)

21. Segment reporting (continued)

Information about reportable segments

<i>Business Segments</i>	Property		Manufacturing, contracting and services		Investments		Total	
	Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sales of goods and services								
(i) at a point in time	22,641	5,001	261,803	303,078	3,468	7,405	287,912	315,484
(ii) over time	-	-	-	93,893	-	-	-	93,893
Total sales of goods and services (i + ii)	22,641	5,001	261,803	396,971	3,468	7,405	287,912	409,377
Rental income	225,189	209,318	-	-	-	-	225,189	209,318
Contract revenue (over time)	-	-	53,100	41,311	-	-	53,100	41,311
Sale of properties (at a point in time)	135,321	66,588	-	-	-	-	135,321	66,588
Gain on fair valuation of investment properties	251,402	-	-	-	-	-	251,402	-
Gain on sale of investment properties	1,100	-	-	-	-	-	1,100	-
Gain on fair valuation of investment	-	-	-	-	38,023	12,854	38,023	12,854
Others	-	-	-	-	26,767	21,594	26,767	21,594
Total income	635,653	280,907	314,903	438,282	68,258	41,853	1,018,814	761,042
Cost of sales and providing services	(255,344)	(138,791)	(262,913)	(326,041)	-	-	(518,257)	(464,832)
Administrative expenses	(27,461)	(20,729)	(45,848)	(53,986)	(34,745)	(31,972)	(108,054)	(106,687)
Finance costs	(64,374)	(23,249)	(12,741)	(19,863)	(15,863)	(4,570)	(92,978)	(47,682)
Net impairment loss on trade receivables	141	(43)	(2,639)	(1,566)	-	-	(2,498)	(1,609)
Finance income and other income	5,602	15,515	2,003	41,322	9,404	5,471	17,009	62,308
Profit for the period	294,217	113,610	(7,235)	78,148	27,054	10,782	314,036	202,540
Profit attributable to:								
Owners of the Company	295,831	113,278	(4,961)	78,575	23,575	10,695	314,445	202,548
Non – controlling interests	(1,614)	332	(2,274)	(427)	3,479	87	(409)	(8)
Profit for the period	294,217	113,610	(7,235)	78,148	27,054	10,782	314,036	202,540
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Assets	14,424,941	13,949,196	2,001,634	2,105,464	4,530,366	4,412,495	20,956,941	20,467,255
Liabilities	5,062,494	4,869,290	1,291,141	1,370,234	1,244,616	1,190,753	7,598,251	7,430,281

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