

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial
statements

30 September 2017

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

30 September 2017

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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 September 2017 condensed consolidated interim financial statements of Dubai Investments PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- the condensed consolidated statement of profit or loss for the three month and nine month periods ended 30 September 2017;
- the condensed consolidated statement of comprehensive income for the three month and nine month periods ended 30 September 2017;
- the condensed consolidated statement of financial position as at 30 September 2017;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2017;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 2017; 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.



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 the 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 condensed consolidated interim financial statements as at 30 September 2017 is 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: 30 October 2017

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of profit or loss for the nine month period ended 30 September (unaudited)

	Note	Three month period ended		Nine month period ended	
		30 September		30 September	
		2017	2016	2017	2016
		AED 000	AED 000	AED 000	AED 000
Sale of goods		206,943	211,855	629,631	661,682
Rental income		232,132	230,072	691,055	654,287
Contract revenue		94,999	121,413	266,094	356,916
Sale of properties		-	750	-	2,175
Gain on fair valuation of investment properties	10	219,375	229,250	441,645	315,389
(Loss)/gain on fair valuation of investments		(15,106)	15,538	(17,360)	(12,290)
(Loss)/gain on sale of investment properties		(125)	408	924	6,618
(Loss)/gain on sale of investments – (net)		(933)	(7,786)	325	(10,132)
Share of profit from equity accounted investees		7,479	8,249	10,298	15,495
Dividend income		4,444	4,590	10,100	9,199
Gain on disposal of subsidiaries	22	-	-	-	186,632
Total income		749,208	814,339	2,032,712	2,185,971
Direct operating costs	6	(324,226)	(384,314)	(997,779)	(1,098,983)
Administrative and general expenses	7	(79,550)	(90,219)	(256,518)	(275,436)
Finance expenses		(25,455)	(23,752)	(69,431)	(67,952)
Finance income		15,054	16,002	40,534	49,904
Other income	8	4,711	8,186	45,121	49,614
Profit for the period		339,742	340,242	794,639	843,118
Profit attributable to:					
Owners of the Company		350,364	334,402	830,250	850,312
Non-controlling interests		(10,622)	5,840	(35,611)	(7,194)
Profit for the period		339,742	340,242	794,639	843,118
Earnings per share					
Basic earnings per share (AED)	16	0.08	0.08	0.20	0.20

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income for the nine month period ended 30 September (unaudited)

	Three month period ended		Nine month period ended	
	30 September		30 September	
	AED 000	AED 000	AED 000	AED 000
	2017	2016	2017	2016
Profit for the period	339,742	340,242	794,639	843,118
Other comprehensive income:				
Items that will never be reclassified to profit or loss				
Net change in fair value of investments at fair value through other comprehensive income (OCI)	(4,432)	(12,744)	(2,589)	(55,182)
	-----	-----	-----	-----
Total other comprehensive income for the period	(4,432)	(12,744)	(2,589)	(55,182)
	-----	-----	-----	-----
Total comprehensive income for the period	335,310	327,498	792,050	787,936
	=====	=====	=====	=====
Attributable to:				
Owners of the Company	345,932	325,838	827,055	803,907
Non-controlling interests	(10,622)	1,660	(35,005)	(15,971)
	-----	-----	-----	-----
Total comprehensive income for the period	335,310	327,498	792,050	787,936
	=====	=====	=====	=====

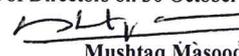
The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of financial position
as at 30 September 2017

		30 September 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	30 September 2016 AED 000 (Unaudited)
	<i>Note</i>			
Non-current assets				
Property, plant and equipment	9	1,261,890	1,320,308	1,328,047
Goodwill and intangible assets		98,643	99,768	100,970
Investment properties	10	7,451,460	6,731,697	6,265,064
Investments at fair value through other comprehensive income	11	235,750	246,272	289,544
Investment in equity accounted investees		654,768	664,251	645,881
Rent receivable		42,165	44,093	44,028
Finance lease receivable		4,050	6,878	75,502
Inventories	12	1,778,198	1,603,905	1,858,581
Trade receivables	13	145,308	143,030	219,758
Due from related parties and other receivables		41,442	41,751	66,086
Total non-current assets		11,713,674	10,901,953	10,893,461
Current assets				
Inventories	12	845,593	615,934	446,209
Investments at fair value through profit or loss	11	1,714,429	1,596,532	1,726,107
Trade receivables	13	937,746	1,163,265	1,112,031
Due from related parties and other receivables		663,418	505,135	681,464
Cash at bank and in hand	15	851,211	1,331,997	1,104,838
Assets held for sale		-	-	87,479
Total current assets		5,012,397	5,212,863	5,158,128
Total assets		16,726,071	16,114,816	16,051,589
Equity				
Share capital		4,252,018	4,049,541	4,049,541
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		975,958	975,958	890,756
General reserve		1,253,943	1,253,943	1,174,719
Revaluation reserve	23	22,000	22,000	22,000
Fair value reserve		(252,931)	(249,736)	(237,502)
Proposed dividend/bonus shares	19	-	607,431	-
Proposed directors' fee	19	-	10,000	-
Retained earnings		5,417,597	4,669,545	5,086,779
Equity attributable to owners of the Company		11,694,133	11,364,230	11,011,841
Non-controlling interests		510,203	574,647	610,306
Total equity		12,204,336	11,938,877	11,622,147
Liabilities				
Non-current liabilities				
Long-term bank borrowings	17	839,660	522,078	515,729
Sukuk notes	18	1,101,600	1,101,600	1,101,600
Other payables		70,782	77,819	68,571
Total non-current liabilities		2,012,042	1,701,497	1,685,900
Current liabilities				
Bank borrowings	17	1,154,733	1,182,824	1,273,713
Trade, due to related parties and other payables		1,354,960	1,291,618	1,436,931
Liabilities held for sale		-	-	32,898
Total current liabilities		2,509,693	2,474,442	2,743,542
Total liabilities		4,521,735	4,175,939	4,429,442
Total equity and liabilities		16,726,071	16,114,816	16,051,589

The condensed consolidated interim financial statements was authorized for issue on behalf of the Board of Directors on 30 October 2017.


Khalid Jassim Kalban
MD & CEO


Mushtaq Masood
Group CFO

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of cash flows

for the nine month period ended 30 September (unaudited)

	Nine month period ended 30 September	
	2017	2016
	AED 000	AED 000
Cash flows from operating activities		
Profit for the period	794,639	843,118
<i>Adjustments for:</i>		
Depreciation	80,497	84,553
Amortization of intangible assets	1,125	1,343
Loss/(gain) on disposal of property, plant and equipment	144	(2,474)
Gain on fair valuation of existing interest prior to acquisition of a subsidiary	-	(7,275)
(Gain)/loss on sale of investments – (net)	(325)	10,132
Gain on fair valuation of investment properties	(441,645)	(315,389)
Gain on sale of investment properties	(924)	(6,618)
Share of profit from equity accounted investees	(10,298)	(15,495)
Loss on fair valuation of investments	17,360	12,290
Gain on disposal of subsidiaries	-	(186,632)
	-----	-----
Operating profit before changes in working capital	440,573	417,553
<i>Changes in:</i>		
- investment at fair value through profit or loss and at fair value through OCI	(127,605)	83,906
- trade, due from related parties and other receivables	(160,977)	(20,051)
- inventories	(403,952)	(114,646)
- trade, due to related parties and other payables	63,342	55,643
Directors' fee paid	(10,000)	(8,000)
	-----	-----
Net cash (used in) / from operating activities	(198,619)	414,405
	-----	-----
Cash flows from investing activities		
Consideration paid for acquisition of controlling/non-controlling interests - net of cash acquired	(29,272)	(93,961)
Net movement in investment properties	(46,194)	(273,166)
Acquisition of property, plant and equipment	(22,860)	(52,836)
Proceeds from disposal of property, plant and equipment	637	13,787
	-----	-----
Net cash used in investing activities	(97,689)	(406,176)
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	53,906	37,435
Net movement in non-controlling interests	(768)	470
Net movement in investments in associates	19,781	4,554
Dividend paid	(485,945)	(485,945)
Net movement in deposits under lien	-	(1,515)
	-----	-----
Net cash used in financing activities	(413,026)	(445,001)
	-----	-----
Net decrease in cash and cash equivalents	(709,334)	(436,772)
Cash and cash equivalents at 1 January	946,529	1,178,491
	-----	-----
Cash and cash equivalents at 30 September	237,195	741,719
	-----	-----
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call accounts with banks	476,808	485,235
Short term deposits with banks (excluding those under lien)	365,508	597,979
Bank overdrafts, trust receipt loans and bills discounted	(605,121)	(341,495)
	-----	-----
	237,195	741,719
	=====	=====

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of changes in equity
for the nine month period ended 30 September (unaudited)

	-----Equity attributable to owners of the Company-----												AED 000
	Share Capital	Share premium	Capital reserve	Legal reserve	General reserve	Reval- uation reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	Retained earnings	Sub total	Non- controlling interests	Total
Balance at 1 January 2016	4,049,541	46	25,502	890,756	1,174,719	67,000	(191,097)	485,945	8,000	4,201,404	10,711,816	487,567	11,199,383
Profit for the period	-	-	-	-	-	-	-	-	-	850,312	850,312	(7,194)	843,118
Other comprehensive income													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(46,405)	-	-	-	(46,405)	(8,777)	(55,182)
Total other comprehensive income for the period	-	-	-	-	-	-	(46,405)	-	-	-	(46,405)	(8,777)	(55,182)
Total comprehensive income for the period	-	-	-	-	-	-	(46,405)	-	-	850,312	803,907	(15,971)	787,936
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners</i>													
Dividend paid	-	-	-	-	-	-	-	(485,945)	-	-	(485,945)	-	(485,945)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	(485,945)	-	-	(485,945)	(450)	(486,395)
<i>Changes in ownership interests</i>													
On acquisition by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(9,097)	(9,097)
On acquisitions of non-controlling interests	-	-	-	-	-	-	-	-	-	(9,937)	(9,937)	(919)	(10,856)
On acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	147,877	147,877
Introduction of share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,299	1,299
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(9,937)	(9,937)	139,160	129,223
Total transactions with owners	-	-	-	-	-	-	-	(485,945)	-	(9,937)	(495,882)	138,710	(357,172)
Other movements													
Directors' fee paid	-	-	-	-	-	-	-	-	(8,000)	-	(8,000)	-	(8,000)
Others (refer note 23)	-	-	-	-	-	(45,000)	-	-	-	45,000	-	-	-
Total other movements	-	-	-	-	-	(45,000)	-	-	(8,000)	45,000	(8,000)	-	(8,000)
Balance at 30 Sep 2016	4,049,541	46	25,502	890,756	1,174,719	22,000	(237,502)	-	-	5,086,779	11,011,841	610,306	11,622,147

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of changes in equity (continued)
for the nine month period ended 30 September (unaudited)

	-----Equity attributable to owners of the Company-----											AED 000	
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend/bonus	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
Balance at 1 January 2017	4,049,541	46	25,502	975,958	1,253,943	22,000	(249,736)	607,431	10,000	4,669,545	11,364,230	574,647	11,938,877
Profit for the period	-	-	-	-	-	-	-	-	-	830,250	830,250	(35,611)	794,639
Other comprehensive income													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(3,195)	-	-	-	(3,195)	606	(2,589)
Total other comprehensive income for the period	-	-	-	-	-	-	(3,195)	-	-	-	(3,195)	606	(2,589)
Total comprehensive income for the period	-	-	-	-	-	-	(3,195)	-	-	830,250	827,055	(35,005)	792,050
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners</i>													
Dividend paid (refer note 19(i))	-	-	-	-	-	-	-	(404,954)	-	(80,991)	(485,945)	-	(485,945)
Bonus shares issued (refer note 19(i))	202,477	-	-	-	-	-	-	(202,477)	-	-	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Total contributions by and distribution to owners	202,477	-	-	-	-	-	-	(607,431)	-	(80,991)	(485,945)	(2,940)	(488,885)
<i>Changes in ownership interests</i>													
On acquisitions of non-controlling interests (note 20)	-	-	-	-	-	-	-	-	-	(1,207)	(1,207)	(28,065)	(29,272)
On acquisition by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,566	1,566
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1,207)	(1,207)	(26,499)	(27,706)
Total transactions with owners	202,477	-	-	-	-	-	-	(607,431)	-	(82,198)	(487,152)	(29,439)	(516,591)
Other movements													
Directors' fee paid (refer note 19(ii))	-	-	-	-	-	-	-	-	(10,000)	-	(10,000)	-	(10,000)
Total other movements	-	-	-	-	-	-	-	-	(10,000)	-	(10,000)	-	(10,000)
Balance at 30 September 2017	4,252,018	46	25,502	975,958	1,253,943	22,000	(252,931)	-	-	5,417,597	11,694,133	510,203	12,204,336

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements

for the nine month period ended 30 September 2017

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 nine month period ended 30 September 2017 (“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 development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, investment banking, asset management and financial investments.

The registered address of the Company is P.O. Box 28171, Dubai, 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*. 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 consolidated financial statements of the Group for the year ended 31 December 2016.

3. Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016.

Financial assets and liabilities

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016. These are disclosed in detail under notes 2 and 3 in the Group’s consolidated financial statements as at and for the year ended 31 December 2016.

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 the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

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 2016.

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 categorized:

<i>30 September 2017</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	623,994	824,843	265,592	1,714,429
Financial assets at fair value through other comprehensive income	754	-	234,996	235,750
	-----	-----	-----	-----
	624,748	824,843	500,588	1,950,179
	=====	=====	=====	=====
 <i>31 December 2016</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	417,087	871,369	308,076	1,596,532
Financial assets at fair value through other comprehensive income	663	-	245,609	246,272
	-----	-----	-----	-----
	417,750	871,369	553,685	1,842,804
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

5. Financial instruments (*continued*)

Reconciliation of Level 3 fair value measurements of financial assets

	2017 AED'000	2016 AED'000
As at 1 January	553,685	633,155
Purchased during the period	39,841	39,389
Redeemed/sold during the period	(7,891)	(49,411)
Transfer out to level 1	(84,683)	-
Loss included in OCI		
Net change in fair value (unrealized)	(4,460)	(55,182)
Gain recorded in profit and loss		
-Net change in fair value (unrealized)	4,096	-
	-----	-----
As at 30 September	500,588	567,951
	=====	=====

There were no transfers between Level 1 and Level 2 fair value measurements.

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 2016.

6. Direct operating costs

	Three month period ended 30 September		Nine month period ended 30 September	
	2017 AED 000	2016 AED 000	2017 AED 000	2016 AED 000
<i>These include:</i>				
Materials consumed	175,292	182,224	564,569	567,431
Cost of properties sold	-	660	-	1,844
Staff costs	49,231	49,484	125,593	129,879
Factory overheads (excluding depreciation)	27,251	43,549	96,561	120,573
Depreciation	17,822	17,158	54,818	57,085
Share of Government of Dubai in the realized profits of a subsidiary	29,818	30,204	88,993	86,355
	=====	=====	=====	=====

7. Administrative and general expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2017 AED 000	2016 AED 000	2017 AED 000	2016 AED 000
<i>These include:</i>				
Staff costs	48,447	53,719	150,551	156,266
Selling and marketing expenses	10,234	14,240	36,621	35,329
Depreciation	8,964	10,884	25,679	27,468
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

8. Other income

It includes insurance claim received by a subsidiary of AED 6.6 million, income from leased operations of AED 5.1 million and charges recovered from customers of AED 10.9 million.

9. Property, plant and equipment

During the nine month period ended 30 September 2017, the Group's additions to assets amounted to AED 22.9 million (*nine month period ended 30 September 2016: AED 52.84 million*).

10. Investment properties

Included in investment properties are mainly the following:

	30 September 2017 AED'000 (Unaudited)	31 December 2016 AED'000 (Audited)	30 September 2016 AED'000 (Unaudited)
- Infrastructure and ancillary facilities	5,046,896	4,302,293	4,096,684
- Plots of land for future development	604,426	604,426	527,902
- Residential, retail and commercial facilities	1,129,206	1,156,078	1,000,334
- Labor camps and warehouses	670,932	668,900	640,144
	7,451,460	6,731,697	6,265,064

- i) The valuation basis and assumptions used for valuation of investments properties remains consistent with the methodology adopted as at 31 December 2016 and were last valued as at that date except as mentioned in (ii) and (iii) below.
- ii) As at 30 September 2017, the Group has obtained fair values of 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 valuation was carried out by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors using a discounted cash flow model. The fair valuation gain of AED 394.14 million (*nine month period ended 30 September 2016: fair valuation gain of AED 196 million*) has arisen due to significant change in the contractual net cash flows as per the terms of lease contracts with tenants.
- iii) During the current period, the Group acquired two plots of land in settlement of outstanding receivables from a customer (refer note 13). The valuation of these plots, post-acquisition, was carried out by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors using comparative market value method resulting in a fair valuation gain of AED 47.5 million.
- iv) During the current period, the Group disposed of a residential building with a carrying value of AED 23.7 million.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

11. Investments

	30 September 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	30 September 2016 AED 000 (Unaudited)
Investments at fair value through other comprehensive income:			
- unquoted equity securities	235,750	246,272	289,544
	-----	-----	-----
(i)	235,750	246,272	289,544
	=====	=====	=====
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	629,108	417,087	395,565
- unquoted equity securities, funds, bonds and sukus	1,085,321	1,179,445	1,330,542
	-----	-----	-----
(ii)	1,714,429	1,596,532	1,726,107
	=====	=====	=====

Geographical distribution of investments

UAE	948,416	828,942	896,320
Other GCC countries	429,880	412,045	406,210
Other countries	571,883	601,817	713,121
	-----	-----	-----
(i)+(ii)	1,950,179	1,842,804	2,015,651
	=====	=====	=====

12. Inventories

Inventories at 30 September 2017 include properties under development for sale in the ordinary course of business amounting to AED 2,411 million (*31 December 2016: AED 2,008 million*) and represent costs of land, expenditure incurred towards the development of properties for subsequent sale and capitalized borrowing costs. The Group intends to develop these properties for sale and has classified these properties as long term or short term based on completion/future development plans.

13. Trade receivables

During the current period, Dubai Investments Park Development Company LLC (“the subsidiary”) signed a settlement agreement with a customer to settle an outstanding receivable amounting to AED 230.7 million (*31 December 2016: AED 227.3 million*). The settlement was agreed by offsetting the receivables amount against the purchase price of two plots of land transferred to the subsidiary by the customer. Also refer note 10 (iii).

Upon signing of the settlement agreement, the previous legal proceedings initiated by the subsidiary and the customer are now in the process of being formally closed through the Dubai Courts.

Also refer to note 21.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

14. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 30 September		Nine month period ended 30 September	
	2017 AED 000	2016 AED 000	2017 AED 000	2016 AED 000
Land and other lease charges	1,465	1,000	3,718	5,700
Compensation to key management personnel:				
Short term benefits	4,312	4,014	12,805	12,030
Post-employment benefits	106	102	311	307
	====	====	====	====

15. Cash at bank and in hand

	30 September 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	30 September 2016 AED 000 (Unaudited)
Cash in hand	1,400	1,638	1,640
Cash at bank within UAE (current accounts)	459,159	441,289	436,083
Cash at bank outside UAE – GCC Countries (current accounts)	4,292	35,155	11,759
Cash at bank outside UAE – Other countries (current accounts)	11,957	49,663	35,753
Short term deposits (including deposits of AED 8.90 million (31 December 2016: 8.90 million) under lien with banks)	374,403	804,252	619,603
	=====	=====	=====
	851,211	1,331,997	1,104,838
	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

16. Basic earnings per share

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2017	2016	2017	2016
Net profit attributable to owners of the Company (AED'000)	350,364	334,402	830,250	850,312
Weighted average number of shares outstanding ('000s)	4,252,018	4,252,018	4,252,018	4,252,018
	=====	=====	=====	=====

Weighted average number of shares outstanding for the three and nine month periods ended 30 September 2016 have been retrospectively adjusted to include the 5% bonus shares approved in the shareholders' Annual General Meeting (AGM) held on 10 April 2017.

17. Bank borrowings

Repayment periods in respect of bank borrowings vary from three to ten years and these borrowings are secured by a combination of corporate guarantee by the Company, mortgages over certain inventories, trade receivables, property, plant and equipment, investment properties, pledge of investments, assignment of insurance policies over assets of the Group and lien on bank deposits. Where there is a corporate guarantee, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.

18. Sukuk notes

In February 2014, a subsidiary of the Company namely Dubai Investments Park Development Company LLC ("DIPDC") issued 5 year Sukuk certificates maturing in February 2019 for USD 300 million (equivalent to AED 1,101.6 million). The sukuk program is structured as a Wakala and is listed on NASDAQ Dubai and Irish Stock Exchanges. The terms of the arrangement include transfer of certain identified assets (the Wakala assets) of DIPDC to a Special Purpose Vehicle, DIP Sukuk Ltd. (the Issuer), formed for the issuance of sukuk certificates. In substance, the Wakala assets remain in control of DIPDC and shall continue to be serviced by DIPDC. In case of any shortfall in cash flows, DIPDC have provided an undertaking to make good on such shortfall to the sukuk certificate holders. The sukuk certificate holders have no recourse to the assets. These sukuk certificates bear a fixed profit rate of 4.291% p.a. payable semi-annually. The Issuer will service the profit from returns generated from the Wakala assets.

19. Proposed dividend/bonus shares and directors' fee

- (i) At the Annual General Meeting held on 10 April 2017, the shareholders approved 12% cash dividend as opposed to 10% cash dividend proposed by the Board of Directors and also approved issue of 5% bonus shares proposed by the Board of Directors. The dividend was paid during the current period.
- (ii) At the Annual General Meeting held on 10 April 2017, the shareholders approved the proposed Directors' fee amounting to AED 10 million for the year ended 31 December 2016 which was paid during the current period.

20. Acquisition of non-controlling interests

- 1) During the current period, the Company acquired additional 1.85% equity interest in its existing subsidiary Al Mal Capital PSC. Post-acquisition of additional interest, the Company's shareholding in Al Mal Capital PSC has increased to 66.61%.
- 2) During the current period, the Group acquired additional 12.57% equity interest in its existing subsidiary Emirates Float Glass LLC. Upon acquisition, Emirates Float Glass LLC has become 100% subsidiary of the Group.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

21. Contingent liabilities

Refer note 13. Upon signing of the settlement agreement, the previous legal proceedings initiated by the subsidiary and the customer are now in the process of being formally closed through the Dubai Courts.

22. Gain on disposal of subsidiaries and assets held for sale

During the previous period, the Group reached an agreement with related authorities to relocate the operations of Marmum Dairy Farm LLC and its distribution arm United Sales Partners LLC ("the Subsidiaries") within an agreed timeframe and return the plot of land. Accordingly, the authorities agreed to a compensation amount comprising value of land, plant and equipment and loss of profits. The compensation amount was settled by transfer of a land of equivalent value which was recorded under investment properties. Furthermore, assets and liabilities of the Subsidiaries were classified as held for sale and carried at the lower of the carrying amounts and fair value less cost to sell as at 30 September 2016.

Furthermore, on 21 November 2016, the Group disposed 100% shareholding of the Subsidiaries with the underlying assets and liabilities.

23. Revaluation reserve

With reference to note 22, the related revaluation reserve for land amounting to AED 45 million was credited directly to retained earnings in the previous period.

24. Commitments

	30 September 2017 AED'000 (Unaudited)	31 December 2016 AED'000 (Audited)
Commitments – contracted and committed	1,560,186 =====	1,968,240 =====

Commitments mainly include the following:

- value of construction contracts awarded to contractors for real estate projects under development.
- a subsidiary of the Company namely Dubai Investments Park Development Company LLC has signed an agreement with Roads and Transport Authority to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 30 September 2017 amounts to AED 349 million (*31 December 2016: AED 363.5 million*) which will be invoiced and paid until 2029.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2017

25. 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:

- Manufacturing and contracting* : manufacture and sale of materials used in building construction projects, executing construction contracts, production, aluminum extruded products, laboratory furniture, education and healthcare.
- Investments* : strategic minority investments in startup ventures, bonds, funds, structured products and shares held for trading purposes.
- Property* : the development of real estate projects for rentals and sale of developed property units.

Information regarding the operations of each separate 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 any such transaction is priced on an arm's length basis.

Dubai Investments PJSC and its subsidiaries

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

for the nine month period ended 30 September (unaudited)

25. Segment reporting *(continued)*

Information about reportable segments

<i>Business Segments</i>	AED'000							
	Manufacturing and contracting		Investments		Property		Total	
	Nine month period ended 30 September		Nine month period ended 30 September		Nine month period ended 30 September		Nine month period ended 30 September	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	873,018	1,031,439	(877)	(8,620)	718,301	661,131	1,590,442	1,683,950
Gain on fair valuation of investments properties	-	-	-	-	442,270	315,389	442,270	315,389
Gain on disposal of subsidiaries	-	186,632	-	-	-	-	-	186,632
Total income	873,018	1,218,071	(877)	(8,620)	1,160,571	976,520	2,032,712	2,185,971
Direct operating costs	(781,609)	(901,191)	-	-	(216,170)	(197,792)	(997,779)	(1,098,983)
Administrative and general expenses	(147,661)	(169,005)	(65,902)	(69,011)	(42,955)	(37,420)	(256,518)	(275,436)
Finance expenses	(28,674)	(28,775)	(12,554)	(13,396)	(28,203)	(25,781)	(69,431)	(67,952)
Finance income and other income	14,198	22,804	35,203	45,158	36,254	31,556	85,655	99,518
(Loss) / profit for the period	(70,728)	141,904	(44,130)	(45,869)	909,497	747,083	794,639	843,118
(Loss) / profit attributable to:								
Owners of the Company	(45,861)	157,018	(34,976)	(45,187)	911,087	738,481	830,250	850,312
Non – controlling interests	(24,867)	(15,114)	(9,154)	(682)	(1,590)	8,602	(35,611)	(7,194)
(Loss) / profit for the period	(70,728)	141,904	(44,130)	(45,869)	909,497	747,083	794,639	843,118
	30 September 2017	31 December 2016						
Assets	2,915,924	3,050,023	2,637,519	3,001,759	11,172,628	10,063,034	16,726,071	16,114,816
Liabilities	1,236,778	1,239,232	963,917	867,883	2,321,040	2,068,824	4,521,735	4,175,939

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