

Dubai Investments PJSC and its subsidiaries
Condensed consolidated interim financial statements
For the six-month period ended 30 June 2022

Dubai Investments PJSC and its subsidiaries

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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 30 June 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of cash flows and changes in equity for the six-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
10 August 2022

Rami Sarhan
Registered Auditor Number 1152
Dubai, United Arab Emirates

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of profit or loss

		Three-month period ended 30 June		Six-month period ended 30 June	
	Note	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Sale of goods and provision of services		436,781	392,718	846,158	740,634
Rental income		207,204	217,878	416,522	412,938
Sale of properties		89,038	333,986	155,626	356,970
Contract revenue		63,952	54,866	105,263	101,326
Gain on fair valuation of investment properties	10	27,924	31,000	27,924	31,000
Share of profit / (loss) from equity accounted investees		6,343	(6,940)	13,754	(12,954)
Dividend income		6,585	8,181	12,995	12,696
Gain on sale of investments		4,768	14,493	12,541	20,908
Bargain purchase gain	4	11,479	3,750	11,479	3,750
(Loss) / gain on fair valuation of investments		(67,801)	35,490	(54,947)	55,758
Total income		786,273	1,085,422	1,547,315	1,723,026
Cost of sales	6	(524,507)	(759,572)	(989,339)	(1,152,843)
Administrative expenses	7	(103,938)	(105,235)	(210,625)	(213,797)
Finance costs		(65,462)	(61,288)	(113,144)	(114,490)
Net impairment losses on trade receivables		(1,739)	(11,576)	(3,348)	(33,020)
Finance income		57,614	12,513	110,924	59,695
Other income	8	6,800	10,507	15,798	27,085
Profit for the period		155,041	170,771	357,581	295,656
Profit attributable to:					
Owners of the Company		161,538	178,298	364,086	302,068
Non-controlling interests		(6,497)	(7,527)	(6,505)	(6,412)
Profit for the period		155,041	170,771	357,581	295,656
Earnings per share					
Basic and diluted earnings per share (AED)	15	0.04	0.04	0.09	0.07

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Profit for the period	155,041	170,771	357,581	295,656
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	(60)	(12,393)	4,131	(12,397)
Total other comprehensive loss for the period	(60)	(12,393)	4,131	(12,397)
Total comprehensive income for the period	154,981	158,378	361,712	283,259
Attributable to:				
Owners of the Company	161,494	167,390	368,250	291,156
Non-controlling interests	(6,513)	(9,012)	(6,538)	(7,897)
Total comprehensive income for the period	154,981	158,378	361,712	283,259

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

		30 June 2022	31 December 2021	30 June 2021
	Note(s)	AED'000	AED'000	AED'000
Non-current assets				
Property, plant and equipment	9, 19	1,557,013	3,690,304	3,907,123
Right-of-use-assets		371,480	395,607	425,988
Goodwill and intangible assets	19	268,434	676,202	492,860
Investment properties	10	9,077,174	8,977,629	8,559,349
Investments at fair value through other comprehensive income	11	59,558	62,768	66,507
Other financial assets at fair value through profit or loss		49,090	45,769	50,057
Investments in equity accounted investees		353,743	326,112	234,848
Rent receivable		48,291	53,771	45,760
Inventories	12	243,305	243,305	237,844
Trade receivables		266,382	340,384	442,570
Other receivables		13,378	15,789	17,340
Total non-current assets		12,307,848	14,827,640	14,480,246
Current assets				
Inventories	12	1,979,566	2,095,848	2,173,436
Investments at fair value through profit or loss	11	1,620,607	1,661,552	1,579,586
Trade receivables		1,853,831	1,757,918	1,784,970
Other receivables and due from related parties		637,952	603,916	683,264
Short-term deposits with banks	14	68,599	116,092	229,772
Cash and cash equivalents	14, 19	483,413	713,326	1,011,590
Assets of a disposal group classified as held for sale	19	2,943,015	-	-
Total current assets		9,586,983	6,948,652	7,462,618
Total assets		21,894,831	21,776,292	21,942,864
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		1,278,017	1,278,017	1,210,472
General reserve		1,445,397	1,445,397	1,442,729
Fair value reserve		(187,690)	(191,854)	(191,817)
Proposed dividend	17	-	510,242	-
Proposed directors' fee	17	-	12,000	-
Retained earnings		5,104,770	4,740,221	5,016,001
Equity attributable to owners of the Company		11,918,062	12,071,591	11,754,953
Non-controlling interests		214,912	224,721	225,926
Total equity		12,132,974	12,296,312	11,980,879

Dubai Investments PJSC and its subsidiaries


Condensed consolidated interim statement of financial position (continued)

		30 June 2022	31 December 2021	30 June 2021
	Note(s)	AED'000	AED'000	AED'000
Liabilities				
Non-current liabilities				
Bank borrowings	16,19	3,761,660	4,842,434	4,253,935
Lease liabilities		362,250	378,308	392,573
Other payables		183,673	293,648	325,401
Total non-current liabilities		4,307,583	5,514,390	4,971,909
Current liabilities				
Bank borrowings	16,19	2,155,709	2,118,342	2,960,792
Lease liabilities		40,816	43,196	43,281
Trade and other payables		1,769,497	1,804,052	1,986,003
Liabilities of a disposal group classified as held for sale	19	1,488,252	-	-
Total current liabilities		5,454,274	3,965,590	4,990,076
Total liabilities		9,761,857	9,479,980	9,961,985
Total equity and liabilities		21,894,831	21,776,292	21,942,864

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 10 August 2022 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

	Note(s)	Six-month period ended 30 June	
		2022 AED'000	2021 AED'000
Cash flows from operating activities			
Profit for the period		357,581	295,656
<i>Adjustments for:</i>			
Depreciation		104,820	110,007
Amortisation of intangible assets		14,059	10,066
Gain on disposal of property, plant and equipment		(138)	(188)
Gain on fair valuation of investment properties		(27,924)	(31,000)
Gain on sale of investments		(13,451)	(11,540)
Loss/(gain) on disposal of a subsidiary		910	(9,368)
Share of (profit) / loss from equity accounted investees		(13,754)	12,954
Loss / (gain) on fair valuation of investments		54,947	(55,758)
Bargain purchase gain		(11,479)	(3,750)
Net impairment losses on trade receivables		3,348	33,020
Finance income		(110,924)	(59,695)
Finance costs		113,144	114,490
Operating profit before changes in working capital		471,139	404,894
<i>Changes in:</i>			
- investments at fair value		6,790	(31,844)
- trade and other receivables		(328,433)	(251,668)
- inventories		108,446	334,878
- trade and other payables		161,142	62,437
- directors' fee paid		(12,000)	(10,500)
Net cash generated from operating activities		407,084	508,197
Cash flows from investing activities			
Consideration paid for acquisition of non-controlling interest		(6,926)	-
Disposal of controlling interest in a subsidiary		4,118	-
Net cash received on disposal of a subsidiary		-	65,000
Additions to investment properties		(71,621)	(39,148)
Acquisition of property, plant and equipment		(28,266)	(91,503)
Proceeds from disposal of property, plant and equipment		4,909	308
Additions to intangible assets		(525)	(1,481)
Finance income received		49,979	30,141
Net movement in equity accounted investees		(2,398)	(105,927)
Net cash generated from / (used in) investing activities		(50,730)	(142,610)
Cash flows from financing activities			
Proceeds from bank borrowings		2,192,618	1,160,541
Repayment of bank borrowings		(2,034,320)	(829,920)
Principal elements of lease payments		(14,457)	(24,525)
Net movement in non-controlling interests		-	(305)
Dividend paid		(510,242)	(340,161)
Net movement in short term deposits	14,19	20,144	(22,114)
Finance costs		(113,144)	(114,490)
Net cash used in financing activities		(459,401)	(170,974)
Net (decrease) /increase in cash and cash equivalents		(103,047)	194,613
Cash and cash equivalents at 1 January		509,138	566,336
Cash and cash equivalents at 30 June		406,091	760,949
<i>Cash and cash equivalents comprise following:</i>			
Cash in hand, current and call accounts with banks	14,19	585,321	571,168
Short term deposits with banks (excluding those under lien)	14	2,600	440,422
Bank overdrafts, trust receipt loans and bills discounted		(181,830)	(250,641)
		406,091	760,949

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity For the six-month period ended 30 June 2022

	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 2021	4,252,020	46	25,502	1,210,472	1,442,729	(180,905)	340,161	10,500	4,713,933	11,814,458	234,128	12,048,586
Total comprehensive income for the period												
Profit for the year	-	-	-	-	-	-	-	-	302,068	302,068	(6,412)	295,656
Other comprehensive income												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	(10,912)	-	-	-	(10,912)	(1,485)	(12,397)
Total other comprehensive income for the period	-	-	-	-	-	(10,912)	-	-	-	(10,912)	(1,485)	(12,397)
Total comprehensive income for the period	-	-	-	-	-	(10,912)	-	-	302,068	291,156	(7,897)	283,259
Transactions with owners, in their capacity as owners												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	(340,161)	-	-	(340,161)	-	(340,161)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(305)	(305)
Total contributions by and distribution to owners	-	-	-	-	-	-	(340,161)	-	-	(340,161)	(305)	(340,466)
Transactions with owners, in their capacity as owners	-	-	-	-	-	-	(340,161)	-	-	(340,161)	(305)	(340,466)
Other movements												
Directors' fee paid	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
Total other movements	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
Balance at 30 June 2021	4,252,020	46	25,502	1,210,472	1,442,729	(191,817)	-	-	5,016,001	11,754,953	225,926	11,980,879

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity

For the six-month period ended 30 June 2022 (continued)

	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	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	-	-	-	-	-	-	-	-	364,086	364,086	(6,505)	357,581
Other comprehensive income												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	4,164	-	-	-	4,164	(33)	4,131
Total other comprehensive income for the period	-	-	-	-	-	4,164	-	-	-	4,164	(33)	4,131
Total comprehensive income for the period	-	-	-	-	-	4,164	-	-	364,086	368,250	(6,538)	361,712
Transactions with owners, in their capacity as owners												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	(510,242)	-	-	(510,242)	-	(510,242)
Total contributions by and distribution to owners	-	-	-	-	-	-	(510,242)	-	-	(510,242)	-	(510,242)
Changes in ownership interests												
Acquisition of non-controlling interest (Note 20)	-	-	-	-	-	-	-	-	463	463	(7,389)	(6,926)
Disposal of controlling interest in a subsidiary (Note 20)	-	-	-	-	-	-	-	-	-	-	4,118	4,118
Total contributions by and distribution to owners	-	-	-	-	-	-	-	-	463	463	(3,271)	(2,808)
Transactions with owners, in their capacity as owners	-	-	-	-	-	-	(510,242)	-	463	(509,779)	(3,271)	(513,050)
Other movements												
Directors' fee paid	-	-	-	-	-	-	-	(12,000)	-	(12,000)	-	(12,000)
Total other movements	-	-	-	-	-	-	-	(12,000)	-	(12,000)	-	(12,000)
Balance at 30 June 2022	4,252,020	46	25,502	1,278,017	1,445,397	(187,690)	-	-	5,104,770	11,918,062	214,912	12,132,974

The notes set out on pages 9 to 18 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 2022

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 2022 (“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 2021. In addition, results for the period from 1 January 2022 to 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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 2021, 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 2022, which did not have an impact on the condensed consolidated interim financial statements of the Group.

Disposal group classified as held for sale

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets of a disposal group classified as held for sale are presented separately from the other assets in the condensed consolidated interim statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the condensed consolidated interim statement of financial position.

New standards and interpretations issued but not yet effective for the year beginning 1 January 2022 and not early adopted by the Group

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. 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.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2022 (continued)

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 2021, except for the significant judgement as disclosed below:

As at 31 December 2021, the Group held 45.18% equity interest in National General Insurance PJSC ("NGI") which was accounted for as an associate of the Group under the 'investments in equity accounted investees as the Group did not have control over NGI.

To comply with the local regulations, as a result of acquiring more than 30% of the equity interest in NGI, the Company extended an open offer to the existing shareholders for the acquisition of their shares, and acquired an additional 3.16% interest in NGI in January 2022. Upon acquisition of this additional interest, the Group's equity interest in NGI has increased to 48.34%. Consequently, management has re-assessed whether it has control over NGI considering the size of its equity interest and voting rights relative to the size and dispersion of the equity interest and voting rights of the other shareholders.

Based on this assessment, management determined that the Group does not have control over NGI due to concentration of the voting rights with a small group of shareholders who can prevent the Group from unilaterally making decisions about the key activities of NGI. Consequently, the Group has continued to account for NGI as an associate of the Group under the 'investments in equity accounted investees' and not as a subsidiary of the Group.

Further, on the respective dates of the acquisition of the additional equity interest in NGI, the fair value of the identifiable net assets were determined provisionally, however, during the six-month period ended 30 June 2022, the Group engaged an independent valuer to perform the fair valuation of net assets acquired, consequently, the Group recorded an additional bargain purchase gain of AED 11.48 million.

Further, the Group has determined that significant changes are not required as of 30 June 2022 in the key judgements and estimates from those applied as of 31 December 2021 for determining fair value of investment properties mainly due to the long term nature of some of the leasing contracts.

The Group has assessed the continued impact of COVID-19 on its businesses and its reflection on its consolidated financial position and performance. This assessment involved significant judgements, estimates and assumptions that were subject to a lesser degree of certainty as compared to those made in years prior to the advent of COVID-19.

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 2021.

– 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.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2022 (continued)

5. Financial instruments (continued)

- Valuation of financial instruments (continued)

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 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	211,114	911,135	498,358	1,620,607
Financial assets at fair value through other comprehensive income	415	-	59,143	59,558
	211,529	911,135	557,501	1,680,165
<i>31 December 2021</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	227,245	972,144	462,163	1,661,552
Financial assets at fair value through other comprehensive income	523	-	62,245	62,768
	227,768	972,144	524,408	1,724,320

- Reconciliation of Level 3 fair value measurements of financial assets

	2022 AED'000	2021 AED'000
As at 1 January	524,408	438,601
Purchased during the period/year	96,493	242,557
Redeemed/sold during the period/year	(63,219)	(164,239)
Transfer (out) of level 3	-	(2,424)
Gain/(loss) included in OCI		
- Net change in fair value (unrealised)	4,243	(12,375)
(Loss)/gain recorded in profit and loss		
- Net change in fair value (unrealised)	(4,424)	22,288
As at 30 June / 31 December	557,501	524,408

During the six-month period ended 30 June 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2022 (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 2021.

6. Cost of sales

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Materials consumed	236,937	251,927	464,414	430,920
Cost of properties sold	82,450	337,115	143,050	358,324
Depreciation and amortisation	55,296	49,593	106,444	99,517
Staff costs	32,867	31,262	64,229	62,358
Share of Government of Dubai in the realised profits of a subsidiary	28,253	30,972	56,650	56,672
Infrastructure and development works cost sharing with Road and Transport Authority (“RTA”)	7,270	7,270	14,540	14,540

7. Administrative expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Staff costs	63,116	61,699	131,939	120,858
Selling and marketing expenses	17,128	19,480	26,636	29,738
Depreciation and amortisation	5,106	9,277	12,435	20,556

8. Other income

Other income mainly includes management fees, advertisement income and miscellaneous income.

9. Property, plant and equipment

During the six-month period ended 30 June 2022, the Group's additions to property, plant and equipment amounted to AED 28.27 million (year ended 31 December 2021: AED 150.68 million).

As at 30 June 2022, the Group has classified property, plant and equipment amounting to AED 2.07 billion under “Assets of a disposal group classified as held for sale” (Note 19).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2022 (continued)

10. Investment properties

Included in investment properties are mainly the following:

	30 June 2022 AED'000	31 December 2021 AED'000	30 June 2021 AED'000
- Infrastructure and ancillary facilities	5,325,144	5,255,628	5,197,480
- Plots of land for future development	1,471,509	1,466,984	1,408,759
- Retail and commercial facilities	1,013,399	987,287	683,616
- Residential facilities	693,264	693,264	696,994
- Labor camps and warehouses	573,858	574,466	572,500
	9,077,174	8,977,629	8,559,349

- (i) The valuation basis and assumptions used for valuation of investments properties remains largely consistent with the methodology adopted as at 31 December 2021.
- (ii) As at 30 June 2022, 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) and two school campuses located in Ajman, UAE. 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 an income approach. The fair valuation gain of AED 27.92 million (six-month period ended 30 June 2021: fair valuation gain of AED 31 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 (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area).
- (iii) For the remaining investment properties, given that the key assumptions used for valuation of investment properties remains largely consistent with those adopted as at 31 December 2021, accordingly the fair value of the investment properties have not changed significantly during the six-month period ended 30 June 2022 and consequently, no fair valuation gain / loss has been recorded for the six-month period ended 30 June 2022 (six-month period ended 30 June 2021: no fair valuation gain / loss).
- (iv) During the six-month period ended 30 June 2022, additions to investment properties amounted to AED 71.62 million (year ended 31 December 2021: AED 408.31million). Furthermore, there were no disposals during the six-month period ended 30 June 2022 (year ended 31 December 2021: no disposals).
- (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

- (vi) As disclosed in the audited consolidated financial statements for the year ended 31 December 2021, the external valuation reports for labour camps included a material valuation uncertainty statement. Consequently, management conducted a sensitivity analysis on the significant unobservable inputs used in the fair valuation of those investment properties as disclosed in the Company's recent annual audited consolidated financial statements as at and for the year ended 31 December 2021.

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Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2022 (continued)

11. Financial investments

	30 June 2022 AED'000	31 December 2021 AED'000	30 June 2021 AED'000
<i>Investments at fair value through other comprehensive income</i>			
- Equity securities (i)	59,558	62,768	66,507
<i>Investments at fair value through profit or loss</i>			
- Held for trading quoted equity securities	215,544	246,548	215,963
- Unquoted equity securities, funds, bonds and sukuk	1,405,063	1,415,004	1,363,623
(ii)	1,620,607	1,661,552	1,579,586
<i>Geographical distribution of investments</i>			
UAE	566,569	629,739	688,860
Other GCC countries	277,157	253,647	302,576
Other countries	836,439	840,934	654,657
(i)+(ii)	1,680,165	1,724,320	1,646,093

12. Inventories

Inventories at 30 June 2022 include properties held for development and sale in the ordinary course of business amounting to AED 1,956 million (31 December 2021: AED 2,076 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.

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 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Compensation to key management personnel				
Short term benefits	7,753	7,045	15,741	14,090
Post-employment benefits	127	121	254	242

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 June 2022 (continued)

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

	30 June 2022 AED'000	31 December 2021 AED'000	30 June 2021 AED'000
Short term deposits with banks			
Short term deposits with banks having maturity of more than 3 months	-	30,112	30,000
Short term deposits within UAE under lien with banks	68,599	85,980	199,772
	68,599	116,092	229,772
Cash and cash equivalents			
Cash in hand	1,301	2,096	5,143
Cash at bank within UAE (current accounts)	371,174	613,605	545,398
Cash at bank outside UAE – GCC Countries (current accounts)	54,270	2,144	3,434
Cash at bank outside UAE – Other countries (current accounts)	54,068	34,983	17,193
Short term deposits within UAE having maturity of less than 3 months	2,600	60,498	440,422
	483,413	713,326	1,011,590

15. Basic and diluted earnings per share

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
Profit attributable to Owners of the Company (AED'000)	161,538	178,298	364,086	302,068
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)	0.04	0.04	0.09	0.07

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.

17. Proposed dividend and directors' fee

- (i) At the Annual General Meeting held on 11 April 2022, the shareholders approved a 12% (AED 0.12 per share) cash dividend proposed by the Board of Directors. The dividend amounting to AED 510.24 million was paid during the current period. Subsequent to 30 June 2022, Board of Directors have proposed interim cash dividend of 7.5% (AED 0.075 per share) to the shareholders of the Company.
- (ii) At the Annual General Meeting held on 11 April 2022, the shareholders approved the proposed Directors' fee amounting to AED 12 million for the year ended 31 December 2021 which was paid during the current period.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2022 (continued)

18. Capital commitments

	30 June 2022 AED'000	31 December 2021 AED'000
Capital commitments – contracted and committed	476,483	523,326

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 2022 amounts to AED 219.1 million (31 December 2021: AED 233.6 million) which will be invoiced and paid until 2029.

19. Disposal group classified as held for sale

During the six-month period ended 30 June 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”), which would result in a loss of control by the Group. Further, on 11 April 2022, the Group entered into a Sales and Purchase Agreement (“SPA”) with the Buyer for the disposal of the 50% equity interest against cash consideration. This disposal is expected to be completed within one year from the reporting date, as such, assets and liabilities of Emicool and its subsidiaries (“the disposal group”) have been classified as held for sale as at 30 June 2022.

Assets and liabilities of disposal group classified as held for sale are as below:

	AED'000
Non-current assets	
Property, plant and equipment	2,071,730
Right of use assets	3,615
Intangible assets including goodwill	394,234
Other receivables	3,192
	2,472,771
Current assets	
Inventories	7,836
Trade receivables	195,639
Other receivables	134,912
Short-term deposits with banks	27,349
Cash and cash equivalents	104,508
	470,244
Assets of a disposal group classified as held for sale	2,943,015
Non-current liabilities	
Bank borrowings	1,073,674
Lease liabilities	1,515
Other payables	105,374
	1,180,563

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2022 (continued)

19. Disposal group classified as held for sale (continued)

	AED'000
Current liabilities	
Bank borrowings	105,673
Lease liabilities	1,718
Trade and other payables	200,298
	<u>307,689</u>
Liabilities of a disposal group classified as held for sale	<u>1,488,252</u>

Subsequent to 30 June 2022, the Group signed the 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 the disposal group.

Upon the loss of control, the Group will derecognise the assets and liabilities of the disposal group at their carrying amounts at the date of loss of control and the retained investment of 50% in the disposal group will be remeasured at fair value and accounted for as a joint venture under 'investment in an equity accounted investee'.

This transaction will result in the recognition of a gain on disposal of controlling interest and fair value gain on retained investment in a subsidiary amounting to AED 980.42 million. This amount will be reflected in the condensed consolidated interim financial statements for the nine-month period ending 30 September 2022.

20. Acquisition of non-controlling interest and disposal of controlling interest in a subsidiary

During the six-month period ended 30 June 2022, the Group acquired additional 3.42% 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 70.18%.

During the six-month period ended 30 June 2022, the Group disposed of 80% of its interest in an existing subsidiary. This transaction has resulted in a net loss of AED 0.9 million which is netted off within the "Gain on sale of investments".

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.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2022 (continued)

21. 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sales of goods and provision of services								
(i) at a point in time	7,720	11,522	588,612	489,099	15,685	11,681	612,017	512,302
(ii) over time	-	-	234,141	228,332	-	-	234,141	228,332
Total sales of goods and provision of services (i + ii)	7,720	11,522	822,753	717,431	15,685	11,681	846,158	740,634
Rental income	416,522	412,938	-	-	-	-	416,522	412,938
Sale of properties (over time)	155,626	356,970	-	-	-	-	155,626	356,970
Contract revenue (over time)	-	-	105,263	101,326	-	-	105,263	101,326
Gain on fair valuation of investment properties	27,924	31,000	-	-	-	-	27,924	31,000
Bargain purchase gain	-	-	-	-	11,479	3,750	11,479	3,750
(Loss)/gain on fair valuation of investment	-	-	-	-	(54,947)	55,758	(54,947)	55,758
Others	-	-	-	-	39,290	20,650	39,290	20,650
Total income	607,792	812,430	928,016	818,757	11,507	91,839	1,547,315	1,723,026
Cost of sales	(302,315)	(493,277)	(687,024)	(659,566)	-	-	(989,339)	(1,152,843)
Administrative expenses	(34,719)	(35,265)	(113,350)	(124,800)	(62,556)	(53,732)	(210,625)	(213,797)
Finance costs	(50,694)	(56,024)	(37,975)	(39,935)	(24,475)	(18,531)	(113,144)	(114,490)
Net impairment losses on trade receivables	(466)	(15,485)	(2,882)	(17,535)	-	-	(3,348)	(33,020)
Finance income and other income	27,033	22,296	65,905	48,020	33,784	16,464	126,722	86,780
Profit/(loss) for the period	246,631	234,675	152,690	24,941	(41,740)	36,040	357,581	295,656
Profit attributable to:								
Owners of the Company	246,759	238,845	157,659	29,557	(40,332)	33,666	364,086	302,068
Non-controlling interests	(128)	(4,170)	(4,969)	(4,616)	(1,408)	2,374	(6,505)	(6,412)
Profit/(loss) for the period	246,631	234,675	152,690	24,941	(41,740)	36,040	357,581	295,656
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2022	2021	2022	2021	2022	2021	2022	2021
Assets (AED'000)	14,099,942	13,880,561	5,170,671	5,224,743	2,624,218	2,670,988	21,894,831	21,776,292
Liabilities (AED'000)	5,107,734	4,895,080	2,969,002	3,001,528	1,685,121	1,583,372	9,761,857	9,479,980

The Group's revenue is mainly earned from transactions carried out in the UAE.