# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim financial statements

*30 June 2019*

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim financial statements

*30 June 2019*

| ***Contents*** | ***Page*** |
|---|---|

# Review report on condensed consolidated interim financial statements to the 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 2019 and the related condensed consolidated interim statements of profit or loss, comprehensive income for the three-month and six-month periods then ended and condensed consolidated interim statements of changes in equity and cash flows 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 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 are not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers
31 July 2019

Mohamed ElBorno
Registered Auditor Number 946
Dubai, United Arab Emirates

*PricewaterhouseCoopers (Dubai Branch), License no. 102451*
*Emaar Square, Building 4, Level 8, P O Box 11987, Dubai - United Arab Emirates*
*T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me*

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of profit or loss

| | Note | Three month period ended 30 June | | Six month period ended 30 June | |
|---|---|---|---|---|---|
| | | **2019** | 2018 | **2019** | 2018 |
| | | **AED'000** | AED'000 | **AED'000** | AED'000 |
| | | **(Reviewed)** | (Reviewed) | **(Reviewed)** | (Reviewed) |
| Sale of goods and services | | **370,462** | 326,439 | **685,982** | 642,399 |
| Rental income | | **237,861** | 249,062 | **463,255** | 464,242 |
| Contract revenue | | **40,456** | 91,566 | **94,599** | 166,271 |
| Sale of properties | | **9,116** | 18,334 | **27,114** | 31,758 |
| Gain/(loss) on fair valuation of investments | | **9,275** | (23,424) | **43,981** | (68,630) |
| Gain/(loss) on sale of investments | *21* | **4,789** | (3,808) | **3,733** | 18,808 |
| Gain on fair valuation of investment properties | *10* | **52,251** | - | **52,251** | - |
| Gain on sale of investment properties | | **14,142** | - | **14,142** | - |
| Dividend income | | **5,338** | 18 | **14,395** | 7,333 |
| Share of loss from equity accounted investees | | **(27,775)** | (5,421) | **(32,836)** | (15,435) |
| Gain on fair valuation of existing interest prior to acquisition of controlling stake | *20* | **-** | - | **11,506** | 228,916 |
| Bargain purchase gain | *20* | **8,624** | - | **52,324** | 104,263 |
| **Total income** | | **724,539** | 652,766 | **1,430,446** | 1,579,925 |
| Cost of sales | *6* | **(418,236)** | (424,770) | **(790,781)** | (824,074) |
| Administrative and general expenses | *7* | **(109,395)** | (111,339) | **(198,047)** | (248,744) |
| Finance expenses | | **(83,659)** | (37,678) | **(155,298)** | (91,671) |
| Net impairment losses on financial and contract assets | | **4,825** | - | **(693)** | - |
| Finance income | | **8,954** | 16,868 | **19,852** | 29,012 |
| Other income | *8* | **11,191** | 14,636 | **28,793** | 23,895 |
| **Profit for the period** | | **138,219** | 110,483 | **334,272** | 468,343 |
| **Profit attributable to:** | | | | | |
| Owners of the Company | | **151,214** | 129,131 | **353,243** | 491,044 |
| Non-controlling interests | | **(12,995)** | (18,648) | **(18,971)** | (22,701) |
| **Profit for the period** | | **138,219** | 110,483 | **334,272** | 468,343 |
| **Earnings per share** | | | | | |
| Basic and diluted earnings per share (AED) | *15* | **0.04** | 0.03 | **0.08** | 0.12 |

# 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 | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **AED'000** | AED'000 | **AED'000** | AED'000 |
| | **(Reviewed)** | (Reviewed) | **(Reviewed)** | (Reviewed) |
| **Profit for the period** | **138,219** | 110,483 | **334,272** | 468,343 |
| **Other comprehensive income ('OCI'):** | | | | |
| **Items that will not be reclassified to profit or loss** | | | | |
| Net change in fair value of investments at fair value through OCI | **(46)** | (37,089) | **(62)** | (37,123) |
| Total other comprehensive loss for the period | **(46)** | (37,089) | **(62)** | (37,123) |
| **Total comprehensive income for the period** | **138,173** | 73,394 | **334,210** | 431,220 |
| **Attributable to:** | | | | |
| Owners of the Company | **151,168** | 94,374 | **353,181** | 456,253 |
| Non-controlling interests | **(12,995)** | (20,980) | **(18,971)** | (25,033) |
| **Total comprehensive income for the period** | **138,173** | 73,394 | **334,210** | 431,220 |

# Dubai Investments PJSC and its subsidiaries
## Condensed consolidated interim statement of financial position

| | Note | 30 June 2019 AED'000 (Reviewed) | 31 December 2018 AED'000 (Audited) | 30 June 2018 AED'000 (Reviewed) |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Property, plant and equipment | 9 | **3,596,940** | 3,427,431 | 3,188,793 |
| Right-of-use-assets | 3 | **291,039** | - | - |
| Goodwill and intangible assets | 20 | **530,840** | 325,040 | 331,433 |
| Investment properties | 10 | **8,417,237** | 8,292,108 | 7,804,200 |
| Investments at fair value through other comprehensive income | 11 | **121,767** | 133,586 | 170,867 |
| Investments in equity accounted investees | 20 | **152,823** | 246,754 | 182,633 |
| Rent receivable | | **39,871** | 43,958 | 38,543 |
| Finance lease receivable | | **1,310** | 1,577 | 2,494 |
| Inventories | 12 | **267,378** | 353,059 | 2,098,585 |
| Trade receivables | | **40,919** | 67,870 | 188,939 |
| Other receivables | | **30,665** | 46,107 | 44,290 |
| **Total non-current assets** | | **13,490,789** | 12,937,490 | 14,050,777 |
| **Current assets** | | | | |
| Inventories | 12 | **2,572,451** | 2,452,791 | 934,672 |
| Investments at fair value through profit or loss | 11 | **1,395,892** | 1,429,227 | 1,503,093 |
| Trade receivables | | **1,437,140** | 1,137,483 | 1,085,508 |
| Short-term deposits with banks | | **93,023** | 134,423 | 47,872 |
| Other receivables | | **706,352** | 664,714 | 670,460 |
| Cash and cash equivalents | 14 | **949,553** | 798,069 | 735,946 |
| **Total current assets** | | **7,154,411** | 6,616,707 | 4,977,551 |
| **Total assets** | | **20,645,200** | 19,554,197 | 19,028,328 |
| **Equity** | | | | |
| Share capital | | **4,252,018** | 4,252,018 | 4,252,018 |
| Share premium | | **46** | 46 | 46 |
| Capital reserve | | **25,502** | 25,502 | 25,502 |
| Legal reserve | | **1,078,710** | 1,078,710 | 1,041,198 |
| General reserve | | **1,345,510** | 1,345,510 | 1,310,213 |
| Revaluation reserve | | **22,000** | 22,000 | 22,000 |
| Fair value reserve | | **(144,209)** | (153,281) | (294,280) |
| Proposed dividend | 18 | **-** | 425,202 | - |
| Proposed directors' fee | 18 | **-** | 10,500 | - |
| Retained earnings | | **5,095,631** | 4,909,632 | 5,408,629 |
| **Equity attributable to owners of the Company** | | **11,675,208** | 11,915,839 | 11,765,326 |
| **Non-controlling interests** | | **335,291** | 369,466 | 427,610 |
| **Total equity** | | **12,010,499** | 12,285,305 | 12,192,936 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Long-term bank borrowings | 16 | **4,667,794** | 2,762,690 | 2,096,770 |
| Lease liabilities | | **246,895** | - | - |
| Other payables | 3 | **214,208** | 161,095 | 140,938 |
| **Total non-current liabilities** | | **5,128,897** | 2,923,785 | 2,237,708 |
| **Current liabilities** | | | | |
| Bank borrowings | 16 | **1,565,518** | 1,469,216 | 1,636,330 |
| Sukuk notes | 17 | **-** | 1,101,600 | 1,101,600 |
| Lease liabilities | | **39,634** | - | - |
| Trade, related parties and other payables | 3 | **1,900,652** | 1,774,291 | 1,859,754 |
| **Total current liabilities** | | **3,505,804** | 4,345,107 | 4,597,684 |
| **Total liabilities** | | **8,634,701** | 7,268,892 | 6,835,392 |
| **Total equity and liabilities** | | **20,645,200** | 19,554,197 | 19,028,328 |

The condensed consolidated interim financial statements were approved by the Board of Directors on 31 July 2019 and were signed on its behalf by:

**Khalid Jassim Kalban**
Managing Director and Chief Executive Officer

**Mushtaq Masood**
Group Chief Financial Officer

The notes set out on pages 8 to 21 form part of these condensed consolidated interim financial statements

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of cash flows

| | | Six month period ended 30 June | |
|---|---|---|---|
| | Note | **2019 AED'000 (Reviewed)** | 2018 AED'000 (Reviewed) |
| **Cash flows from operating activities** | | | |
| Profit for the period | | **334,272** | 468,343 |
| *Adjustments for:* | | | |
| Depreciation | | **110,006** | 79,491 |
| Amortization of intangible assets | | **8,068** | 674 |
| Gain on disposal of property, plant and equipment | | **(42)** | (61) |
| Gain on fair valuation of investment properties | | **(52,251)** | - |
| Gain on sale of investment properties | | **(14,142)** | - |
| Gain on sale of investments – (net) | | **(3,733)** | (18,808) |
| Share of loss from equity accounted investees | | **32,836** | 15,435 |
| (Gain)/loss on fair valuation of investments | | **(43,981)** | 68,630 |
| Impairment of investment in equity accounted investee | | **-** | 27,990 |
| Gain on fair valuation of existing interest prior to acquisition of a controlling stake | *20* | **(11,506)** | (228,916) |
| Bargain purchase gain | *20* | **(52,324)** | (104,263) |
| Finance income | | **(19,852)** | (29,012) |
| Finance expense / profit on sukuk notes | | **155,298** | 91,671 |
| ***Operating cash flows before changes in working capital*** | | **442,649** | 371,174 |
| *Changes in:* | | | |
| - investment at fair value through profit or loss and OCI | | **101,940** | 1,479 |
| - trade and other receivables | | **(220,736)** | (56,538) |
| - inventories | | **(176,168)** | (272,270) |
| - trade, due to related parties and other payables | | **127,689** | 313,073 |
| - Directors' fee paid | *19* | **(10,500)** | (12,250) |
| ***Net cash generated from operating activities*** | | **264,874** | 344,668 |
| Consideration paid for acquisition of controlling/non-controlling interests - net of cash acquired | *22* | **(115,467)** | (405,426) |
| Additions to investment properties | | **(110,233)** | (99,220) |
| Acquisition of property, plant and equipment | | **(204,640)** | (177,823) |
| Proceeds from disposal of property, plant and equipment | | **402** | 372 |
| Net additions to intangible assets | | **(401)** | - |
| Finance income received | | **19,852** | 29,012 |
| Net movement in equity accounted investees | | **(33,548)** | 5,274 |
| ***Net cash used in investing activities*** | | **(444,035)** | (647,811) |
| **Cash flows from financing activities** | | | |
| Proceeds from bank borrowings | | **2,811,574** | 1,255,457 |
| Repayment of bank borrowings | | **(854,173)** | (341,425) |
| Repayment of sukuk notes | | **(1,101,600)** | - |
| Principal elements of lease payments | | **(27,261)** | - |
| Net movement in non-controlling interests | | **(2,798)** | (23,184) |
| Dividend paid | | **(425,202)** | (510,242) |
| Net movement in short term deposits | | **41,400** | (33,539) |
| Finance expense/profit on sukuk notes paid | | **(155,298)** | (91,671) |
| ***Net cash generated from financing activities*** | | **286,642** | 255,396 |
| **Net increase in cash and cash equivalents** | | **107,481** | (47,747) |
| Cash and cash equivalents at 1 January | *15* | **343,016** | 404,598 |
| **Cash and cash equivalents at 30 June** | | **450,497** | 356,851 |
| *Cash and cash equivalents comprise following:* | | | |
| Cash in hand, current and call accounts with banks | *15* | **769,034** | 661,744 |
| Short term deposits with banks (excluding those under lien) | *15* | **180,519** | 74,202 |
| Bank overdrafts, trust receipt loans and bills discounted | | **(499,056)** | (379,095) |
| | | **450,497** | 356,851 |

## Condensed consolidated interim statement of changes in equity

*for the six month period ended 30 June 2019* (reviewed)

| | -------- | -------- | -------- | -------- | ---Equity attributable | to owners of the Company--- | -------- | -------- | -------- | -------- | -------- | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Share capital AED'000** | **Share premium AED'000** | **Capital reserve AED'000** | **Legal reserve AED'000** | **General reserve AED'000** | **Revaluation reserve AED'000** | **Fair value reserve AED'000** | **Proposed dividend AED'000** | **Proposed directors' fee AED'000** | **Retained earnings AED'000** | **Sub total AED'000** | **Non-controlling interests AED'000** | **Total AED'000** |
| **Balance at 1 January 2018 – as originally reported** | 4,252,018 | 46 | 25,502 | 1,041,198 | 1,310,213 | 22,000 | (259,489) | 510,242 | 12,250 | 4,936,167 | 11,850,147 | 478,503 | 12,328,650 |
| Adjustment on initial application of IFRS 9 | - | - | - | - | - | - | - | - | - | (21,475) | (21,475) | (9,319) | (30,794) |
| Adjustment on initial application of IFRS 15 | - | - | - | - | - | - | - | - | - | 2,893 | 2,893 | - | 2,893 |
| **Adjusted balance at 1 January 2018** | 4,252,018 | 46 | 25,502 | 1,041,198 | 1,310,213 | 22,000 | (259,489) | 510,242 | 12,250 | 4,917,585 | 11,831,565 | 469,184 | 12,300,749 |
| **Total comprehensive income for the period** | | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | - | 491,044 | 491,044 | (22,701) | 468,343 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Net change in fair value of investments at fair value through OCI | - | - | - | - | - | - | (34,791) | - | - | - | (34,791) | (2,332) | (37,123) |
| Total OCI for the period | - | - | - | - | - | - | (34,791) | - | - | - | (34,791) | (2,332) | (37,123) |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **-** | **-** | **(34,791)** | **-** | **-** | **491,044** | **456,253** | **(25,033)** | **431,220** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | | | |
| ***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*** | | | | | | | | | | | | | |
| On acquisitions of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 4,311 | 4,311 |
| Introduction of share capital in a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 54 | 54 |
| On disposal of a subsidiary | - | - | - | - | - | - | - | - | - | - | - | (20,906) | (20,906) |
| Total change in ownership interests in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (16,541) | (16,541) |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(510,242)** | **-** | **-** | **(510,242)** | **(16,541)** | **(526,783)** |
| **Other movements** | | | | | | | | | | | | | |
| Directors' fee paid | - | - | - | - | - | - | - | - | (12,250) | - | (12,250) | - | (12,250) |
| **Total other movements** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(12,250)** | **-** | **(12,250)** | **-** | **(12,250)** |
| **Balance at 30 June 2018** | **4,252,018** | **46** | **25,502** | **1,041,198** | **1,310,213** | **22,000** | **(294,280)** | **-** | **-** | **5,408,629** | **11,765,326** | **427,610** | **12,192,936** |

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of changes in equity

*for the six month period ended 30 June 2019* (reviewed) (continued)

| | ---------------------------------------------------------------------Equity attributable to owners of the Company------------------------------------ | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Share capital AED'000** | **Share premium AED'000** | **Capital reserve AED'000** | **Legal reserve AED'000** | **General reserve AED'000** | **Reval-uation reserve AED'000** | **Fair value reserve AED'000** | **Proposed dividend AED'000** | **Proposed directors' fee AED'000** | **Retained earnings AED'000** | **Sub total AED'000** | **Non-controlling interests AED'000** | **Total AED'000** |
| **Balance at 1 January 2019 – as originally reported** | 4,252,018 | 46 | 25,502 | 1,078,710 | 1,345,510 | 22,000 | (153,281) | 425,202 | 10,500 | 4,909,632 | 11,915,839 | 369,466 | 12,285,305 |
| Impact of change in accounting policy related to capitalization of borrowing costs (note 3) | - | - | - | - | - | - | - | - | - | (154,432) | (154,432) | (12,406) | (166,838) |
| Adjustment on initial application of IFRS 16 (note 3) | - | - | - | - | - | - | - | - | - | (3,678) | (3,678) | - | (3,678) |
| **Adjusted balance at 1 January 2019** | 4,252,018 | 46 | 25,502 | 1,078,710 | 1,345,510 | 22,000 | (153,281) | 425,202 | 10,500 | 4,751,522 | 11,757,729 | 357,060 | 12,114,789 |
| **Total comprehensive income for the period** | | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | | - | - | 353,243 | 353,243 | (18,971) | 334,272 |
| **Other comprehensive income** | | | | | | | | | | | | | |
| Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings | - | - | - | - | - | - | 9,134 | - | - | (9,134) | - | - | - |
| Net change in fair value of investments at fair value through OCI | - | - | - | - | - | - | (62) | - | - | - | (62) | - | (62) |
| Total other comprehensive income for the period | - | - | - | - | - | - | 9,072 | - | - | (9,134) | (62) | | (62) |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **-** | **-** | **9,072** | **-** | **-** | **344,109** | **353,181** | **(18,971)** | **334,210** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | | | |
| ***Contributions by and distributions to owners*** | | | | | | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | - | (425,202) | - | - | (425,202) | - | (425,202) |
| Dividend paid by subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (1,789) | (1,789) |
| Total contributions by and distribution to owners | - | - | - | - | - | - | - | (425,202) | | - | (425,202) | (1,789) | (426,991) |
| ***Changes in ownership interests*** | | | | | | | | | | | | | |
| Reduction of share capital in a subsidiary | - | - | - | - | - | - | - | - | - | - | - | (1,009) | **(1,009)** |
| Total change in ownership interests in subsidiaries | - | - | - | - | - | - | - | - | | - | - | **(1,009)** | **(1,009)** |
| **Total transactions with owners** | - | - | - | - | - | - | - | **(425,202)** | - | | **(425,202)** | **(2,798)** | **(428,000)** |
| **Other movements** | | | | | | | | | | | | | |
| Directors' fee paid | - | - | - | - | - | - | - | - | (10,500) | - | (10,500) | - | **(10,500)** |
| **Total other movements** | - | - | - | - | - | - | - | - | **(10,500)** | - | **(10,500)** | - | **(10,500)** |
| **Balance at 30 June 2019** | **4,252,018** | **46** | **25,502** | **1,078,710** | **1,345,510** | **22,000** | **(144,209)** | **-** | **-** | **5,095,631** | **11,675,208** | **335,291** | **12,010,499** |

## 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 2019 ("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, 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 2018.

## 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 2018 except as mentioned below:

***Changes in accounting policies***

During the current period, the Group has adopted the following new International Financial Reporting Standard ("IFRS"):

– **IFRS 16 – Leases**

The Group has adopted IFRS 16 'Leases' ("IFRS 16") from its mandatory adoption date of 1 January 2019. IFRS 16 introduced a single, on-balance sheet model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets representing its right to use underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

In accordance with the transition provisions in IFRS 16, the Group has recognized the cumulative effect of initial application of the standard in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated. The details of the changes in accounting policies are described below:

**A. Definition of lease**

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IAS 17 *Leases* ("IAS 17") and IFRIC 4 *Determining Whether an Arrangement contains a Lease* ("IFRIC 4"). The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

### 3. Significant accounting policies (continued)

***Changes in accounting policies*** (continued)

– **IFRS 16 – Leases** (continued)

**A. Definition of lease** (continued)

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases i.e. it applied IFRS 16 only to those contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 have not been reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed after 1 January 2019.

**B. As a lessee**

The Group leases offices, labour camps, warehouses, equipment, vehicles, land from Government of Dubai and a sewerage water treatment plant.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities at the date at which the leased asset is available for the use by the Group. This excludes low value and short term leases.

The Group leases land from the Government of Dubai for a period of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, rental payments that are based on variable payment terms being 20% of the share of realised profit is payable to the Government of Dubai. As the lease payments are variable, no lease liability has been recognised for this lease. The Group has recognized the right-of-use asset as an investment property and is being carried at fair value in line with its accounting policy.

The recognized right-of-use assets relate to the following major class of assets:

| | Land and building AED'000 | Plant and machinery AED'000 | Total AED'000 |
|---|---|---|---|
| At 1 January 2019 | 139,932 | 153,205 | 293,137 |
| At 30 June 2019 | 153,341 | 137,698 | 291,039 |

***(i) Accounting policies***

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## 3. Significant accounting policies (continued)

***Changes in accounting policies*** (continued)

– **IFRS 16 – Leases** (continued)

**B. As a lessee** (continued)

***(i) Accounting policies*** (continued)

Lease liabilities include, the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease liability is subsequently increased by the finance expense on the lease liability and decreased by lease payments made.

Each lease payment is allocated between the liability and finance cost. The finance expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items that are considered to be insignificant for the condensed consolidated interim statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the condensed consolidated interim statement of profit or loss.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal and termination options (note 4). The assessment of whether the Group is reasonably certain to exercise such options impacts lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

## 3. Significant accounting policies (continued)

***Changes in accounting policies*** (continued)

– **IFRS 16 – Leases** (continued)

**B. As a lessee** (continued)

***(ii) Transition***

At transition, the associated right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepayments relating to that lease recognised in the condensed consolidated interim statement of financial position as of 1 January 2019. In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics. The weighted average rate applied ranges from 6.5% to 7%;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- the election, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**C. As a lessor**

Accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

**D. Impacts on financial statements**

***(i) Impact on transition***

On transition to IFRS 16, the Group recognized right-of-use assets with regards to lease liabilities and recognized the resultant difference in retained earnings. The impact on transition is summarized as below:

| | At 1 January 2019<br>AED'000 |
|---|---|
| Right-of-use assets | 293,137 |
| Lease liabilities | (296,815) |
| Retained earnings | 3,678 |

***(ii) Impact for the period***

In relation to leases under IFRS 16, the Group has recognized depreciation and interest expense, instead of operating lease expenses. During the six month period ended 30 June 2019, the Group recognized AED 23.7 million of depreciation charge and AED 10.2 million of interest expense on these leases.

### 3. Significant accounting policies (continued)

***Changes in accounting policies*** (continued)

– **Capitalization of borrowing costs**

In line with the International Financial Reporting Interpretations Committee agenda decision on 'Over Time Transfer of Constructed Goods (IAS 23 Borrowing Costs)' issued in March 2019, the Group has changed its accounting policy in respect of capitalizing borrowing costs in relation to the construction of the real estate development for sale. Borrowing costs relating to real estate development for sale during the accounting period is accounted for as a finance expense in the condensed consolidated interim statement of profit or loss.

Previously such borrowing costs were capitalized within the cost of real estate development.

In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', change in accounting policy has been applied retrospectively.

Impact of this change in accounting policy on 1 January 2019 is as below:

| | At 1 January 2019<br>AED'000 |
|---|---|
| Inventories | (166,838) |
| Retained earnings | 154,432 |
| Non-controlling interest | 12,406 |

As the effects of the change in accounting policy prior to the year ended 31 December 2017 were not significant, management has elected not to restate the comparatives.

### 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 2018 except for new significant judgments and key sources of estimation uncertainty related to the application of IFRS 16, which is described below.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to continue and/or terminate lease. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group as a lessee.

### 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 2018.

– **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:

| ***30 June 2019*** | **Level 1 AED'000** | **Level 2 AED'000** | **Level 3 AED'000** | **Total AED'000** |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | **370,997** | **651,808** | **373,087** | **1,395,892** |
| Financial assets at fair value through other comprehensive income | **583** | **-** | **121,184** | **121,767** |
| | **371,580** | **651,808** | **494,271** | **1,517,659** |

| *31 December 2018* | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | 349,971 | 699,513 | 379,743 | 1,429,227 |
| Financial assets at fair value through other comprehensive income | 645 | - | 132,941 | 133,586 |
| | 350,616 | 699,513 | 512,684 | 1,562,813 |

## 5. Financial instruments (continued)

### – Reconciliation of Level 3 fair value measurements of financial assets

| | **2019** | 2018 |
|---|---|---|
| | **AED'000** | AED'000 |
| As at 1 January | **512,684** | 515,683 |
| Purchased during the period | **-** | 67,117 |
| Redeemed/sold during the period | **(18,413)** | (3,201) |
| Transfer in to level 3 * | **-** | 64,000 |
| **Loss included in OCI** | | |
| - Net change in fair value (unrealised) | **-** | (37,123) |
| **Loss recorded in profit and loss** | | - |
| - Net change in fair value (unrealised) | **-** | (11,226) |
| As at 30 June | **494,271** | 595,250 |

* This represents transfer from trade receivables to Level 3 investment at fair value through profit or loss.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements for the six-month period ended 30 June 2019.

### – 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 2018

## 6. Cost of sales

| | **Three month period ended 30 June** | | **Six month period ended 30 June** | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **AED'000** | AED'000 | **AED'000** | AED'000 |
| These include: | | | | |
| Materials consumed | **238,284** | 247,011 | **433,381** | 481,650 |
| Cost of properties sold | **8,139** | 16,050 | **24,675** | 28,277 |
| Staff costs | **35,828** | 29,113 | **69,931** | 57,388 |
| Factory overheads (excluding depreciation) | **41,702** | 45,295 | **79,493** | 88,451 |
| Depreciation and amortization | **51,522** | 30,558 | **94,410** | 62,142 |
| Share of Government of Dubai in the realised profits of a subsidiary | **29,347** | 32,911 | **54,882** | 59,170 |
| Infrastructure and development works cost sharing with RTA | **7,270** | 7,270 | **14,540** | 14,540 |

### 7. Administrative and general expenses

| | Three month period ended 30 June | | Six month period ended 30 June | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| | **AED'000** | AED'000 | **AED'000** | AED'000 |
| These include: | | | | |
| Staff costs | **67,395** | 65,811 | **125,388** | 128,937 |
| Impairment of investment in equity accounted investee (refer (i) below) | **-** | - | **-** | 27,990 |
| Selling and marketing expenses | **19,138** | 16,476 | **32,429** | 29,869 |
| Depreciation and amortization | **11,449** | 9,323 | **23,664** | 18,023 |

(i) During the previous period, the Group carried out an assessment of the recoverable amount of an associate based on the fair value less costs of disposal. The assessment resulted in an impairment loss of AED 28 million. Fair value less costs of disposal has been computed using discounted cash flow projections.

### 8. Other income

Other income mainly includes management fees, advertisement income and miscellaneous income from leased operations.

### 9. Property, plant and equipment

During the six month period ended 30 June 2019, the Group's additions to property, plant and equipment amounted to AED 204.6 million (year ended 31 December 2018: AED 323.4 million). Further, assets amounting to AED 51.2 million were acquired on business combination of Globalpharma Co. LLC (refer note 20).

### 10. Investment properties

Included in investment properties are mainly the following:

| | **30 June 2019 AED'000 (Reviewed)** | 31 December 2018 AED'000 (Audited) | 30 June 2018 AED'000 (Reviewed) |
|---|---|---|---|
| Infrastructure and ancillary facilities | **5,122,313** | 5,042,369 | 4,838,637 |
| Plots of land for future development | **944,649** | 944,649 | 971,425 |
| Residential, retail and commercial facilities | **1,694,345** | 1,649,160 | 1,322,905 |
| Labor camps and warehouses | **655,930** | 655,930 | 671,233 |
| | **8,417,237** | 8,292,108 | 7,804,200 |

i) The valuation basis and assumptions used for valuation of investments properties remains consistent with the methodology adopted as at 31 December 2018 and were last valued as at that date, except as mentioned in 10 (ii).

ii) As at 30 June 2019, 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. A fair valuation gain of AED 65 million (six month period ended 30 June 2018: fair valuation gain of AED Nil) has arisen due to significant changes in the contractual net cash flows as per the terms of lease contracts with tenants.

### 10. Investment properties (continued)

iii) During the six month period ended 30 June 2019, additions to investment properties amounted to AED 110.4 million (year ended 31 December 2018: AED 284.5 million). Furthermore, during the six month period ended 30 June 2019, disposals of investment properties amounted to AED 37.5 million (year ended 31 December 2018: AED Nil).

### 11. Financial investments

| | | **30 June 2019 AED'000 (Reviewed)** | 31 December 2018 AED'000 (Audited) | 30 June 2018 AED'000 (Reviewed) |
|---|---|---|---|---|
| Investments at fair value through other comprehensive income: | | | | |
| - unquoted equity securities | | **121,767** | 133,586 | 170,867 |
| | (i) | **121,767** | 133,586 | 170,867 |
| Investments at fair value through profit or loss: | | | | |
| - quoted equity securities | | **376,307** | 355,280 | 367,444 |
| - unquoted equity securities, funds, bonds and sukuks | | **1,019,585** | 1,073,947 | 1,135,649 |
| | (ii) | **1,395,892** | 1,429,227 | 1,503,093 |
| ***Geographical distribution of investments*** | | | | |
| UAE | | **598,362** | 600,550 | 682,223 |
| Other GCC countries | | **463,076** | 448,899 | 487,821 |
| Other countries | | **456,221** | 513,364 | 503,916 |
| | (i)+(ii) | **1,517,659** | 1,562,813 | 1,673,960 |

### 12. Inventories

Inventories at 30 June 2019 include properties under development for sale in the ordinary course of business amounting to AED 2,583 million (31 December 2018: AED 2,560 million) and represent costs of land and expenditure incurred towards the development of properties for subsequent sale. 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. 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** | |
|---|---|---|---|---|
| | **2019 AED'000** | 2018 AED'000 | **2019 AED'000** | 2018 AED'000 |
| Land and other lease charges | **-** | 328 | **-** | 633 |
| **Compensation to key management personnel:** | | | | |
| Short term benefits | **7,050** | 4,545 | **14,088** | 9,090 |
| Post-employment benefits | **116** | 116 | **231** | 231 |

## 14. Cash and cash equivalents

| | **30 June 2019 AED'000 (Reviewed)** | 31 December 2018 AED'000 (Audited) | 30 June 2018 AED'000 (reviewed) |
|---|---|---|---|
| Cash in hand | **2,130** | 1,374 | 1,611 |
| Cash at bank within UAE (current accounts) | **715,271** | 544,056 | 649,369 |
| Cash at bank outside UAE – GCC Countries (current accounts) | **6,708** | 6,369 | 3,957 |
| Cash at bank outside UAE – Other countries (current accounts) | **44,925** | 31,094 | 6,807 |
| Short term deposits within UAE having maturity of less than 3 months | **180,519** | 215,176 | 74,202 |
| | **949,553** | 798,069 | 735,946 |

## 15. Basic and diluted earnings per share

| | **Three month period ended 30 June** | | **Six month period ended 30 June** | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| Profit attributable to Owners of the Company (AED'000) | **151,214** | 129,131 | **353,243** | 491,044 |
| Weighted average number of shares outstanding ('000s) | **4,252,018** | 4,252,018 | **4,252,018** | 4,252,018 |
| Basic and diluted earnings per share (AED) | **0.04** | 0.03 | **0.08** | 0.12 |

There is no significant impact on earnings per share on adoption of the new accounting standard / interpretations in the current period.

## 16. Bank borrowings

The terms of the bank borrowings vary from three 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 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.

During the current period, a subsidiary of the Company, namely Dubai Investment Park Development Company LLC ("DIPDC"), obtained bilateral term loan facilities of USD 500 million from local financial institutions. Terms of these borrowings vary from three to five years. The term loan proceeds were partially used to repay the USD 300 million Sukuk notes which matured in February 2019 (note 17).

## 17. 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 was structured as a Wakala and was listed on NASDAQ Dubai and Irish Stock Exchanges. The terms of the arrangement included 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 remained in control of DIPDC and continued to be serviced by DIPDC. In case of any shortfall in cash flows, DIPDC had provided an undertaking to make good on such shortfall to the sukuk certificate holders. The sukuk certificate holders had no recourse to the assets. These sukuk certificates had a fixed profit rate of 4.291% p.a. payable semi-annually. The issuer serviced the profit from returns generated from the Wakala assets.

On maturity date in February 2019, the sukuk notes have been repaid in full by obtaining bilateral loan facilities from local financial institutions as explained in note 16.

## 18. Proposed dividend and directors' fee

(i) At the Annual General Meeting held on 17 April 2019, the shareholders approved 10% cash dividend proposed by the Board of Directors. The dividend amounting to AED 425 million was paid during the year.

(ii) At the Annual General Meeting held on 17 April 2019, the shareholders approved the proposed Directors' fee amounting to AED 10.5 million for the year ended 31 December 2018, which was paid during the current period.

## 19. Commitments

| | **30 June 2019 AED'000** | 31 December 2018 AED'000 |
|---|---|---|
| Commitments – contracted and committed | **1,297,634** | 1,634,381 |

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 June 2019 amounts to AED 291 million (31 December 2018: AED 305.5 million) which will be invoiced and paid until 2029, in semi-annual installments of AED 14.5 million each.

## 20. Acquisition of subsidiaries

(i) With effect from 7 March 2019, the Group acquired the additional 66% shares in its existing associate entity, Globalpharma Co. LLC ("Globalpharma"). Upon acquisition of the additional interest, Globalpharma has become a wholly owned subsidiary of the Group. Accordingly, the investment in the equity accounted investee has been derecognized and the entity has been consolidated on a line by line basis effective from the date of acquisition.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

| | |
|---|---|
| **% interest acquired** | **66%** |
| **Fair value of assets and liabilities acquired:** | **AED'000** |
| Non-current assets (excluding intangible assets) | **60,444** |
| Intangible assets (product registration, licence etc) | **213,467** |
| Current assets (excluding cash and bank balances) | **60,430** |
| Cash in hand and at bank | **32,322** |
| **Total assets** | **366,663** |
| Non-current liabilities | **(14,464)** |
| Current liabilities | **(45,937)** |
| **Total liabilities** | **(60,401)** |
| **Total identifiable net assets acquired** | **306,262** |
| Purchase consideration – (A) | **147,789** |
| Fair value of previously held equity interest | **106,149** |
| **Total consideration** | **253,938** |
| Less: fair value of identifiable net assets acquired | **(306,262)** |
| **Bargain purchase gain** | **(52,324)** |
| ***Gain on fair valuation of existing interest in Globalpharma*** | |
| Fair value of existing 34% interest in Globalpharma at 7 March 2019 | **106,149** |
| Less: carrying amount of interest in Globalpharma at 7 March 2019 | **(94,643)** |
| **Gain on fair valuation of existing interest prior to acquisition of controlling stake** | **11,506** |
| Cash acquired (B) | **32,322** |
| **Net cash outflow (A) – (B)** | **(115,467)** |

The Group engaged an independent valuer to perform the fair valuation of net assets acquired. A combination of valuation techniques depending upon the nature of the asset were used for measuring the fair values of significant assets acquired and liabilities assumed. These included: depreciated replacement costs, discounted cash flows, income capitalization and comparable market value, whichever was most relevant.

The values have been determined provisionally, if new information is obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition which requires adjustments to the recognized amounts of identifiable assets and liabilities, the accounting for acquisition will be revised accordingly.

## 20. Acquisition of subsidiaries (continued)

(ii) On 1 January 2018, the Group acquired additional 50% interest in its existing jointly controlled entity, Emirates District Cooling LLC (Emicool) from the joint venture partner. Gain on fair valuation of existing interest prior to acquisition of controlling stake of AED 228.9 million and Bargain purchase gain of AED 104.3 million was recognized during the six month period ended 30 June 2018.

## 21. Disposal of a joint venture

During the previous period, the Group disposed of its 50% share holding in its existing jointly controlled entity, Dubai International Driving Centre LLC. The disposal resulted in a gain of AED 21.1 million which is included under gain on sale of investments of the previous period.

## 22. Segment reporting

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

| | |
|---|---|
| *Property* | development of real estate for sale and leasing |
| *Manufacturing, contracting and services* | manufacture and sale of materials used in construction projects, executing construction contracts, production of raw and architectural glass, cooling services, production, aluminum extruded products, laboratory furniture, healthcare and education |
| *Investments* | 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.

## 22. Segment reporting (continued)

### Information about reportable segments

| *Business Segments* | 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 | |
| | **2019** | 2018 | **2019** | 2018 | **2019** | 2018 | **2019** | 2018 |
| | **AED'000** | AED'000 | **AED'000** | AED'000 | **AED'000** | AED'000 | **AED'000** | AED'000 |
| Sales of goods and services (at a point of time) | **19,923** | 19,170 | **657,956** | 616,252 | **8,103** | 6,977 | **685,982** | 642,399 |
| Rental income | **463,255** | 464,242 | **-** | - | **-** | - | **463,255** | 464,242 |
| Contract revenue (over time) | **-** | - | **94,599** | 166,271 | **-** | - | **94,599** | 166,271 |
| Sale of properties (over time) | **27,114** | 31,758 | **-** | - | **-** | - | **27,114** | 31,758 |
| Gain/(loss) on fair valuation of investment | **-** | - | **-** | - | **43,981** | (68,630) | **43,981** | (68,630) |
| Gain on fair valuation of investment properties | **52,251** | - | **-** | - | **-** | - | **52,251** | - |
| Gain on sale of investment properties | **14,142** | - | **-** | - | **-** | - | **14,142** | - |
| Gain on fair valuation of existing interest prior to acquisition of a controlling stake | **-** | - | **-** | - | **11,506** | 228,916 | **11,506** | 228,916 |
| Bargain purchase gain | **-** | - | **-** | - | **52,324** | 104,263 | **52,324** | 104,263 |
| Others | **-** | 110 | **-** | 21,150 | **(14,708)** | (10,554) | **(14,708)** | 10,706 |
| **Total income** | **576,685** | 515,280 | **752,555** | 803,673 | **101,206** | 260,972 | **1,430,446** | 1,579,925 |
| Cost of sales | **(181,778)** | (186,762) | **(609,003)** | (637,312) | **-** | - | **(790,781)** | (824,074) |
| Administrative and general expenses | **(37,395)** | (27,282) | **(114,970)** | (169,923) | **(45,682)** | (51,539) | **(198,047)** | (248,744) |
| Finance expenses | **(68,922)** | (11,328) | **(57,992)** | (61,429) | **(28,384)** | (18,914) | **(155,298)** | (91,671) |
| Net impairment loss on financial and contract assets | **-** | - | **(693)** | - | **-** | - | **(693)** | - |
| Finance income and other income | **9,471** | 13,946 | **20,151** | 13,135 | **19,023** | 25,826 | **48,645** | 52,907 |
| **Profit/(loss) for the period** | **298,061** | 303,854 | **(9,952)** | (51,856) | **46,163** | 216,345 | **334,272** | 468,343 |
| **Profit/(loss) attributable to:** | | | | | | | | |
| Owners of the Company | **301,220** | 303,831 | **6,479** | (33,933) | **45,544** | 221,146 | **353,243** | 491,044 |
| Non – controlling interests | **(3,159)** | 23 | **(16,431)** | (17,923) | **619** | (4,801) | **(18,971)** | (22,701) |
| **Profit/(loss) for the period** | **298,061** | 303,854 | **(9,952)** | (51,856) | **46,163** | 216,345 | **334,272** | 468,343 |
| | **30 June 2019** | 31 December 2018 | **30 June 2019** | 31 December 2018 | **30 June 2019** | 31 December 2018 | **30 June 2019** | 31 December 2018 |
| **Assets** | **12,779,441** | 12,306,030 | **5,241,124** | 4,685,454 | **2,624,635** | 2,562,713 | **20,645,200** | 19,554,197 |
| **Liabilities** | **4,319,784** | 3,023,584 | **2,875,157** | 2,713,597 | **1,439,760** | 1,531,711 | **8,634,701** | 7,268,892 |

The Group's revenue is mainly earned from transactions carried out in UAE and other countries. The impact on adoption of IFRS 16 on the segment assets and segment liabilities relating to property is AED 157.9 million and AED 173 million respectively; relating to manufacturing, contracting and services is AED 131.5 million and AED 125.2 million respectively; and investments is AED 1.6 million and AED 2.2 million respectively.