

# Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

*31 March 2021*

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim financial statements

31 March 2021

<i><b>Contents</b></i>	<i><b>Page(s)</b></i>
Review report on condensed consolidated interim financial statements to the board of directors and shareholders	1
Condensed consolidated interim statement of profit or loss	2
Condensed consolidated interim statement of comprehensive income	3
Condensed consolidated interim statement of financial position	4-5
Condensed consolidated interim statement of cash flows	6
Condensed consolidated interim statement of changes in equity	7-8
Notes to the condensed consolidated interim financial statements	9-18

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

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Investments PJSC (the "Company") and its subsidiaries (together, the "Group") as at 31 March 2021 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of review

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

### Conclusion

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

### Other matter

As per the communication to listed companies by the Securities and Commodities Authority dated 7 April 2020 on disclosure of interim financial statements, the Group opted for the exemption of not issuing the condensed consolidated interim financial statements for the three-month period ended 31 March 2020.

PricewaterhouseCoopers  
29 April 2021



Douglas O'Mahony  
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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of profit or loss

		Three month period ended 31 March	
	Note	2021 AED'000	2020 AED'000
Sale of goods and services		347,916	280,280
Rental income		195,060	220,473
Contract revenue		46,460	48,349
Sale of properties		22,984	21,212
Gain/(loss) on fair valuation of investments		20,268	(117,010)
Gain on sale of investments		6,415	5,582
Dividend income		4,515	5,860
Share of (loss)/gain from equity accounted investees		(6,014)	96
<b>Total income</b>		<b>637,604</b>	<b>464,842</b>
Cost of sales	6	(393,271)	(330,967)
Administrative and general expenses	7	(108,562)	(113,273)
Finance expense		(53,202)	(65,650)
Net impairment losses on financial and contract assets		(21,444)	(6,427)
Finance income		47,182	9,201
Other income	8	16,578	23,632
<b>Profit/(loss) for the period</b>		<b>124,885</b>	<b>(18,642)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		123,770	(6,786)
Non-controlling interests		1,115	(11,856)
<b>Profit/(loss) for the period</b>		<b>124,885</b>	<b>(18,642)</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (AED)	15	0.029	(0.002)

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of comprehensive income

	<b>Three month period ended</b>	
	<b>31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Profit/(loss) for the period</b>	<b>124,885</b>	<b>(18,642)</b>
<b>Other comprehensive income ('OCI'):</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net change in fair value of investments at fair value through OCI	(4)	(3,827)
Total other comprehensive income for the period	(4)	(3,827)
<b>Total comprehensive income for the period</b>	<b>124,881</b>	<b>(22,469)</b>
<b>Attributable to:</b>		
Owners of the Company	123,766	(9,083)
Non-controlling interests	1,115	(13,386)
<b>Total comprehensive income for the period</b>	<b>124,881</b>	<b>(22,469)</b>

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of financial position

		<b>31 March 2021 AED'000</b>	31 December 2020 AED'000	31 March 2020 AED'000
	<i>Note</i>			
<b>Non-current assets</b>				
Property, plant and equipment	9	<b>3,964,996</b>	3,959,621	3,768,172
Right-of-use-assets		<b>456,520</b>	467,806	477,449
Goodwill and intangible assets		<b>497,213</b>	501,445	516,462
Investment properties	10	<b>8,506,458</b>	8,489,201	8,731,039
Investments at fair value through other comprehensive income	11	<b>78,900</b>	78,904	116,830
Other financial assets at fair value through profit or loss		<b>56,482</b>	56,638	59,821
Investments in equity accounted investees		<b>98,052</b>	98,536	131,734
Rent receivable		<b>45,828</b>	53,262	42,870
Finance lease receivable		-	-	858
Inventories	12	<b>256,318</b>	251,719	273,422
Trade receivables		<b>326,875</b>	330,042	26,954
Other receivables and due from related parties		<b>17,815</b>	22,296	31,998
<b>Total non-current assets</b>		<b>14,305,457</b>	14,309,470	14,177,609
<b>Current assets</b>				
Inventories	12	<b>2,466,196</b>	2,494,439	2,701,542
Investments at fair value through profit or loss	11	<b>1,544,195</b>	1,520,033	1,331,940
Trade receivables		<b>1,651,280</b>	1,717,554	1,418,453
Other receivables and due from related parties		<b>627,619</b>	625,521	626,947
Short-term deposits with banks	14	<b>189,105</b>	207,658	93,772
Cash and cash equivalents	14	<b>1,180,910</b>	886,872	867,645
<b>Total current assets</b>		<b>7,659,305</b>	7,452,077	7,040,299
<b>Total assets</b>		<b>21,964,762</b>	21,761,547	21,217,908
<b>Equity</b>				
Share capital		<b>4,252,018</b>	4,252,018	4,252,018
Share premium		<b>46</b>	46	46
Capital reserve		<b>25,502</b>	25,502	25,502
Legal reserve		<b>1,210,472</b>	1,210,472	1,176,846
General reserve		<b>1,442,729</b>	1,442,729	1,435,654
Fair value reserve		<b>(180,909)</b>	(180,905)	(146,467)
Proposed dividend	17	<b>340,161</b>	340,161	425,202
Proposed directors' fee	17	<b>10,500</b>	10,500	10,500
Retained earnings		<b>4,837,705</b>	4,713,935	4,787,748
<b>Equity attributable to owners of the Company</b>		<b>11,938,224</b>	11,814,458	11,967,049
<b>Non-controlling interests</b>		<b>235,243</b>	234,128	216,587
<b>Total equity</b>		<b>12,173,467</b>	12,048,586	12,183,636

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of financial position (continued)

		31 March 2021 AED'000	31 December 2020 AED'000	31 March 2020 AED'000
	Note			
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bank borrowings	16	4,288,533	4,944,051	4,783,766
Lease liabilities		420,560	435,842	440,722
Other payables		321,668	304,165	245,521
<b>Total non-current liabilities</b>		<b>5,030,761</b>	<b>5,684,058</b>	<b>5,470,009</b>
<b>Current liabilities</b>				
Bank borrowings	16	2,762,484	2,009,951	1,508,937
Lease liabilities		43,025	44,596	46,116
Trade and other payables		1,955,025	1,974,356	2,009,210
<b>Total current liabilities</b>		<b>4,760,534</b>	<b>4,028,903</b>	<b>3,564,263</b>
<b>Total liabilities</b>		<b>9,791,295</b>	<b>9,712,961</b>	<b>9,034,272</b>
<b>Total equity and liabilities</b>		<b>21,964,762</b>	<b>21,761,547</b>	<b>21,217,908</b>

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 29 April 2021 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	<b>Three month period ended 31 March</b>	
		<b>2021</b>	<b>2020</b>
		<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		<b>124,885</b>	(18,642)
<i>Adjustments for:</i>			
Depreciation		<b>56,101</b>	58,185
Amortization of intangible assets		<b>5,105</b>	5,117
Gain on disposal of property, plant and equipment		<b>(56)</b>	(48)
Gain on sale of investments		<b>(6,415)</b>	(5,582)
Share of loss/(gain) from equity accounted investees		<b>6,014</b>	(96)
(Gain)/ (loss on fair valuation of investments		<b>(20,268)</b>	117,010
Finance income		<b>(47,182)</b>	(9,201)
Finance expense		<b>53,202</b>	65,650
<b>Operating profit before changes in working capital</b>		<b>171,386</b>	212,393
<i>Changes in:</i>			
- investment at fair value through profit or loss		<b>2,521</b>	(1,600)
- trade and other receivables		<b>79,414</b>	22,067
- inventories		<b>23,644</b>	(34,538)
- trade and other payables		<b>(1,828)</b>	1,036
<b>Net cash generated from operating activities</b>		<b>275,137</b>	199,358
Additions to investment properties		<b>(17,257)</b>	(25,961)
Acquisition of property, plant and equipment		<b>(50,261)</b>	(60,848)
Proceeds from disposal of property, plant and equipment		<b>127</b>	1,194
Net additions to intangible assets		<b>(873)</b>	(1,154)
Finance income received		<b>47,182</b>	9,201
Net movement in short term deposits		<b>18,553</b>	(2,848)
Net movement in equity accounted investees		<b>(5,530)</b>	(2,201)
<b>Net cash used in investing activities</b>		<b>(8,059)</b>	(82,617)
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		<b>523,836</b>	453,337
Repayment of bank borrowings		<b>(384,102)</b>	(338,341)
Principal elements of lease payments		<b>(16,853)</b>	(7,318)
Net movement in non-controlling interests		<b>-</b>	(1,531)
Finance expense		<b>(53,202)</b>	(65,650)
<b>Net cash generated from financing activities</b>		<b>69,679</b>	40,497
<b>Net increase in cash and cash equivalents</b>		<b>336,757</b>	157,238
Cash and cash equivalents at 1 January	14	<b>566,336</b>	245,291
<b>Cash and cash equivalents at 31 March</b>		<b>903,093</b>	402,529
<i>Cash and cash equivalents comprise following:</i>			
Cash in hand, current and call accounts with banks	14	<b>689,951</b>	748,225
Short term deposits with banks (excluding those under lien)	14	<b>490,959</b>	119,420
Bank overdrafts, trust receipt loans and bills discounted		<b>(277,817)</b>	(465,116)
		<b>903,093</b>	402,529



# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of changes in equity

For the three month period ended 31 March 2021

	Share Capital AED'000	Share Premium AED'000	Capital Reserve AED'000	Legal Reserve AED'000	General 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 AED'000	Total AED'000
<b>Balance at 1 January 2020</b>	4,252,018	46	25,502	1,176,846	1,435,654	(144,170)	425,202	10,500	4,794,534	11,976,132	229,973	12,206,105
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	-	-	-	-	-	-	(6,786)	(6,786)	(11,856)	(18,642)
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	(2,297)	-	-	-	(2,297)	(1,530)	(3,827)
Total other comprehensive income for the period	-	-	-	-	-	(2,297)	-	-	-	(2,297)	(1,530)	(3,827)
Total comprehensive income for the period	-	-	-	-	-	(2,297)	-	-	(6,786)	(9,083)	(13,386)	(22,469)
<b>Balance at 31 March 2020</b>	4,252,018	46	25,502	1,176,846	1,435,654	(146,467)	425,202	10,500	4,787,748	11,967,049	216,587	12,183,636

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of changes in equity

For the three month period ended 31 March 2021 (continued)

	Share Capital AED'000	Share Premium AED'000	Capital Reserve AED'000	Legal Reserve AED'000	General 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 AED'000	Total AED'000
<b>Balance at 1 January 2021</b>	<b>4,252,018</b>	<b>46</b>	<b>25,502</b>	<b>1,210,472</b>	<b>1,442,729</b>	<b>(180,905)</b>	<b>340,161</b>	<b>10,500</b>	<b>4,713,935</b>	<b>11,814,458</b>	<b>234,128</b>	<b>12,048,586</b>
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	-	-	-	-	-	-	123,770	123,770	1,115	124,885
<b>Other comprehensive income</b>												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	(4)	-	-	-	(4)	-	(4)
Total other comprehensive income for the period	-	-	-	-	-	(4)	-	-	-	(4)	-	(4)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>123,770</b>	<b>123,766</b>	<b>1,115</b>	<b>124,881</b>
<b>Balance at 31 March 2021</b>	<b>4,252,018</b>	<b>46</b>	<b>25,502</b>	<b>1,210,472</b>	<b>1,442,729</b>	<b>(180,909)</b>	<b>340,161</b>	<b>10,500</b>	<b>4,837,705</b>	<b>11,938,224</b>	<b>235,243</b>	<b>12,173,467</b>

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

*For the three month period ended 31 March 2021*

### **1. Reporting entity**

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16 July 1995. These condensed consolidated interim financial statements as at and for the three month period ended 31 March 2021 (“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* issued by International Accounting Standard Board (“IASB”). 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 2020. In addition, results for the period from 1 January 2021 to 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

### **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 2020 except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

### **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 2020.

The Group has determined that significant changes are not required as of 31 March 2021 in the key judgements and estimates from those applied as of 31 December 2020 for determining fair value of investment properties mainly due to the long term nature of some of the leasing contracts and available evidence from the Group’s recently concluded sales transactions and recent offers received which demonstrate largely unchanged market conditions. Refer note 10.

The nature of information available to management to estimate fair values vary widely especially given the continued impact of COVID-19 and thereby affect the degree of estimation uncertainty associated with fair value estimates.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 5. Financial instruments

#### – Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2020.

#### – Valuation of financial instruments

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

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

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

<i>31 March 2021</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
Financial assets at fair value through profit or loss	<b>251,828</b>	<b>919,220</b>	<b>373,147</b>	<b>1,544,195</b>
Financial assets at fair value through other comprehensive income	<b>605</b>	<b>-</b>	<b>78,295</b>	<b>78,900</b>
	<b>252,433</b>	<b>919,220</b>	<b>451,442</b>	<b>1,623,095</b>
<i>31 December 2020</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
Financial assets at fair value through profit or loss	243,038	916,689	360,306	1,520,033
Financial assets at fair value through other comprehensive income	609	-	78,295	78,904
	243,647	916,689	438,601	1,598,937

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 5. Financial instruments (continued)

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

	2021 AED'000	2020 AED'000
As at 1 January	438,601	523,617
Purchased during the period	12,888	38,805
Redeemed/sold during the period	(47)	(40,326)
Transfer (out) of level 3	-	(7,468)
<b>Loss included in OCI</b>		
- Net change in fair value (unrealized)	-	(41,747)
<b>Loss recorded in profit and loss</b>		
- Net change in fair value (unrealized)	-	(34,280)
As at 31 March/December	<b>451,442</b>	<b>438,601</b>

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

#### – Valuation techniques

The fair values of Level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31 December 2020.

### 6. Cost of sales

	Three month period ended 31 March	
	2021 AED'000	2020 AED'000
<i>These mainly include:</i>		
Materials consumed	193,533	148,043
Depreciation and amortisation	49,924	49,019
Staff costs	31,096	35,466
Share of Government of Dubai in the realised profits of a subsidiary	25,700	29,618
Cost of properties sold	21,209	18,540
Infrastructure and development works cost sharing with Road and Transport Authority ("RTA")	7,270	7,270

### 7. Administrative and general expenses

	Three month period ended 31 March	
	2021 AED'000	2020 AED'000
<i>These mainly include:</i>		
Staff costs	59,159	64,437
Selling and marketing expenses	10,258	14,543
Depreciation and amortisation	11,282	13,949

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 8. Other income

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

### 9. Property, plant and equipment and right-of-use assets

During the three month period ended 31 March 2021, the Group's additions to property, plant and equipment amounted to AED 50.26 million (31 December 2020: AED 198.44 million).

### 10. Investment properties

Included in investment properties are mainly the following:

	31 March 2021 AED'000	31 December 2020 AED'000	31 March 2020 AED'000
- Infrastructure and ancillary facilities	5,160,472	5,158,514	4,981,666
- Plots of land for future development	1,412,060	1,406,416	1,234,552
- Residential facilities	691,167	691,167	1,039,072
- Retail and commercial facilities	670,259	660,604	830,849
- Labor camps and warehouses	572,500	572,500	644,900
	<b>8,506,458</b>	<b>8,489,201</b>	<b>8,731,039</b>

- (i) The key assumptions used for valuation of investments properties remains largely consistent with those adopted as at 31 December 2020 and accordingly the fair value of the investment properties have not changed significantly during the three month period ended 31 March 2021 and consequently, no fair valuation gain / loss has been recorded for the three month period ended 31 March 2021.
- (ii) During the three month period ended 31 March 2021, additions to investment properties amounted to AED 17.26 million (31 December 2020: AED 372.61 million). Furthermore, there were no disposals during the three month period ended 31 March 2021 (31 December 2020: AED 289.98 million).
- (iii) Key assumptions and the significant unobservable inputs used in the fair value measurement of investment properties are as follows:

Type of property	Key assumptions and significant unobservable inputs
Infrastructure and ancillary facilities	Future market rental cash inflows, outgoing expenses and discount rates.
Plots of land for future development	Market sales rates
Residential, retail and commercial facilities	Future market rental cash inflows, capitalisation yield rates, market sales rates and discount rates.
Labor camps and warehouses	Future market rental cash inflows, capitalization yield rates and outgoing expenses.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 10. Investment properties (continued)

- (iv) As disclosed in the consolidated financial statements for the year ended 31 December 2020, the external valuation reports for certain retail and commercial facilities, labour camps and vacant plots of land 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 summarised below (keeping all other variables constant):

#### Plots of land for future development

Market sales rates	based on the estimated selling price of comparable properties and taking into account the market data at the date of valuation. If the market sales rate were 10% higher/lower the valuation would have been AED 81 million higher/ lower.
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#### Residential, retail and commercial facilities

Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 51 million higher/AED 50 million lower respectively, with all other variables remaining constant.
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Capitalisation yield rates	based on the actual location, size and quality of the properties and taking into account market data at the valuation date. If capitalisation yield rates were 1% higher/lower, the valuation would have been AED 47 million lower or AED 61 million higher respectively, with all other variables remaining constant.
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Discount rates	reflecting current market assessments of the uncertainty in the amount and timing of cash flows. If discount rates were 1% higher/lower, the valuation would have been AED 4 million lower or AED 7 million higher respectively, with all other variables remaining constant.
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Outgoing expenses	including necessary maintenance and other expenses to maintain functionality of the properties for their expected useful life. If maintenance and operating costs were 10% higher/lower, the valuation would have been AED 12 million lower or AED 13 million higher respectively, with all other variables remaining constant.
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Void rates	reflecting the rate of void or vacancy during the reversionary period. If void rates were 10% higher/lower, the valuation would have been AED 10 million lower or AED 12 million higher respectively, with all other variables remaining constant.
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# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 10. Investment properties (continued)

#### Labor camps and warehouses

Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free periods. If rental rates were 10% higher/lower, the valuation would have been AED 55 million higher/AED 55 million lower respectively, with all other variables remaining constant.
Capitalisation yield rates	based on the actual location, size and quality of the properties and taking into account market data at the valuation date. If capitalisation yield rates were 1% higher/lower, the valuation would have been AED 27 million lower or AED 32 million higher respectively, with all other variables remaining constant.
Outgoing expenses	including necessary maintenance and other expenses to maintain functionality of the properties for their expected useful life. If maintenance and operating costs were 10% higher/lower, the valuation would have been AED 13 million lower or AED 12 million higher respectively, with all other variables remaining constant.

### 11. Financial investments

	<b>31 March 2021 AED'000</b>	31 December 2020 AED'000	31 March 2020 AED'000
Investments at fair value through other comprehensive income:			
- Equity securities (i)	<b>78,900</b>	78,904	116,830
Investments at fair value through profit or loss:			
- Held for trading quoted equity securities	<b>252,005</b>	271,559	165,310
- Unquoted equity securities, funds, bonds and sukuk (ii)	<b>1,292,190</b>	1,248,474	1,166,630
	<b>1,544,195</b>	1,520,033	1,331,940
<b>Geographical distribution of investments</b>			
UAE	<b>715,155</b>	697,348	639,782
Other GCC countries	<b>214,972</b>	216,198	365,266
Other countries	<b>692,968</b>	685,391	443,722
(i)+(ii)	<b>1,623,095</b>	1,598,937	1,448,770

### 12. Inventories

Inventories at 31 March 2021 include properties held for development and sale in the ordinary course of business amounting to AED 2,484 million (31 December 2020: AED 2,497 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.



# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 13. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 31 March	
	2021	2020
	AED'000	AED'000
<b>Compensation to key management personnel:</b>		
Short term benefits	7,045	6,966
Post-employment benefits	121	121

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

	31 March 2021 AED'000	31 December 2020 AED'000	31 March 2020 AED'000
<b>Short term deposits with banks:</b>			
Short term deposits with banks having maturity of more than 3 months	20,000	50,472	1,046
Short term deposits within UAE under lien with banks	169,105	157,186	92,726
	<b>189,105</b>	<b>207,658</b>	<b>93,772</b>
<b>Cash and cash equivalents:</b>			
Cash in hand	4,554	1,489	1,584
Cash at bank within UAE (current accounts)	668,099	846,716	637,741
Cash at bank outside UAE – GCC Countries (current accounts)	2,012	2,662	6,318
Cash at bank outside UAE – Other countries (current accounts)	15,286	11,373	102,582
Short term deposits within UAE having maturity of less than 3 months	490,959	24,632	119,420
	<b>1,180,910</b>	<b>886,872</b>	<b>867,645</b>

### 15. Basic and diluted earnings per share

	Three month period ended 31 March	
	2021	2020
	AED'000	AED'000
Profit/(loss) attributable to Owners of the Company (AED'000)	123,770	(6,786)
Weighted average number of shares outstanding ('000s)	4,252,018	4,252,018
Basic and diluted earnings per share (AED)	0.029	(0.002)

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2021 (continued)

### 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.

### 17. Proposed dividend and directors' fee

- (i) At the Annual General Meeting held on 11 April 2021, the shareholders approved 8% cash dividend proposed by the Board of Directors.
- (ii) At the Annual General Meeting held on 11 April 2021, the shareholders approved the proposed Directors' fee amounting to AED 10.5 million for the year ended 31 December 2020.

### 18. Commitments

	31 March 2021 AED'000	31 December 2020 AED'000
Capital commitments – contracted and committed	<u>604,284</u>	678,214

Commitments mainly include the following:

- Value of construction contracts awarded to contractors for real estate projects under development.
- DIPDC has signed an agreement with RTA to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 31 March 2021 amounts to AED 247.5 million (31 December 2020: AED 247.5 million) which will be invoiced and paid until 2029, in semi-annual installments of AED 14.5 million each.

### 19. Subsequent events

Subsequent to 31 March 2021, the Group acquired an additional 21.53% equity interest in National General Insurance Co. PJSC ("NGI") in addition to its existing interest of 8.46%. Upon acquisition of the additional interest, the Group's interest in National General Insurance Co. PJSC has increased to 29.99%. NGI is listed on Dubai Financial Market and underwrites all classes of life and general insurance business as well as certain reinsurance business.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

*For the three month period ended 31 March 2021 (continued)*

### **20. 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, cooling services, production, aluminum 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 three month period ended 31 March 2021 (continued)\

### 20. Segment reporting (continued)

#### Information about reportable segments

<i>Business Segments</i>	Property		Manufacturing, contracting and services		Investments		Total	
	Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020
	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)	6,320	9,284	333,491	268,840	8,105	2,156	347,916	280,280
Rental income	195,060	220,473	-	-	-	-	195,060	220,473
Contract revenue (over time)	-	-	46,460	48,349	-	-	46,460	48,349
Sale of properties (over time)	22,984	21,212	-	-	-	-	22,984	21,212
Gain/(loss) on fair valuation of investment	-	-	-	-	20,268	(117,010)	20,268	(117,010)
Others	-	-	-	-	4,916	11,538	4,916	11,538
<b>Total income</b>	<b>224,364</b>	<b>250,969</b>	<b>379,951</b>	<b>317,189</b>	<b>33,289</b>	<b>(103,316)</b>	<b>637,604</b>	<b>464,842</b>
Cost of sales	(85,980)	(75,500)	(307,291)	(255,467)	-	-	(393,271)	(330,967)
Administrative and general expenses	(24,099)	(23,520)	(62,780)	(66,264)	(21,683)	(23,489)	(108,562)	(113,273)
Finance expenses	(28,167)	(39,718)	(19,135)	(19,006)	(5,900)	(6,926)	(53,202)	(65,650)
Net impairment loss on financial and contract assets	(485)	(1,524)	(20,959)	(4,903)	-	-	(21,444)	(6,427)
Finance income and other income	6,623	16,386	44,187	7,928	12,950	8,519	63,760	32,833
<b>Profit for the period</b>	<b>92,256</b>	<b>127,093</b>	<b>13,973</b>	<b>(20,523)</b>	<b>18,656</b>	<b>(125,212)</b>	<b>124,885</b>	<b>(18,642)</b>
<b>Profit attributable to:</b>								
Owners of the Company	94,455	128,325	15,361	(16,780)	13,954	(118,331)	123,770	(6,786)
Non – controlling interests	(2,199)	(1,232)	(1,388)	(3,743)	4,702	(6,881)	1,115	(11,856)
<b>Profit for the period</b>	<b>92,256</b>	<b>127,093</b>	<b>13,973</b>	<b>(20,523)</b>	<b>18,656</b>	<b>(125,212)</b>	<b>124,885</b>	<b>(18,642)</b>
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Assets</b>	<b>14,091,072</b>	<b>14,063,227</b>	<b>5,322,109</b>	<b>5,400,710</b>	<b>2,551,581</b>	<b>2,297,610</b>	<b>21,964,762</b>	<b>21,761,547</b>
<b>Liabilities</b>	<b>5,162,698</b>	<b>5,138,510</b>	<b>2,962,615</b>	<b>2,950,734</b>	<b>1,665,982</b>	<b>1,623,717</b>	<b>9,791,295</b>	<b>9,712,961</b>