Dubai Investments

2023 ANNUAL REPORT

Dubai Investments PJSC and its subsidiaries

Directors' report and consolidated financial statements
For the year ended 31 December 2023

Directors' report

The Board of Directors ("the Board") of Dubai Investments PJSC ("the Company") is pleased to present their report along with the audited consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31 December 2023.

Principal activities

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, investment banking, asset management, financial investments, healthcare and education.

Financial performance

The Group has reported profit attributable to the shareholders of the Company of AED 1,130.94 million for the year ended 31 December 2023 as compared to AED 1,608.57 million in the previous year.

The Group has reported higher profits by AED 502.79 million if adjusted for the one-off gain on disposal of controlling interest and fair value gain on retained investment in Emirates District Cooling LLC amounting to AED 980.42 million in previous year. The higher profits are mainly due to higher fair valuation gain on investment properties, fair valuation gain on investments and gain on sale of investments.

Total assets of the Group stands at AED 21.44 billion as of 31 December 2023 (2022: AED 20.47 billion).

Dividend

In line with its commitment to provide enhanced returns to shareholders, the Board propose to distribute cash dividend of 12.5% (AED 0.125 per share) to the shareholders of the Company for the year 2023.

At the General Meeting held on 26 April 2023, the shareholders had approved a 12.5% (AED 0.125 per share) cash dividend proposed by the Board of Directors. The dividend amounting to AED 531.50 million was distributed in May 2023.

Further, at the General Meeting held on 12 September 2022, the shareholders approved a 7.5 % (AED 0.075 per share) interim cash dividend amounting to AED 318.90 million proposed by the Board of Directors which was distributed in October 2022.

Proposed appropriations

The Directors propose the following appropriation from the Company's retained earnings:

	AED'000
Transfer to legal reserve	88,462
Proposed cash dividend	531,503

Directors' fees

Proposed Directors' fees amounting to AED 18 million has been included under administrative expenses.

Outlook 2024

The Group expects the positive momentum to continue in 2024 given the robust growth in real estate sector. The Group will focus on execution of key real estate projects launched in 2023 and deliver greater value for our shareholders. The Group is well poised to expand its presence in MENA with several proposals under active consideration.

Directors' report (continued)

Directors

The Board of Directors comprise:

Mr. Abdulrahman Ghanem Abdulrahman Almutaiwee - Chairman
Mr. Khalid Jassim Mohammed Bin Kalban - Vice Chairman
Mr. Ali Fardan Ali Al Fardan
Mr. Mohammed Saif Darwish Ahmed Al Ketbi
Mr. Khaled Mohammed Ali Al Kamda
Mr. Ahmed Salem Abdulla Salem Alhosani
Mr. Faisal Abdulaziz Alshaikh mohamed Alkhazraji
Mr. Hussain Nasser Ahmed Lootah
Ms. Hind Abdulrahman AlAli

Related parties

The consolidated financial statements disclose material related party balances and transactions in Notes 19, 24 and 35 respectively. All transactions are carried out in the normal course of business and in compliance with applicable laws and regulations.

Auditors

PricewaterhouseCoopers ("PwC") were appointed as the auditors of Dubai Investments PJSC for the year ended 31 December 2023. The Board of Directors, in compliance with requirements to rotate auditors, propose to appoint KPMG Lower Gulf Limited ("KPMG") for the audit of the year ending 31 December 2024.

Acknowledgment

The Board would like to express their gratitude and appreciation to all its shareholders, client and business partners whose continued support has been a source of great strength and encouragement.

The Board would also like to place on record their commendation for the hard work and efforts put in by Group management and staff as well as their loyalty and perseverance for the benefit of the Company and its shareholders.

On behalf of the Board

Abdulrahman Ghanem Abdulrahman Almutaiwee
Chairman

7 March 2024

Independent auditor's report to the shareholders of Dubai Investments PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dubai Investments PJSC (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year ended 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of changes in equity for the year ended 31 December 2023;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matter	• Valuation of investment properties

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

Our audit approach (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
The Group's investment property portfolio comprises land with associated infrastructure and ancillary facilities, residential units, retail and commercial facilities, labour camps, warehouses and plots of land which are under development or are earmarked for future development. The Group's accounting policy is to state its investment properties at fair value at each reporting date. As at 31 December 2023, the property portfolio is valued at AED 10.10 billion. The net fair value gain recorded in the consolidated statement of profit or loss for the year ended 31 December 2023 amounted to AED 702.63 million. The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future market rentals, discount rate and associated capitalisation yield rates for the investment properties valued under the "income capitalisation approach" or "income valuation approach" (together, the "income approach") and comparable selling prices for the investment properties that have been valued using the "sales comparison approach". The valuations of all of the investment property portfolio were carried out as at 31 December 2023 by independent registered valuers (the "Valuers"). The Valuers were engaged by management and they performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards taking into account the requirements of IFRS 13 – 'Fair Value Measurements'. The investment properties portfolio is valued by using either the income approach or sales comparison approach. In determining a property's valuation, the Valuers take into account property specific information such as the current contracted tenancy agreements. The Valuers apply certain assumptions such as capitalisation yield rates, estimated future market rent, discount rates and market sales rates which are influenced by prevailing market yields and comparable market transactions and specific characteristics, such as property location and occupancy rate of each property in the portfolio, to arrive at the final valuation.	We assessed the competence, capabilities and objectivity of the Valuers engaged by the Group's management. We obtained the valuation reports for the properties valued by the Valuers and assessed whether the valuation approach used and methodology adopted by the Valuers is appropriate for determining the fair value of the investment properties for the purpose of the consolidated financial statements of the Group. Further, we determined, based on our judgement, the key valuation assumptions used within each property valuation, such as capitalisation yield rates, future market rental cashflows, discount rate, outgoing expenses and market sales rates, and reviewed those for reasonableness. We involved our internal real estate valuation experts to review a sample of these valuation reports to assess the appropriateness of the valuation approach used, methodology adopted and to review the reasonableness of the key valuation assumptions used. Alongside our internal real estate valuation experts, we also held discussions with the Group's management and the Valuers to assess the appropriateness of the valuation approach used, methodology adopted and reasonableness of the key valuation assumptions used. We performed audit procedures to assess whether the property specific information used for the valuations is reasonable by comparing it, on a sample basis, to underlying supporting records such as the current contracted tenancy agreements. We reviewed the sensitivity analysis performed by the Group's management of the key assumptions used in the valuation models to assess the potential impact on the resultant valuations. We assessed the adequacy of the disclosures in Notes 12 and 40 to the consolidated financial statements.

Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (continued) The significance of the estimates and judgements involved in the valuations warranted specific audit focus in this area, as any significant variation in determination of the valuation inputs could have a material impact on the value of the Group's investment properties and fair value gain or loss recognised in respect of these investment properties. Refer to Notes 12 and 40 to the consolidated financial statements which includes the disclosures regarding the use of estimates and judgements by management in determining the fair valuation of investment properties.	

Other information

The Board of Directors and management are responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's integrated report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's integrated report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report to the shareholders of Dubai Investments PJSC (continued)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) as disclosed in Notes 13, 15 and 37 to the consolidated financial statements, the Group has purchased or invested in shares during the year ended 31 December 2023;

vi) Note 35 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or in respect of the Company, its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at 31 December 2023; and

viii) Note 7 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2023.

PricewaterhouseCoopers Limited Partnership Dubai Branch
7 March 2024

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

Dubai Investments PJSC and its subsidiaries

Consolidated statement of profit or loss

	Note	2023 AED'000	2022 AED'000
		For the year ended 31 December	
Sale of goods and provision of services		**1,147,824**	1,446,379
Rental income		**969,739**	866,679
Contract revenue		**186,647**	242,660
Sale of properties		**826,983**	437,065
Gain on fair valuation of investment properties	12	**702,633**	181,749
Gain/(loss) on fair valuation of investments	13	**107,010**	(22,934)
Gain on sale of investment properties	12	**1,100**	-
Gain on sale of investments		**42,505**	11,784
Share of profit from equity accounted investees	15(iii)	**72,555**	59,370
Dividend income		**48,899**	40,448
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	38	**-**	980,415
Bargain purchase gain	15(ii)(b)	**-**	11,479
Total income		**4,105,895**	4,255,094
Cost of sales and providing services	6	**(2,045,011)**	(1,959,019)
Administrative expenses	7	**(524,287)**	(506,030)
Finance costs	8	**(428,108)**	(249,701)
Net impairment losses on trade receivables	5	**(140,026)**	(161,487)
Finance income	8	**58,707**	151,753
Other income	9	**41,481**	34,417
Profit before tax		**1,068,651**	1,565,027
Income tax expenses	39	**(19,530)**	-
Profit after tax		**1,049,121**	1,565,027
Profit after tax attributable to:			
Owners of the Company		**1,130,937**	1,608,565
Non-controlling interests		**(81,816)**	(43,538)
Profit after tax		**1,049,121**	1,565,027
Earnings per share			
Basic and diluted earnings per share (AED)	31	**0.27**	0.38

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of comprehensive income

		For the year ended 31 December	
		2023	2022
	Note(s)	AED'000	AED'000
Profit after tax		**1,049,121**	1,565,027
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	13(c)	**25,298**	6,100
Share of other comprehensive loss of equity accounted investees'	15	**(1,072)**	(4,650)
Gain on revaluation of property and equipment being transferred to investment properties	10,28	**13,186**	-
Total other comprehensive income for the year		**37,412**	1,450
Total comprehensive income for the year		**1,086,533**	1,566,477
Attributable to:			
Owners of the Company		**1,151,742**	1,609,461
Non-controlling interests		**(65,209)**	(42,984)
Total comprehensive income for the year		**1,086,533**	1,566,477

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of financial position

		For the year ended 31 December	
		2023	2022
	Note	AED'000	AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	**1,486,999**	1,693,639
Right-of-use-assets	23	**323,079**	347,774
Goodwill and intangible assets	11	**242,447**	252,110
Investment properties	12	**10,099,681**	9,692,168
Investments at fair value through other comprehensive income	13	**84,839**	59,542
Other financial assets at fair value through profit or loss	14	**38,706**	43,928
Investment in equity accounted investees'	15	**1,506,287**	1,528,464
Rent receivable	16	**46,529**	38,548
Inventories	17	**21,356**	253,680
Trade receivables	18	**408,950**	237,594
Due from related parties and other receivables	19	**5,650**	13,388
		14,264,523	14,160,835
Current assets			
Inventories	17	**1,350,632**	1,209,628
Investments at fair value through profit or loss	13	**2,023,908**	1,757,842
Trade receivables	18	**1,957,390**	1,794,354
Due from related parties and other receivables	19	**463,540**	581,376
Short-term deposits with banks	20	**69,102**	110,138
Cash and cash equivalents	20	**1,166,702**	853,082
Asset held for sale	12	**142,000**	-
		7,173,274	6,306,420
Total assets		**21,437,797**	20,467,255
EQUITY AND LIABILITIES			
EQUITY			
Share capital	25	**4,252,020**	4,252,020
Share premium	25	**46**	46
Capital reserve	26	**25,502**	25,502
Legal reserve	27	**1,579,751**	1,491,289
General reserve	27	**1,433,939**	1,445,397
Fair value reserve	28	**(172,173)**	(192,978)
Proposed dividend	29	**531,503**	531,503
Retained earnings		**5,810,370**	5,287,593
Equity attributable to owners of the Company		**13,460,958**	12,840,372
Non-controlling interests	36	**204,922**	196,602
Total equity		**13,665,880**	13,036,974

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of financial position (continued)

	Note	2023 AED'000	2022 AED'000
		For the year ended 31 December	
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	21	**3,541,844**	3,754,952
Lease liabilities	23	**329,907**	342,760
Other payables	24	**72,937**	108,803
Deferred tax liability	39	**19,530**	-
Total non-current liabilities		**3,964,218**	4,206,515
Current liabilities			
Bank borrowings	22	**1,789,747**	1,466,893
Lease liabilities	23	**36,533**	39,730
Due to related parties, trade and other payables	24	**1,981,419**	1,717,143
		3,807,699	3,223,766
Total liabilities		**7,771,917**	7,430,281
Total equity and liabilities		**21,437,797**	20,467,255

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, the year ended 31 December 2023.

These consolidated financial statements were authorised for issue by the Board of Directors on 7 March 2024 and signed on its behalf by:

Abdulrahman Ghanem Almutaiwee
Chairman

Khalid Jassim Bin Kalban
Vice Chairman & Chief Executive Officer

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of changes in equity

	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	Fair value reserve AED'000	Proposed dividend AED'000	Retained earnings AED'000	Sub-total AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2023	4,252,020	46	25,502	1,491,289	1,445,397	(192,978)	531,503	5,287,593	12,840,372	196,602	13,036,974
Total comprehensive income for the year											
Profit after tax for the year	-	-	-	-	-	-	-	1,130,937	1,130,937	(81,816)	1,049,121
Other comprehensive income											
Net change in fair value of investments at fair value through OCI (Note 13 (c))	-	-	-	-	-	8,691	-	-	8,691	16,607	25,298
Share of other comprehensive loss of equity accounted investees (Note 15)	-	-	-	-	-	(1,072)	-	-	(1,072)	-	(1,072)
Gain on revaluation of property and equipment being transferred to investment properties (Note 10)	-	-	-	-	-	13,186	-	-	13,186	-	13,186
Total other comprehensive income for the year	-	-	-	-	-	**20,805**	-	-	**20,805**	**16,607**	**37,412**
Total comprehensive income for the year	-	-	-	-	-	**20,805**	-	**1,130,937**	**1,151,742**	**(65,209)**	**1,086,533**
Transactions with owners, in the capacity of owners											
Contributions by and distributions to owners											
Dividend paid (Note 29)	-	-	-	-	-	-	(531,503)	-	(531,503)	-	(531,503)
Proposed dividend (Note 29)	-	-	-	-	-	-	531,503	(531,503)	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-		-	(7,293)	(7,293)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-			
Changes in ownership interests								**(531,503)**	**(531,503)**	**(7,293)**	**(538,796)**
Acquisition of non-controlling interests (Note 37 (b) (i))	-	-	-	-	-	-	-	347	347	(6,998)	(6,651)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	87,820	87,820
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	**347**	**347**	**80,822**	**81,169**
Total transactions with owners in the capacity of owners	-	-	-	-	-	-	-	**347**	**(531,156)**	**73,529**	**(457,627)**
Other movements											
Transfers	-	-	-	-	(11,458)			11,458	-	-	-
Transfer to reserves	-	-	-	88,462	-	-	-	(88,462)	-	-	-
Total other movements	-	-	-	88,462	(11,458)	-	-	(77,004)	-	-	-
Balance at 31 December 2023	**4,252,020**	**46**	**25,502**	**1,579,751**	**1,433,939**	**(172,173)**	**531,503**	**5,810,370**	**13,460,958**	**204,922**	**13,665,880**

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of changes in equity (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	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 2022	4,252,020	46	25,502	1,278,017	1,445,397	(191,854)	510,242	12,000	4,740,221	12,071,591	224,721	12,296,312
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	1,608,565	1,608,565	(43,538)	1,565,027
Other comprehensive income												
Net change in fair value of investments at fair value through OCI (Note 13 (c))	-	-	-	-	-	5,546	-	-	-	5,546	554	6,100
Share of other comprehensive loss of equity accounted investees	-	-	-	-	-	(4,650)	-	-	-	(4,650)	-	(4,650)
Total other comprehensive income for the year	-	-	-	-	-	896	-	-	-	896	554	1,450
Total comprehensive income for the year	-	-	-	-	-	**896**	-	-	**1,608,565**	**1,609,461**	**(42,984)**	**1,566,477**
Transactions with owners, in the capacity of owners												
Contributions by and distributions to owners												
Dividend paid (Note 29)	-	-	-	-	-	-	(510,242)	-	(318,901)	(829,143)	-	(829,143)
Proposed dividend (Note 29)	-	-	-	-	-	-	531,503	-	(531,503)	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,409)	(2,409)
Total contributions by and distributions to owners	-	-	-	-	-	-	**21,261**	-	**(850,404)**	**(829,143)**	**(2,409)**	**(831,552)**
Changes in ownership interests												
Acquisition of non-controlling interests (Note 37 (b) (i))	-	-	-	-	-	-	-	-	463	463	(7,389)	(6,926)
Disposal of controlling interest in a subsidiary (Note 38)	-	-	-	(33,077)	-	-	-	-	33,077	-	4,118	4,118
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	20,545	20,545
Total changes in ownership interests in subsidiaries	-	-	-	**(33,077)**	-	-	-	-	**33,540**	**463**	**17,274**	**17,737**
Total transactions with owners in the capacity of owners	-	-	-	**(33,077)**	-	-	**21,261**	-	**(816,864)**	**(828,680)**	**14,865**	**(813,815)**
Other movements												
Transfer to reserves	-	-	-	246,349	-	-	-	-	(246,349)	-	-	-
Transfer of profit on disposal of equity investments at fair value through OCI to retained earnings	-	-	-	-	-	(2,020)	-	-	2,020	-	-	-
Directors' fees paid	-	-	-	-	-	-	-	(12,000)	-	(12,000)	-	(12,000)
Total other movements	-	-	-	246,349	-	(2,020)	-	(12,000)	(244,329)	(12,000)	-	(12,000)
Balance at 31 December 2022	**4,252,020**	**46**	**25,502**	**1,491,289**	**1,445,397**	**(192,978)**	**531,503**	**-**	**5,287,593**	**12,840,372**	**196,602**	**13,036,974**

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of cash flow

		For the year ended 31 December	
		2023	2022
	Note(s)	AED'000	AED'000
Cash flows from operating activities			
Profit before tax for the year		**1,068,651**	1,565,027
Adjustments for:			
Depreciation and amortisation of right of use of asset	10,23	**152,184**	173,435
Amortisation of intangible assets	11	**13,568**	20,827
Impairment losses on property, plant and equipment and intangible assets	10,11	**41,547**	11,673
Revaluation loss on assets transferred from property, plant and equipment to investment properties	10	**24,119**	-
Gain on disposal of property, plant and equipment	9	**(174)**	(780)
Gain on sale of investment properties	12	**(1,100)**	-
Gain on sale of investments		**(42,505)**	(11,784)
Gain on disposal of controlling interest in a subsidiary	38	**-**	(980,415)
Gain on fair valuation of investment properties	12	**(702,633)**	(181,749)
Share of profit from equity accounted investees	15(iii)	**(72,555)**	(59,370)
(Gain)/loss on fair valuation of investments	13	**(107,010)**	22,934
Net impairment losses on trade receivables	5	**140,026**	161,487
Reversal for write down of inventories to net realisable value	6	**(46,551)**	(10,329)
Bargain purchase gain	15(ii)(b)	**-**	(11,479)
Finance income	8	**(58,707)**	(151,753)
Finance costs	8	**428,108**	249,701
Operating profit before changes in working capital		**836,968**	797,425
Changes in:			
Investments at fair value through profit or loss and OCI		**(116,550)**	(102,764)
Trade receivables, due from related parties and other receivables		**(327,416)**	(321,808)
Inventories		**660,910**	370,244
Due to related parties, trade and other payables		**245,910**	33,918
Directors' fee paid		**(17,500)**	(12,000)
Net cash generated from operating activities		**1,282,322**	765,015
Cash flows from investing activities			
Consideration paid for acquisition of non controlling interest		**(6,651)**	(6,926)
Net cash received on disposal of controlling interest in a subsidiary	38	**-**	1,113,081
Additions to investment properties	12	**(351,629)**	(161,967)
Proceeds from disposal of investment properties	12	**97,001**	
Acquisition of property, plant and equipment	10	**(75,572)**	(80,519)
Proceeds from disposal of property, plant and equipment		**1,065**	7,630
Dividend received from equity accounted investees'	15	**136,622**	122,237
Investments in equity accounted investees'	15	**(42,962)**	(37,901)
Return of capital contribution by equity accounted investee	15	**-**	1,750
Movement in short term deposits		**41,036**	(21,395)
Additions to intangible assets	11	**(3,905)**	(1,038)
Net cash (used in) /generated from investing activities		**(204,995)**	934,952

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Consolidated statement of cash flow (continued)

		For the year ended 31 December	
		2023	2022
	Note(s)	AED'000	AED'000
Cash flows from financing activities			
Proceeds from bank borrowings		**1,183,307**	1,316,260
Repayment of bank borrowings		**(1,028,962)**	(1,857,240)
Principal elements of lease payments		**(28,889)**	(30,727)
Interest expenses on lease liabilities	8	**(27,635)**	(29,335)
Equity contribution by non-controlling interests		**87,820**	20,545
Dividend paid to non-controlling interests		**(7,293)**	(2,409)
Dividend paid		**(531,503)**	(829,143)
Finance income received	8	**31,937**	45,443
Finance costs paid	8	**(391,460)**	(220,366)
Net cash used in financing activities		**(712,678)**	(1,586,972)
Net increase in cash and cash equivalents		**364,649**	112,995
Cash and cash equivalents at 1 January		**622,133**	509,138
Cash and cash equivalents at 31 December		**986,782**	622,133
Cash and cash equivalents comprise the following:			
Cash in hand, current and call account with banks	20	**1,049,116**	437,748
Short term deposits with banks (excluding those under lien)	20	**117,586**	415,334
Bank overdraft, trust receipt loans and bills discounted	22	**(179,920)**	(230,949)
		986,782	622,133

The notes on pages 16 to 76 are an integral part of these consolidated financial statements.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

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. The consolidated financial statements for the year ended 31 December 2023 comprise the financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint arrangements.

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, district cooling, investment banking, asset management, financial investments, healthcare and education.

At 31 December 2023 the Company had 15,410 shareholders (2022: 15,583 shareholders).

The registered address of the Company is P.O. Box 28171, Dubai, United Arab Emirates ("UAE").

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRSs") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and the applicable requirements of the UAE Federal Decree Law No. 32 of 2021.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following which are measured at fair value:

- investment properties;
- investments at fair value through other comprehensive income;
- investments at fair value through profit or loss; and
- other financial assets at fair value through profit or loss.

2.3 Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirate Dirham ("AED"), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgments in applying accounting policies, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements
is included in Note 40.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

2 Basis of preparation (continued)

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the significant assumptions made in measuring fair values is included in the following Notes:

- Note 12 – Investment properties;
- Note 13 – Financial investments; and
- Note 14 – Other financial assets at fair value through profit or loss

3 Corporate Tax Law

On 9 December 2022 UAE Federal Decree Law No. 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 at which the 9% tax will apply was set in place by Cabinet Decision No. 116 of 2022 which was published on 16 January 2023 and at this point the tax law was considered enacted and substantively enacted for accounting purposes.

While current taxes are not payable on profits generated before the Groups' financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base. The material accounting policies in respect of current and deferred tax are disclosed in Note 42.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

3 Corporate Tax Law (continued)

As a result of the enactment / substantial enactment of Corporate tax, management performed assessment of deferred tax, with the help of an external consultant, for application of IAS 12 taking into consideration the cabinet decisions with respect to adjustments for temporary an permanent differences. Based on the assessment, the Group recorded a deferred tax liability amounting to AED 19.53 million as at 31 December 2023 as disclosed in Note 39.

4 Standards issued

(a) *New accounting standards, amendments and interpretations – effective for the financial year beginning 1 January 2023 adopted by the Group.*

The Group has applied the following amendments to standards for the first time for its annual reporting period commencing 1 January 2023:

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

The amendments listed above did not have any impact on the amounts recognised in prior periods and current period and are not expected to significantly affect the future periods.

(b) *New standards, amendments and interpretations – not effective for the financial year beginning 1 January 2023 and not early adopted by the Group*

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below:

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

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

5 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established a Risk Committee which is responsible for developing and monitoring the Group's risk management policies and processes. The Group Risk Function reports quarterly to the Risk Committee in line with its ERM Manual. The Risk Committee regularly reviews risk management policies and systems to reflect changes in market conditions and Group's activities.

The Risk Committee oversees compliance with the Group's risk management policies and procedures and reviews the adequacy and effectiveness of the risk management framework, processes and systems. Group Internal Audit undertakes an annual review of the Group Risk Function controls and procedures, the results of which are reported to the Audit Committee.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, due from related parties and other receivables, retention receivables, short-term deposits with banks and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023 AED'000	2022 AED'000
Trade receivables (net) (Note 18)	**2,366,340**	2,031,948
Cash and cash equivalents (excluding cash in hand) (Note 20)	**1,164,854**	851,565
Due from related parties and other receivables (Note 19)	**361,825**	472,931
Investments in bonds and structured funds	**302,216**	298,948
Short-term deposits with banks (Note 20)	**69,102**	110,138
Rent receivable (Note 16)	**46,529**	38,548
	4,310,866	3,804,078

The maximum exposure to credit risk of trade receivables at the reporting date by geographical region was:

	2023 AED'000	2022 AED'000
Domestic	**2,261,266**	1,871,669
Other GCC countries	**59,288**	82,667
Other regions	**45,786**	77,612
	2,366,340	2,031,948

(a) Trade receivables, rent receivables, due from related parties and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group seeks to limit its credit risk with respect to customers by reviewing credit to individual customers by tracking their historical business relationship and default risk. On a case-to-case basis subsidiaries operating in the property segment sell its properties subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. In case of leases, advances are received at the time of signing of the agreement and all construction, renovation or any kind of work to be carried out at the leased premises needs prior approval from the Group. The risk of default in instalment is thereby mitigated as the customer (tenant) has incurred significant capital expenditure on the leased premises which can be taken over by the Group in the event of default. In monitoring customer credit risk, customers are grouped according to their credit characteristics, history with the entity and existence of previous financial difficulties.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Credit risk (continued)

(a) Trade receivables, rent receivables, due from related parties and other receivables (continued)

The Group applies the IFRS 9 simplified approach on trade and other receivables to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. The identified impairment loss was considered immaterial for due from related parties.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Based on existing credit risk management practices, the default definition has been determined which aptly captures the gradual deterioration of the receivables under consideration.
The collaterals get factored through loss given default estimates and hence are used to adjust exposure while computing expected credit loss. The Group limits its exposure to credit risk by investing with counterparties that have credible market reputation. The Group's management does not expect any significant counterparty to fail to meet its obligations.

Overall, the Group has a diversified customer base with no significant concentration of credit risk within trade receivables at 31 December 2023 and 2022 except for one customer that accounts for 24 % (2022: 27%) of the gross trade receivables.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2023 AED'000	2022 AED'000
As at 1 January	**379,166**	260,382
Net impairment loss recognized	**140,026**	161,487
Write off during the year	**-**	(25,149)
On disposal of controlling interest in a subsidiary (Note 38)	**-**	(17,554)
As at 31 December	**519,192**	379,166

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Credit risk (continued)

(a) Trade receivables, rent receivables, due from related parties and other receivables (continued)

The impairment provision as at 31 December 2023 was determined for the trade receivables within the real estate business, as follows, based on management assessment of default period being 180 days from the date the counter party fails to make contractual payment:

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2023				
Expected loss rate	**1%**	**2%**	**4%**	
Gross carrying amount – trade receivables	**827,513**	**538,830**	**1,010,246**	**2,376,589**
Loss allowance	**9,065**	**10,137**	**36,994**	**56,196**

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2022				
Expected loss rate	2%	4%	4%	
Gross carrying amount – trade receivables	722,168	343,186	779,148	1,844,502
Loss allowance	13,171	13,595	27,381	54,147

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 308.2 million (2022: AED 187.6 million) as of 31 December 2023.

The impairment provision as at 31 December 2023 was determined for the trade receivables within the manufacturing and services business, as follows, based on management assessment of default period being 90 days from the date the counter party fails to make contractual payment:

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2023				
Expected loss rate	**1%**	**6%**	**62%**	
Gross carrying amount – trade receivables	**263,176**	**41,550**	**118,884**	**423,610**
Loss allowance	**3,301**	**2,504**	**73,364**	**79,169**

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Credit risk (continued)

(a) Trade receivables, rent receivables, due from related parties and other receivables (continued)

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2022				
Expected loss rate	2%	34%	47%	
Gross carrying amount – trade receivables	319,256	23,011	117,404	459,671
Loss allowance	6,918	7,724	55,156	69,798

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 37 million (2022: AED 31 million) as of 31 December 2023.

The impairment provision as at 31 December 2023 was determined for the trade receivables within the contracting business, as follows, based on management assessment of default period being 365 days from the date the counter party fails to make contractual payment, which is based on the customary business practice in the contracting business:

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2023				
Expected loss rate	**5%**	**2%**	**63%**	
Gross carrying amount – trade receivables	**23,781**	**8,848**	**52,694**	**85,323**
Loss allowance	**1,250**	**166**	**33,011**	**34,427**

AED'000	Current	More than *180 days* overdue	More than *365 days* overdue	Total
31 December 2022				
Expected loss rate	3%	4%	67%	
Gross carrying amount – trade receivables	56,009	5,336	45,596	106,941
Loss allowance	1,422	234	30,765	32,421

In addition to the above loss allowance, the Group has recognised specific impairment provision of AED 4.2 million (2022: AED 4.2 million) as of 31 December 2023.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Credit risk (continued)

(b) Investments in bonds and structured funds

All of the Group's investments are considered to have low credit risk, and the loss allowance recognised is therefore limited to 12 months' expected losses. Management consider 'low credit risk' where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have credible market reputation.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

While investments in bonds and structured funds are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(c) Cash and cash equivalents and short-term deposits with banks

Cash is placed with local and international banks of good credit reputation. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash and cash equivalents at the balance sheet date is placed with local and international banks having credit ratings A2 to Baa1.

Cash and cash equivalents and short-term deposits with banks are also subject to the impairment requirements of IFRS 9. For cash and cash equivalents and short-term deposits the probability of default is derived from benchmarking and default rate studies conducted by external rating agencies. Loss given default estimate is taken from Basel guidelines. The identified impairment loss on cash and cash equivalents and short term deposits with banks were insignificant.

There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a number of diversified financial institutions.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents and other liquid investments at an amount in excess of expected cash outflows on financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments

	Carrying amount AED'000	Contractual cash flows AED'000	Within 1 year AED'000	1-2 years AED'000	2-3 years AED'000	More than 3 years AED'000
31 December 2023						
Non-derivative financial liabilities						
Borrowings (Notes 21 and 22)	5,331,591	(6,444,761)	(2,181,069)	(719,900)	(1,329,726)	(2,214,066)
Lease liabilities (Note 23)	366,440	(580,740)	(66,661)	(65,971)	(68,198)	(379,910)
Due to related parties, trade and other payables (Note 24)	1,533,677	(1,533,677)	(1,533,677)	-	-	-
Other long-term liabilities (Note 24)	72,937	(82,212)	(20,538)	(20,538)	(41,136)	-
	7,304,645	(8,641,390)	(3,801,945)	(806,409)	(1,439,060)	(2,593,976)
31 December 2022						
Non-derivative financial liabilities						
Borrowings (Notes 21 and 22)	5,221,845	(6,051,023)	(1,740,065)	(1,499,442)	(434,790)	(2,376,726)
Lease liabilities (Note 23)	382,490	(424,102)	(57,604)	(54,196)	(56,814)	(255,488)
Due to related parties, trade and other payables (Note 24)	1,373,836	(1,373,836)	(1,373,836)	-	-	-
Other long-term liabilities (Note 24)	108,803	(142,777)	(24,887)	(35,619)	(20,568)	(61,703)
	7,086,974	(7,991,738)	(3,196,392)	(1,589,257)	(512,172)	(2,693,917)

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives in order to manage market risks, however, the Group does not apply hedge accounting.

(a) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Euro and GBP. The Group does not face any foreign currency risk on transactions denominated in USD as AED is pegged to USD.

The Group manages its exposure in foreign currency exchange rates by the use of derivative instruments.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group policy is to ensure that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short term imbalances.

	2023 Euro'000	2023 GBP'000	2023 Euro'000	2023 GBP'000
Investments	**77,750**	**32,000**	65,061	-
Cash at bank	**11**	**-**	50	-
Trade and other payables	**(166)**	**-**	(222)	-
Borrowings	**(75,790)**	**-**	(65,399)	-
Net headroom / (exposure)	**1,805**	**32,000**	(510)	-

The following exchange rates were applied during the year:

	Average rate		Closing Spot rate	
	2023 AED	2022 AED	**2023 AED**	2022 AED
GBP	**4.59**	-	**4.68**	-
Euro	**3.95**	3.87	**4.07**	3.94

Sensitivity analysis

A limited fluctuation of AED against Euro and GBP at 31 December would not have any significant impact on profit or loss.

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net finance cost of the Group.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Market risk (continued)

(b) Interest rate risk (continued)

Financial assets and liabilities that are subject to fair value risk are the ones with fixed interest rate. Financial assets and liabilities that are subject to cash flow rate risk are the ones with floating interest rate.

The long-term loans attract varying rates of interest, which are, in general, varied with reference to the base lending rates of the banks at regular intervals.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities. The Group manages its exposure arising due to fluctuations in interest rates by the use of derivative instruments when appropriate.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2023 AED'000	2022 AED'000
Fixed rate instruments		
Financial assets	**597,319**	814,078
Financial liabilities	**(366,440)**	(382,490)
Variable rate instruments		
Financial assets	**82,649**	74,021
Financial liabilities	**(5,331,591)**	(5,221,845)

Fair value sensitivity analysis for fixed rate instruments

The Group accounts for certain fixed rate financial assets at fair value through profit or loss. The Group does not designate derivatives as hedging instruments under a fair value hedge accounting model.

An increase of 100 basis points ("bps") in interest rates at the reporting date not have any significant impact on profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 bps in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Profit or Loss	
Effect in AED'000	**100 bps Increase**	**100 bps Decrease**
31 December 2023	**(52,489)**	**52,489**
31 December 2022	**(51,478)**	**51,478**

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

5 Financial risk management (continued)

Market risk (continued)

(c) Price risk

Price risk arises from marketable securities measured at fair value. Management of the Group monitors the mix of debt and equity securities in investments portfolio to maximise investment returns, which is the primary goal of the Group's investment strategy. In accordance with this strategy certain investments are designated as fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

Fair value of financial assets and liabilities measured at amortised costs.

The fair value of financial assets and liabilities measured at amortised costs approximate its carrying value at 31 December 2023 and 31 December 2022.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which is defined as profit for the year attributable to equity holders of the Company divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Board has defined the Company's gearing ratio to be maintained below 1:2 level. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as the total bank borrowings less cash and cash equivalents and investments classified as Level 1 and Level 2. Total equity is calculated as shown in the statement of financial position. The analysis of the net debt of the Group is set out below:

	2023 AED'000	2022 AED'000
Cash and cash equivalents (Note 20)	**1,166,702**	853,082
Short-term deposits with banks (Note 20)	**69,102**	110,138
Liquid investments*	**1,239,811**	1,220,710
	2,475,615	2,183,930
Current portion of borrowings (Note 22)	**(1,789,747)**	(1,466,893)
Non-current portion of borrowings (Note 21)	**(3,541,844)**	(3,754,952)
Net debt	**(2,855,976)**	(3,037,915)

* Liquid investments comprise investments classified as Level 1 and Level 2 (Note 13 (c)).

Under the terms of the borrowing facilities undertaken by the Group, the Group is required to comply with certain financial covenants by maintaining certain ratios as prescribed within the respective facility agreements (Note 21).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

6 Cost of sales and providing services

	2023 AED'000	2022 AED'000
These mainly include:		
Materials consumed	**734,118**	899,323
Cost of properties sold	**761,600**	406,968
Depreciation and amortisation	**144,509**	168,680
Factory overheads	**129,039**	141,443
Staff costs	**110,732**	118,444
Government of Dubai's share of the realised profits of a subsidiary (Note 12)	**108,516**	109,261
Impairment loss on property, plant and equipment (Note 10)	**41,547**	-
Infrastructure and development works cost sharing with Roads and Transport Authority ("RTA") (Note 32)	**29,077**	29,077
Loss on revaluation of property and equipment being transferred to investment properties (Note 10)	**24,119**	-
Reversal of write down of inventories to net realisable value (Note 17)	**(46,551)**	(10,329)

7 Administrative expenses

	2023 AED'000	2022 AED'000
These mainly include:		
Staff costs	**212,821**	244,060
Selling and marketing expenses	**51,475**	52,305
Depreciation and amortisation	**21,243**	25,582
Directors' fee	**18,000**	17,500
Impairment loss on goodwill (Note 11)	**-**	10,070
Impairment loss on property, plant and equipment (Note 10)	**-**	1,603

Selling and marketing expenses include an amount of AED 1.66 million (2022: AED 1.76 million) incurred towards charity and social contributions.

8 Finance costs and income

	2023 AED'000	2022 AED'000
Gain fair valuation of derivative financial instruments	**-**	60,945
Gain on modification of terms of borrowings	**-**	45,365
Interest income	**34,520**	27,957
Unwinding of discount on financial assets measured at amortised cost	**24,187**	17,486
Finance income	**58,707**	151,753
Interest costs	**(375,682)**	(223,483)
Unwinding of gain on modification of borrowings	**(9,013)**	(1,858)
Interest expenses on lease liabilities (Note 23)	**(27,635)**	(29,335)
Bank charges	**(9,529)**	(8,010)
Foreign exchange (loss)/gain- net	**(6,249)**	12,985
Finance costs	**(428,108)**	(249,701)

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

9 Other income

	2023 AED'000	2022 AED'000
These mainly include:		
Penalty charges for late payments from customers	**5,764**	6,392
Scrap sales	**2,986**	3,601
Advertisement income	**188**	413
Gain on disposal of property, plant and equipment	**174**	780

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

10 Property, plant and equipment

Cost	Land AED'000	Buildings AED'000	Plant and equipment AED'000	Office equipment and furniture AED'000	Motor vehicles AED'000	Capital work-in-progress AED'000	Total AED'000
At 1 January 2022	212,424	1,143,149	3,452,410	120,565	22,878	698,004	5,649,430
Additions (refer (i) below)	-	4,235	8,497	3,538	718	63,531	80,519
Transfers	-	199,169	199,565	6,514	-	(405,248)	-
Transfer from inventories (refer (ii) below)	35,823	118,817	-	-	-	-	154,640
Transfer to investment properties (refer (ii) below)	(120)	-	-	-	-	(47,549)	(47,669)
Transfer from investment properties (refer (ii) below)	-	30,300	-	-	-	-	30,300
Disposals and write-offs	-	(35)	(11,618)	(838)	(878)	-	(13,369)
Disposal of controlling interest in a subsidiary (Note 38)	(12,164)	(182,623)	(2,428,136)	(18,980)	(2,528)	(18,582)	(2,663,013)
At 31 December 2022	235,963	1,313,012	1,220,718	110,799	20,190	290,156	3,190,838
Additions (refer (i) below)	**-**	**26,786**	**19,057**	**8,271**	**1,159**	**20,299**	**75,572**
Transfers	**32,501**	**213,037**	**7,580**	**1,263**	**-**	**(254,381)**	**-**
Revaluation gain on assets transferred from property plant and equipment to investment properties (refer (iii) below)	-	13,186	-	-	-	-	13,186
Revaluation loss on assets transferred from property plant and equipment to investment properties (Note 6 and (iii) below))	**(24,119)**	**-**	**-**	**-**	**-**	**-**	**(24,119)**
Transfer to investment properties (refer (iii) below)	**(153,147)**	**(25,935)**	**-**	**-**	**-**	**-**	**(179,082)**
Transfer from investment properties (refer (iv) below)	**-**	**3,118**	**3,004**	**-**	**-**	**-**	**6,122**
Disposals and write-offs	**-**	**-**	**(1,624)**	**(18)**	**(167)**	**-**	**(1,809)**
At 31 December 2023	**91,198**	**1,543,204**	**1,248,735**	**120,315**	**21,182**	**56,074**	**3,080,708**
Accumulated depreciation and impairment losses							
At 1 January 2022	-	511,849	1,303,891	110,710	21,968	10,708	1,959,126
Charge for the year	-	41,872	85,587	6,082	731	-	134,272
Impairment loss (Note 7)	-	-	1,603	-	-	-	1,603
Disposals and write-offs	-	(24)	(5,386)	(231)	(878)	-	(6,519)
Disposal of controlling interest in a subsidiary (Note 38)	-	(44,116)	(530,466)	(14,995)	(1,706)	-	(591,283)
At 31 December 2022	-	509,581	855,229	101,566	20,115	10,708	1,497,199
Charge for the year	**-**	**52,410**	**53,529**	**8,297**	**414**	**-**	**114,650**
Impairment loss (Note 6) (refer (v) below)	**41,547**	**-**	**-**	**-**	**-**	**-**	**41,547**
Transfers	**4,600**	**(4,600)**	**-**	**-**	**-**	**-**	**-**
Transfer to investment properties (refer (ii) below)	**(46,147)**	**(12,622)**	**-**	**-**	**-**	**-**	**(58,769)**
Disposals and write-offs	**-**	**-**	**(745)**	**(6)**	**(167)**	**-**	**(918)**
At 31 December 2023	**-**	**544,769**	**908,013**	**109,857**	**20,362**	**10,708**	**1,593,709**
Net book value							
At 31 December 2022	**235,963**	**803,431**	**365,489**	**9,233**	**75**	**279,448**	**1,693,639**
At 31 December 2023	**91,198**	**998,435**	**340,722**	**10,458**	**820**	**45,366**	**1,486,999**

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

10 Property, plant and equipment (continued)

(i) Additions to capital work-in-progress represents costs incurred by the subsidiaries for the construction of hotels and expansion of their manufacturing facilities.

(ii) Included in capital work-in-progress at 31 December 2023 is an amount of AED 53.4 million (2022: AED 53.4 million) for which a subsidiary has decided to temporarily put the expansion of a manufacturing facility on hold. Based on a review of the carrying values, an impairment loss of AED 10.7 million was recorded for this capital work-in-progress in previous years.

(iii) Based on change in use, the Group reclassified an amount of AED 120.31 million from property, plant and equipment to investment properties during the year ended 31 December 2023. Consequently, the Group recorded a revaluation loss of AED 24.12 million during the year ended 31 December 2023 (year ended 31 December 2022: Nil) in consolidated statement of profit or loss and revaluation gain of AED 13.19 million during year ended 31 December 2023 (year ended 31 December 2022: Nil) in consolidated statement of comprehensive income.

(iv) Based on change in use, the Group reclassified an amount of AED 6.12 million from investment properties to property, plant and equipment during the year ended 31 December 2023.

(v) During the year ended 31 December 2023, the Group recognised an impairment loss of AED 41.55 million (year ended 31 December 2022: AED 1.60 million) for one of its property.

(vi) Buildings and plant and machinery with a net book value of AED 1,069 million (2022: AED 1,234 million) are mortgaged as security against term loans obtained from banks. In certain instances, the insurance over buildings and plant and machinery is also assigned in favor of the banks against facilities availed.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

11 Goodwill and intangible assets

Cost	Goodwill AED'000	Product registration certificates, licenses, patent and trademark AED'000	Customer contracts AED'000	Concession Rights AED'000	Other intangible assests AED'000	Total AED'000
Cost						
As at 1 January 2022	124,085	230,826	233,272	201,114	22,792	812,089
Additions during the year	-	-	-	107	931	1,038
Disposal of controlling interest in a subsidiary (Note 38)	-	-	(233,272)	(201,221)	-	(434,493)
As at 31 December 2022	124,085	230,826	-	-	23,723	378,634
Additions during the year	-	**12**	-	-	**3,893**	**3,905**
As at 31 December 2023	**124,085**	**230,838**	-	-	**27,616**	**382,539**
Accumulated amortisation and impairment losses						
As at 1 January 2022	29,659	55,403	23,924	9,158	17,743	135,887
Amortisation	-	11,978	2,991	4,187	1,671	20,827
Impairment loss (Note 7)	10,070	-	-	-	-	10,070
Disposal of controlling interest in a subsidiary (Note 38)	-	-	(26,915)	(13,345)	-	(40,260)
As at 31 December 2022	39,729	67,381	-	-	19,414	126,524
Amortisation	-	**12,072**	-	-	**1,496**	**13,568**
As at 31 December 2023	**39,729**	**79,453**	-	-	**20,910**	**140,092**
Carrying amount						
31 December 2022	84,356	163,445	-	-	4,309	252,110
31 December 2023	**84,356**	**151,385**	-	-	**6,706**	**242,447**

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

11 Goodwill and intangible assets (continued)

Goodwill

The Group tests goodwill for impairment using value-in-use calculations on an annual basis. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry forecasts in which each Cash Generated Units ("CGU") operates. Based on this assessment, no impairment loss has been recognized during the current year (2022: impairment loss of AED 10.07 million).

The goodwill mainly relates to manufacturing and service operations of the Group.

Product registration certificates, licenses, patent and trademark

Product registration certificates represent the value of the certificates granted by the regulatory authorities to manufacture and market certain medical and pharmaceutical products. The products registration certificates are being amortised over the remaining useful life of 15 years.

12 Investment properties

	2023 AED'000	2022 AED'000
At 1 January	**9,692,168**	8,977,629
Additions	**351,629**	161,967
Transferred from property, plant and equipment (Note 10)	**120,313**	47,669
Transferred to property, plant and equipment (Note 10)	**(6,122)**	(30,300)
Transferred to inventories (Note 17)	**(567,413)**	-
Transferred from inventories (Note 17)	**44,374**	353,454
Sale of investment property	**(95,901)**	-
Net gain on fair valuation	**702,633**	181,749
Investment property classified as held for sale	**(142,000)**	-
At 31 December	**10,099,681**	9,692,168

- During the year ended 31 December 2023, additions to investment properties amounted to AED 351.63 million (year ended 31 December 2022: AED 161.96 million) which mainly included acquisition of a school campuses (included in retail and commercial facilities) in Sharjah.
- The Group sold investment properties amounting to AED 95.9 million for a consideration of AED 97 million during the current period (year ended 31 December 2022: Nil) and recorded gain of AED 1.10 million on sale of investment properties (year ended 31 December 2022: Nil).
- As at 31 December 2023, given there had been a change of use supported by observable actions, the Group reclassified an amount of;
  - o AED 567.41 million from investment properties to inventories (Note 17);
  - o AED 44.37 million from inventories to investment properties (Note 17);
  - o AED 120.31 million from property, plant and equipment to investment properties (Note 10); and
  - o AED 6.12 million from investment properties to property, plant and equipment (Note 10)

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

Investment properties comprises the following:

	2023 AED'000	2022 AED'000
Infrastructure and ancillary facilities	**5,787,253**	5,516,659
Plots of land for future development and under development	**1,600,908**	1,585,843
Retail and commercial facilities	**1,127,251**	1,059,005
Residential units	**1,089,189**	968,354
Labor camps and warehouses	**495,080**	562,307
	10,099,681	9,692,168

(a) Infrastructure and ancillary facilities:

These are built on the land (Plot number 598-0100 and 597-0100 located in Jebel Ali Industrial Area) obtained from the Government of Dubai on a renewable, non-cancellable long-term lease of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, 20% of the net realised profits from real estate activities are payable to the Government of Dubai.

As at 31 December 2023, the Group has obtained fair values of all phases, and the valuations were carried out using the income valuation approach, after taking into consideration the cash outflows resulting from the estimated 20% share of the net realised profits due to the Government of Dubai. The fair valuation gain of AED 187.2 million (2022: fair valuation gain of AED 34.9 million) has arisen due to changes in the contractual and expected net cash flows based on the terms of the lease contracts with tenants.

Since the valuation of all completed phases by the independent registered valuer is based on future net cash flows, an adjustment has been made for rent accrued on the straight-line basis as per IFRS 16. Similarly, the unearned rent billed in advance and recognised liabilities for 20% share of the Government of Dubai at the valuation date have been included in the valuation of investment properties.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

The reconciliation of valuation of investment properties carried out by the independent registered valuer and the adjusted valuation included in the consolidated financial statements is as follows:

	2023 AED'000	2022 AED'000
Fair valuation of completed phases and ancillary facilities as per independent registered valuation reports	**5,516,791**	5,246,935
Less: adjustment for rent receivable for completed phases (Note 16)	**(46,529)**	(38,548)
Add: adjustment for unearned rent for completed phases (Note 24)*	**208,475**	199,011
Add: adjustment for recognised liabilities (included in cost of sales and providing services (Note 6))	**108,516**	109,261
	5,787,253	5,516,659

* Unearned rent represents lease rentals billed in advance.

Significant unobservable inputs in the fair value measurement comprises of future contractual rental cash inflows, discount rate and outgoing expenses.

(b) Plots of land for future development and under development:

These comprise of:

(i) a plot of land received by a subsidiary as a grant from the Government of Fujairah; and

(ii) other plots of land for residential and commercial development

During the year ended 31 December 2023, the Group entered into a sale purchase agreement ("SPA") for the sale of a plot of land. As per the terms of the SPA, the sale will be recorded upon transfer of control of the property on handover, which is expected within one year from the reporting date. Accordingly, the Group classified the plot of land from investment properties to an asset held for sale on which the Group recorded gain of AED 57.80 million (year ended 31 December 2022: Nil).

As at 31 December 2023, the fair valuation of the plots of land has been carried out using the sales comparison and income capitalisation approach as appropriate, resulting in a net fair valuation gain of AED 547.2 million (2022: net fair valuation gain of AED 85 million).

Significant unobservable inputs in the fair value measurement comprises of market sales rates.

Plots of land for future development and under development amounting to AED 123.3 million (2022: AED 118.7 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

(c) Residential units.

The residential units have been valued using the sales comparison, income capitalisation approach or income valuation approach, as appropriate, resulting in a net fair valuation gain of AED 18.3 million (2022: fair valuation gain of AED 40.9 million).

Significant unobservable inputs in the fair value measurement comprises of market sales rates.

Residential properties amounting to AED 305.5 million (2022: AED 313.2 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

(d) Retail and commercial facilities:

These comprise of:

(i) A mixed-use building which has been leased on operating leases;
(ii) A mixed-use building constructed on a plot of land granted by the Government of Fujairah;
(iii) School campuses; and
(iv) Other retail and commercial facilities on operating leases.

The retail and commercial facilities have been valued using the income capitalisation approach or income valuation approach, as appropriate, resulting in a net fair valuation gain of AED 17.1 million (2022: fair valuation loss of AED 31.7 million).

Significant unobservable inputs in the fair value measurement mainly include future market rental cash inflows and capitalisation yield rates.

The retail and commercial facilities amounting to AED 452 million (2022: AED 435.25 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

(e) Labor camps and warehouses:

The fair valuation of labor camps and warehouses at the reporting date has been determined by using the sales comparison and income capitalisation approach resulting in a net fair valuation loss of AED 67.2 million (2022: fair valuation loss of AED 10.8 million).

Significant unobservable inputs in the fair value measurement mainly includes: future market rental cash inflows and capitalisation yield rates.

The labor camps and warehouses amounting to AED 359.50 million (2022: AED 424.95 million) are mortgaged against facilities obtained from a bank. Further, the insurance over these properties is also assigned in favor of the bank.

Valuation processes

The Group's investment properties were valued at 31 December 2023 by independent registered valuers in accordance with the RICS Valuation – Global Standards issued by the Royal Institute of Chartered Surveyors taking into account requirements of IFRS 13 'Fair value measurements'. For all investment properties, their current use equates to the highest and best use. Management review the valuations performed by the independent registered valuers for financial reporting purposes which among other things include:

- provision and verification of all major inputs to the independent valuation reports;
- assessment of property valuation movements when compared to the prior year valuation reports; and
- discussions with the independent registered valuers.

Valuation techniques underlying management's estimation of fair value

The valuations were determined by independent registered valuers based on below significant unobservable inputs. In determining a property's valuation, the valuers take into account property specific information such as the current contracted tenancy agreements and forecast operating expenses. They apply certain assumptions such as capitalisation yield rates, void rates, discount rates and estimated market rent, which are influenced by specific characteristics, such as property location, income return and occupancy of each property in the portfolio, to arrive at the final valuation.

The valuation basis and assumptions used for valuation of investments properties remains largely consistent with the methodology adopted as at 31 December 2022.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

Valuation techniques underlying management's estimation of fair value (continued)

Significant unobservable inputs:

(a) Infrastructure and ancillary facilities:

Future contractual 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 533 higher/ lower respectively (2022: AED 430 million higher/lower respectively), with all other variables remaining constant.
Discount rate	reflecting current market assessments of the uncertainty in the amount and timing of cash flows. If discount rate was 1% higher/lower, the valuation would have been AED 553 million lower/AED 726 million higher respectively (2022: AED 587 million lower/AED 725 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 132 lower/higher (2022: AED 124 million lower/higher respectively), with all other variables remaining constant.

(b) Plots of land for future development and under 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 149 million higher/lower respectively (2022: AED 152 million higher/lower respectively), with all other variables remaining constant.

(c) Residential units

Market sales rates	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 67 million higher/lower respectively (2022: AED 80 million higher/lower respectively), with all other variables remaining constant.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

Valuation techniques underlying management's estimation of fair value (continued)

Significant unobservable inputs: (continued)

(d) Retail and commercial facilities

Future market 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 33 million higher/lower respectively (2022: AED 47 million higher 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 88 million lower/AED 101 million higher respectively (2022: AED 63 million lower/AED 78 million higher respectively), with all other variables remaining constant.

(e) Labor camps and warehouses

Future market 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 52 million higher or AED 51 million lower respectively (2022: AED 49 million higher or AED 52 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 29 million lower /AED 33 million higher respectively (2022: AED 31 million lower/AED 32 million higher respectively), with all other variables remaining constant.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

12 Investment properties (continued)

Fair value hierarchy

The fair value of investment properties is classified under level 3 fair value hierarchy.

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values.

	2023 AED'000	2022 AED'000
At 1 January	**9,692,168**	8,977,629
Additions	**351,629**	161,967
Transferred from property, plant and equipment (Note 10)	**120,313**	47,669
Transferred to property, plant and equipment (Note 10)	**(6,122)**	(30,300)
Transferred to inventories (Note 17)	**(567,413)**	-
Transferred from inventories (Note 17)	**44,374**	353,454
Sale of investment property	**(95,901)**	-
Net gain on fair valuation	**702,633**	181,749
Investment property classified as held for sale	**(142,000)**	-
At 31 December	**10,099,681**	9,692,168

13 Financial investments

	2023 AED'000	2022 AED'000
(i) Investments at fair value through other comprehensive income - Note 13 (a)		
Equity securities	**84,839**	59,542
(ii) Investments at fair value through profit or loss - Note 13 (b)		
Held for trading quoted equity securities and funds	**249,635**	378,978
Funds, bonds, sukuks and unquoted equity securities	**1,774,273**	1,378,864
	2,023,908	1,757,842
Geographical distribution of investments:		
UAE	**602,330**	600,233
Other GCC countries	**280,082**	262,337
Other countries	**1,226,335**	954,814
(i)+(ii)	**2,108,747**	1,817,384

Investments in funds, bonds, sukuks and unquoted equity securities with a fair value of AED 302 million (2022: AED 338 million) are pledged in favor of banks against borrowings availed (Note 22).

Sensitivity analysis – equity price risk

The Group's investments in quoted equity securities are listed on various MENA stock exchanges. For such investments classified as fair value through profit or loss, a 10% increase/(decrease) in the equity prices at the reporting date would have increased/(decreased) profit by AED 40.93 million (2022: AED 45.93 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

13 Financial investments (continued)

(a) Investments at fair value through other comprehensive income

These mainly include 5% shareholding in SAYACORP B.S.C.(c), which is based in the Kingdom of Bahrain focused on investment, financing and service needs of the energy sector.

(b) Investments at fair value through profit or loss

The major investments are in bonds, funds, quoted equity securities, sukuks and managed funds.

The Group has invested AED 289.3 million (2022: AED 298.9 million) in diversified fixed income bonds portfolio and AED 567.6 million (2022: AED 511.4 million) in managed equity funds by utilising a related leverage facility of AED 308 million (2022: AED 295 million). Most of these bonds have counterparty credit rating of investment grade and having maturity of medium to long term.

(c) Measurement of fair values

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: Quoted market price (unadjusted) in an active market. The fair values are based on market price at the valuation date. The Group's investment in held for trading quoted equity securities are classified in this category.

Level 2: Valuation techniques based on observable inputs, 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 active; broker quotes; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. The Group's investment in structured funds, sukuks and bonds are classified in this category.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include 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.

In certain cases, the valuation is also determined based on fund manager valuation reports and project progress reports. The Group's investment in unquoted equity securities and managed funds are classified in this category. Generally, a change in underlying comparative data used for estimating fair value is accompanied by a change in the fair value.

The Group has reviewed the fair value of investments classified as fair value through profit or loss and accordingly, a gain of AED 107.01 million has been recorded in the consolidated statement of profit or loss during the current year (2022: loss of AED 22.93 million).

The Group has reviewed the fair value of investments in unquoted equity securities classified as fair value through other comprehensive income and accordingly, net change in fair value of AED 25.31 million has been recorded during the current year in other comprehensive income (2022: gain of AED 6.10 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

13 Financial investments (continued)

(c) Measurement of fair values (continued)

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:

31 December 2023	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	**177,627**	**1,061,799**	**784,482**	**2,023,908**
Financial assets at fair value through other comprehensive income	**385**	**-**	**84,454**	**84,839**
	178,012	**1,061,799**	**868,936**	**2,108,747**

31 December 2022	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	251,179	969,133	537,530	1,757,842
Financial assets at fair value through other comprehensive income	398	-	59,144	59,542
	251,577	969,133	596,674	1,817,384

Reconciliation of Level 3 fair values measurements of investments

	2023 AED'000	2022 AED'000
As at 1 January	**596,674**	524,408
Additions during the year	**242,287**	134,483
Redeemed/sold during the year	**(60,821)**	(64,209)
Transfers in level 3	**14,831**	-
Gain recorded in OCI		
- Net change in fair value (unrealised)	**25,310**	6,263
Gain/(loss) recorded in profit or loss		
- Net change in fair value (unrealised)	**50,655**	(4,271)
As at 31 December	**868,936**	596,674

Sensitivity analysis

For investments classified as Level 3, a 10% increase/(decrease) in the NAV value at the reporting date would have increased/(decreased) profit by AED 86.89 million (2022: AED 59.67 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

14 Other financial assets at fair value through profit or loss

	2023 AED'000	2022 AED'000
Other financial assets at fair value through profit or loss	**38,706**	43,928

Other financial assets at fair value through profit of loss represents a receivable from Dubai Electricity and Water Authority for a substation cost incurred by one of the subsidiaries. The fair valuation of this receivable has been determined using a present value of expected cash flows. As there are significant unobservable inputs used in determining fair value of this receivable, it has been categorised as a level 3 financial instrument.

15 Investment in equity accounted investees'

	2023 AED'000	2022 AED'000
Investment in joint ventures (refer (i) below)	**1,094,091**	1,174,110
Investment in associates (refer (ii) below)	**412,196**	354,354
Total investment in equity accounted investees	**1,506,287**	1,528,464

(i) Joint ventures

The following are the investments in joint ventures held by the Group as at 31 December 2023:

a) Emicool District Cooling LLC ("Emicool")

On 25 July 2022, the Group sold its 50% equity interest in the wholly owned subsidiary Emicool District Cooling LLC ("Emicool"). Subsequently, the retained investment of 50% in Emicool has been remeasured at fair value and accounted for as a joint venture under 'investment in an equity accounted investee' (Note 38). Emicool District Cooling LLC is a limited liability company incorporated in the UAE. The principal activities are to generate, distribute and sell chilled water along with associated metering and billing services in district cooling systems for air conditioning purposes.

b) QDI Sport Management Company LLC ("QDI")

QDI, a limited liability company incorporated in the UAE, is a joint venture between the Group and Al Qudra Sports Management LLC. The principal activities of the joint venture are to engage in sports clubs and facilities management and other sports related activities within the UAE. The Group effectively owns 50% equity in this entity.

c) Palisades Development Company LLC

This is a limited liability company registered in the UAE. The principal activities of the entity is management and administration of a project undertaken on plots of land located in Dubai Investments Park. The Group effectively owns 50 % equity in this entity.

The carrying amount of the interest in Palisades Development Company LLC is Nil.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

15 Investment in equity accounted investees' (continued)

(i) Joint ventures (continued)

The following table summarises the financial information of joint ventures as at 31 December:

	2023 AED'000 Emicool	2023 AED'000 Others	2023 AED'000 Total	2022 AED'000 Total
Non-current assets	**2,251,719**	**112**	**2,251,831**	2,170,260
Current assets	**391,304**	**9,475**	**400,779**	457,047
Non-current liabilities	**(1,528,010)**	**(4,194)**	**(1,532,204)**	(1,386,856)
Current liabilities	**(336,291)**	**(2,432)**	**(338,723)**	(298,729)
Net assets (100%)	**778,722**	**2,961**	**781,683**	941,722
Group's share of net assets	**389,361**	**1,481**	**390,842**	470,861
Goodwill and intangible assets	**201,693**	**11,349**	**213,042**	213,042
Fair value adjustment of retained interest upon initial recognition (Note 38)	**490,207**	**-**	**490,207**	490,207
Carrying amount of interest in joint ventures	**1,081,261**	**12,830**	**1,094,091**	1,174,110
Income	**593,507**	**25,956**	**619,463**	349,789
Expenses	**(515,301)**	**(27,198)**	**(542,499)**	(270,393)
Profit for the year (100%)	**78,206**	**(1,242)**	**76,964**	79,396
Group's share of profit	**39,103**	**(621)**	**38,482**	39,698
Group's share of total comprehensive income	**39,103**	**(621)**	**38,482**	39,698
Dividends received by the Group	**115,000**	**3,500**	**118,500**	100,000

(ii) Associates

The Group's associates comprise includes the following entities

Associate	2023 Ownership %	2022 Ownership %
National General Insurance PJSC ("NGI") (refer (b) below)	**48.34**	48.34
Emirates Insolaire LLC	**49**	49
Emirates Aluminium Rolling ("Emiroll") LLC	**30**	30
KCH Healthcare LLC	**26.75**	26.75
Clemenceau Medical Center FZ ("CMC Dubai")	**20**	20
Africa Crest Education Holdings Limited	**53.97**	41
ACE Kenya Limited	**36.21**	-
Mojavi 4 Limited (refer (a) below)	**40**	40
Mojavi 9 Limited (refer (a) below)	**55**	55
Mojavi 10 Limited (refer (a) below)	**36**	36
Mojavi 16 Limited (refer (a) below)	**86.80**	86.80
Mojavi 20 Limited (refer (a) below)	**20**	20
Global Fertility Partners (a Cayman Islands exempted company with limited liability)	**59.70**	-

(a) Percentage ownership reflects the direct ownership through subsidiaries and is not the effective ownership of the Group. The classification of these entities as associates of the Group was done on the basis of the effective ownership and the absolute voting powers held by the Group.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

15 Investment in equity accounted investees' (continued)

(ii) Associates (continued)

b) The summarised financial information for NGI is set out as follows. The tables below also reconciles the summarised financial information to the carrying amount of the Group's interest in associates as at 31 December 2023

	2023 AED'000	2022 AED'000
Total assets	**1,359,116**	1,519,917
Total liabilities	**(785,655)**	(990,900)
Net assets (100%)	**573,461**	529,017
Group's share of net assets	**277,211**	255,736
Fair value of identified intangibles	**11,479**	11,479
Carrying amount of interest in associates	**288,690**	267,215
Income	**1,013,928**	902,064
Expenses	**(929,797)**	(848,442)
Profit for the year (100%)	**84,131**	53,622
Group's share of profit	**40,668**	25,921
Group's share of other comprehensive loss	**(1,072)**	(4,650)
Group's share of total comprehensive income	**39,596**	21,271
Dividend received by the Group	**18,122**	22,237

c) The following table summarises the financial information of other associates

	2023 AED'000	2022 AED'000
Total assets	**1,491,702**	1,382,818
Total liabilities	**(1,770,394)**	(1,202,848)
Net assets (100%)	**(278,692)**	179,970
Group's share of net assets	**123,506**	87,139
Carrying amount of interest in associates	**123,506**	87,139
Income	**25,032**	13,830
Expenses	**(46,441)**	(30,503)
Loss for the year (100%)	**(21,409)**	(16,673)
Group's share of loss	**(6,595)**	(6,249)
Group's share of total comprehensive income	**(6,595)**	(6,249)

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

15 Investment in equity accounted investees' (continued)

(iii) The movement in investment in equity accounted investees' is as follows:

	2023 AED'000	2022 AED'000
At 1 January	**1,528,464**	326,112
Fair value of retained interest on disposal of subsidiary (Note 38)	**-**	1,217,589
Investments made during the year	**42,962**	42,551
Dividend received during the year	**(136,622)**	(122,237)
Group's share of profit for the year	**72,555**	59,370
Group's share of loss in other comprehensive loss	**(1,072)**	(4,650)
Bargain purchase gain on acquisition	**-**	11,479
Return of capital contribution	**-**	(1,750)
At 31 December	**1,506,287**	1,528,464

16 Rent receivable

Rent receivable represents the differential between the amount billed to tenants and the amount recognised as rental income on a straight-line basis over the term of the lease. The difference principally arises due to an initial rent-free period allowed and the rent increase agreed after the expiry of the initial term of the lease.

17 Inventories

	2023 AED'000	2022 AED'000
Raw materials, work-in-progress and spares (net of provision for old and slow moving inventories)	**181,983**	181,818
Finished goods	**59,485**	65,421
Goods in transit	**577**	744
Properties held for development and sale (net of provision for write down to net realisable value)	**1,129,943**	1,215,325
	1,371,988	1,463,308
Less: properties held for development and sale (net of provision for write down to net realisable value) classified as non-current	**(21,356)**	(253,680)
	1,350,632	1,209,628
Inventories carried at net realisable value	**93,541**	322,993

Based on a change in use, the Group reclassified an amount of AED 567.41 million from investment properties to inventories and AED 44.37 million from inventories to investment properties during the year ended 31 December 2023. (Note 12)

Properties held for development and sale represent cost of land and expenditure incurred towards a residential project in Mirdif, mixed used development in Marjan Island and land ear-marked for development projects for subsequent sale. The Group intends to develop these properties for sale and has classified certain properties as long term based on future development plans.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

17 Inventories (continued)

Net realisable values for properties held for development and sale have either been estimated by independent registered valuers in accordance with the RICS Valuation – Global Standards issued by the Royal Institute of Chartered Surveyors or internally using a combination of valuation techniques including the sales comparison approach and income capitalisation approach. Based on this, a reversal of provision for write down to net realisable value of AED 46.55 million has been recognised during the current year (2022: provision for write down to net realisable value of AED 10.3 million).

As at 31 December 2023, the Group is carrying a provision on properties held for development and sale amounting to AED 3.85 million (2022: AED 50.4 million).

Inventories amounting to AED 370 million (2022: AED 1,210 million) are mortgaged against facilities obtained from banks. In certain instances, the insurance over inventories is also assigned in favor of banks.

18 Trade receivables

Gross trade receivables amount to AED 2,885.53 million (2022: AED 2,411.11 million) while provision for impairment loss amounts to AED 519.19 million (2022: AED 379.17 million). Trade receivables that are expected to be realised after twelve months from the reporting date have been classified as non-current.

Trade receivables amounting to AED 599.18 million are assigned against the facilities availed from the banks as at 31 December 2023 (2022: AED 636.44 million).

19 Due from related parties and other receivables

	2023 AED'000	2022 AED'000
Non – current		
Capital advance	**5,650**	5,265
Other receivables	**-**	8,123
	5,650	13,388
Current		
Receivable from customers for use of margin facilities	**82,649**	77,648
Due from related parties	**75,736**	72,107
Advances paid to suppliers	**36,350**	65,120
Due from customers for contract work (refer (ii) below)	**32,668**	59,014
Prepayments	**65,364**	51,448
Margin and refundable deposit	**22,862**	25,929
Retention receivables	**24,301**	18,363
Others	**123,610**	211,747
	463,540	581,376

(i) Other receivables that are expected to be realised after twelve months from the reporting date have been classified as non-current.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

19 Due from related parties and other receivables (continued)

(ii) Movement in due from customers for contract work is as follows:

	2023 AED'000	2022 AED'000
Balance at the beginning of the year	**59,014**	66,152
Additions during the year	**186,647**	242,660
Progress billings	**(212,993)**	(249,798)
Balance at the ending of the year	**32,668**	59,014

20 Short-term deposits with banks and cash and cash equivalents

	2023 AED'000	2022 AED'000
Short term deposits		
Short term deposits with banks having maturity of more than 3 months	**20,000**	-
Short term deposits within UAE under lien with banks	**49,102**	110,138
	69,102	110,138
Cash and cash equivalents		
Cash in hand	**1,848**	1,517
Cash at bank within UAE (current accounts)	**973,750**	362,460
Cash at bank outside UAE – GCC Countries (current accounts)	**36**	7,349
Cash at bank outside UAE – Other countries (current accounts)	**73,482**	66,422
Short term deposits within UAE having original maturity of less than 3 months	**117,586**	415,334
Total cash and cash equivalents	**1,166,702**	853,082

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

21 Long-term bank borrowings

	2023 AED'000	2022 AED'000
Borrowings	**4,369,778**	4,404,065
Less: current portion (Note 22)	**(827,934)**	(649,113)
Long-term borrowings	**3,541,844**	3,754,952

(i) The terms of the bank borrowings vary from one to ten years. These are secured by a combination of the Company's corporate guarantee, mortgages over certain investment properties, inventories, trade receivables, property, plant and equipment, assignment of receivables and insurance policies over assets of the Group and lien on bank deposits. The interest rate of majority of the bank borrowings range between 0.45% to 3.5% over EIBOR /SOFR p.a. Where there is a corporate guarantee, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.

(ii) A subsidiary of the Company namely Dubai Investments Real Estate LLC ("DIRC") had signed a long-term loan facility of AED 1,028 million with the banks to finance the construction of a real estate development project. The facility had a term of 10 years with the available utilisation period of up to 4 years.

During the year ended 31 December 2022, DIRC renegotiated the terms of the facility. Accordingly, the bank offered revised terms for the remaining facility amount of AED 900 million whereby the repayment terms were extended and interest rates were changed. This renegotiation resulted in modification of estimated contractual cashflows, consequently, a gain of AED 35.29 million was recognised during the year ended 31 December 2022.

The facility consists of the following covenants which needs to be complied with by DIRC at the reporting date.

- Debt service coverage ratio of 1.25x to net annual income
- Loan to value of the project not to exceed 60%

The Group has complied with all covenants mentioned above.

22 Bank borrowings

	2023 AED'000	2022 AED'000
Bank overdraft, trust receipt loans and bills discounted	**179,920**	230,949
Short term loans	**781,893**	586,831
Current portion of long-term bank borrowings (Note 21)	**827,934**	649,113
	1,789,747	1,466,893

The bank borrowings are secured by a combination of mortgages and corporate guarantees. Where there is a corporate guarantee, the Group's liability is mostly restricted to its percentage of equity interest in the borrowing entity.

Short term loans amounting to AED 302 million (2022: AED 295 million) have been obtained for investments in bonds, funds and structured products and are secured against the pledge of those investments in favor of banks (Note 13).

The Group had access to undrawn banking facilities of AED 1,927.25 million as at 31 December 2023 (2022: AED 1,671.19 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

23 Leases

The consolidated statement of financial position shows the following amounts relating to leases where the Group is a lessee:

(i) Right-of-use assets:

	Land AED'000	Building AED'000	Plant and Equipment AED'000	Total AED'000
Cost				
As at 1 January 2022	88,149	62,032	372,921	523,102
Additions during the year	402	354	2,295	3,051
Disposals	(15,832)	(932)	-	(16,764)
Disposal of controlling interest in a subsidiary (Note 38)	(5,649)	-	(2,270)	(7,919)
As at 31 December 2022	67,070	61,454	372,946	501,470
Additions during the year	9,234	5,266	-	14,500
Disposals	-	(9,377)	-	(9,377)
As at 31 December 2023	**76,304**	**57,343**	**372,946**	**506,593**
Accumulated amortisation and impairment losses				
As at 1 January 2022	17,102	25,966	84,427	127,495
Amortisation	6,410	5,768	26,985	39,163
Disposals	(8,538)	(120)	-	(8,658)
Disposal of controlling interest in a subsidiary (Note 38)	(3,927)	-	(377)	(4,304)
As at 31 December 2022	11,047	31,614	111,035	153,696
Amortisation	5,727	4,989	26,818	37,534
Disposals	-	(7,716)	-	(7,716)
As at 31 December 2023	**16,774**	**28,887**	**137,853**	**183,514**
Carrying amount				
31 December 2022	56,023	29,840	261,911	347,774
31 December 2023	**59,530**	**28,456**	**235,093**	**323,079**

(ii) Lease liabilities:

	2023 AED'000	2022 AED'000
Current	**36,533**	39,730
Non-current	**329,907**	342,760
	366,440	382,490
Depreciation charge of right-of-use assets	**37,534**	39,163
Interest expense on lease liability (Note 8)	**27,635**	29,335

The total cash outflow for leases in 2023 was AED 28.89 million (2022: AED 30.73 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

24 Due to related parties, trade and other payables

	2023 AED'000	2022 AED'000
Non-current		
Other payables	**72,937**	108,803
Current		
Trade payables	**511,943**	458,994
Unearned rent (Note 12)	**208,475**	199,011
Advances received from customers	**152,365**	57,856
Payable to Government of Dubai for their share of realised profit of a subsidiary	**108,516**	146,550
Provision for employees' end of service benefits	**86,902**	86,440
Retention payable	**32,491**	31,905
Due to related parties	**25,491**	19,208
Other payables and accrued expenses	**855,236**	717,179
	1,981,419	1,717,143

25 Share capital and share premium

	2023 AED'000	2022 AED'000
Authorised		
8,000,000,000 shares of AED 1/- each (2022: 8,000,000,000 shares of AED 1/- each)	**8,000,000**	8,000,000
Issued and paid up		
4,252,019,585 shares of AED 1/- each (2022: 4,252,019,585 shares of AED 1/- each)	**4,252,020**	4,252,020

In the year 1998, 5,474 unallocated shares were sold at the prevailing market price to a shareholder, at a premium of AED 46,000.

26 Capital reserve

Capital reserve comprises the net gain on sale of the Company's own shares (treasury shares) by a subsidiary of the Company in earlier years.

27 Legal and general reserve

In accordance with the Articles of Association of the Company and entities within the Group and the UAE Federal Law No. 32 of 2021:

- 10% of the net profit for the year of the Company is to be transferred to the legal reserve.
- 5% of the net profit for the year of the individual entities within the Group, to which the law is applicable, or rate specified in Articles of Association of the entities whichever is higher, is to be transferred to the legal reserve.

Such transfer may be discontinued when the legal reserve equals 50% of the paid up share capital of the respective individual entities. This reserve is non-distributable except in certain circumstances as mentioned in the above- mentioned law.

Further, in accordance with the Articles of Association of the Company and entities within the Group, further allocation to general reserve has been discontinued with effect from 2023.
Accordingly, the Company and entities within the Group, where applicable, have transferred amounts to legal reserve.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

28 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of investments classified as fair value through other comprehensive income (Note 13) and gain on revaluation of property, plant and equipment (Note 10).

29 Proposed cash dividend

For the year ended 31 December 2023, the Board of Directors have proposed a final cash dividend of 12.5 % (AED 0.125 per share) to the shareholders of the Company.

At the General Meeting held on 26 April 2023, the shareholders approved a 12.5 % (AED 0.125 per share) cash dividend proposed by the Board of Directors. The dividend amounting to AED 531.5 million was distributed in May 2023.

Further, at the General Meeting held on 12 September 2022, the shareholders approved a 7.5 % (AED 0.075 per share) interim cash dividend amounting to AED 318.90 million proposed by the Board of Directors which was distributed in October 2022.

30 Proposed directors' fee

Directors' fees amounting to AED 18 million has been proposed during the year ended 31 December 2023 (2022: AED 17.5 million) which represents compensation for professional services rendered by the Directors and included under administrative expenses (Note 7).

31 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to Owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	2023	2022
Profit attributable to Owners of the Company (AED '000)	**1,130,937**	1,608,565
Weighted average number of shares outstanding ('000s)	**4,252,020**	4,252,020
Basic and diluted earnings per share (AED)	**0.27**	0.38

32 Capital commitments

	2023 AED'000	2022 AED'000
Capital commitments – contracted and committe	**579,818**	461,476

Capital commitments mainly includes the following:

- value of construction contracts awarded to contractors for real estate projects under development.
- One of the subsidiaries of the Group has signed an agreement with RTA to share the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 31 December 2023 amounts to AED 159.9 million (2022: AED 196.7 million) which will be invoiced and paid until 2029, in semi-annual instalments of AED 14.5 million each.

The Group's share of capital commitments in the equity accounted investees' amounted to AED 37.29 million (2022: AED 97.55 million).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

33 Contingent liabilities

The Group has contingent liabilities in respect of letters of guarantee and letters of credit amounting to AED 114.5 million (2022: AED 131.5 million) as at 31 December 2023. Further, the Group's share of contingent liabilities in the equity accounted investees' amounted to AED 10.77 million (2022: AED 11.76 million).

34 Lease rentals

Leases as lessor

The Group leases out its investment properties under operating lease. The minimum lease payments receivable under non-cancellable leases are as follows:

	2023 AED'000	2022 AED'000
Less than one year	**667,556**	625,452
Between one to five years	**2,496,786**	2,391,573
More than 5 years	**5,232,424**	5,131,677
	8,396,766	8,148,702

35 Related party transactions

The Group, in the normal course of business, carries out transactions with other business enterprises that fall within the definition of related parties contained in International Accounting Standard 24.

Related party transactions are entered at mutually agreed terms.

The aggregate value of significant transactions with related parties during the year was as follows:

	2023 AED'000	2022 AED'000
Sale of properties	**2,143**	-
Rental income	**5,047**	3,048
Interest income	**3,746**	1,056
Insurance premium	**5,869**	-
Cooling charges	**14,512**	21,381
Compensation to key management personnel, including Directors' fees is as follows:		
Short-term benefits (including Directors' fees)	**39,267**	38,642
Post-employment benefits	**508**	508

36 Non-controlling interests

The Group does not have any individually material non-controlling interests in any of its subsidiaries as at 31 December 2023.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

37 Investment in subsidiaries

(a) The following are the investments in subsidiaries held by the Company as at 31 December 2023:

Entity	Incorporated in	Ownership %
Dubai Investments Park Development Company LLC	UAE	100
Dubai Investment Real Estate LLC	UAE	100
Al Taif Investment LLC	UAE	60
Dubai Investments Industries LLC	UAE	100
Glass LLC	UAE	100
Masharie LLC	UAE	97.85
Dubai Investments International Limited	UAE	100
Anchor Mozna Real Estate LLC	UAE	100
Al Mal Capital PSC (Note 37 (b))	UAE	73.19
Al Mal Capital REIT	UAE	77.50
Properties Investment LLC	UAE	70
PID Owners Association Management LLC	UAE	70
DI Investment Holding Limited (Note 37 (c))	UAE	100
(i) The following are investments in subsidiaries held by Dubai Investment Real Estate LLC as at 31 December 2023		
Al Mujamma Real Estate LLC	UAE	100
Anchor Ritaj Real Estate One Person Company LLC	UAE	100
Anchor Nahda One Real Estate One Person Company LLC	UAE	100
Anchor Kawther Real Estate One Person Company LLC	UAE	100
(ii) The following are the investments in subsidiaries held by Dubai Investments Industries LLC as at 31 December 2023:		
Emirates Building Systems Company LLC	UAE	100
Globalpharma LLC	UAE	100
Emirates Extruded Polystyrene LLC	UAE	100
Techsource LLC	UAE	100
DIID Management DMCC	UAE	90
University of Balamand Dubai	UAE	100
(iii) The following are the investments in subsidiaries held by Glass LLC as at 31 December 2023:		
Emirates Glass LLC	UAE	100
Lumi Glass Industries LLC	UAE	100
Emirates Float Glass LLC	UAE	100
Saudi American Glass Company Limited	KSA	100

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

37 Investment in subsidiaries (continued)

Entity	Incorporated in	Ownership %
(iv) The following are the investments in subsidiaries held by Masharie LLC as at 31 December 2023:		
Emirates Extrusion Factory LLC	UAE	100
White Aluminum Extrusion LLC	UAE	51
Folcra Beach Industrial Co LLC	UAE	80
Gulf Dynamic Services LLC*	UAE	70
Labtech Interiors LLC*	UAE	70
Gulf Dynamic Switchgears Company LLC*	UAE	100
Gulf Metal Craft LLC	UAE	100
Technological Laboratory Furniture - Manufacturers (Labtech) LLC*	UAE	70
Lite Tech Industries LLC	UAE	54
* These entities are currently under liquidation and legal counsel to execute the filing of liquidation.		
(v) The following are the investments in subsidiaries held by Al Mal Capital PSC as at 31 December 2023:		
Al Mal Real Estate Fund	UAE	64
Al Mal Capital (Mauritius) Ltd.	Mauritius	100
Blue Line India Opportunities	Mauritius	100
Pearl India Opportunities	Mauritius	100
Saqer Investments Limited	Cayman Islands	100
Al Mal Fund Company BSC	Bahrain	99
AMC Venture SPC	Cayman Islands	100
AMC Venture One Ltd	Cayman Islands	100
AMC Venture Two Ltd	Cayman Islands	100
Other*	Several	100
*Al Mal Capital PSC owns other SPEs which are either deemed dormant and insignificant.		
(vi) The following are the investments in subsidiaries held by Dubai Investments International Limited as at 31 December 2023:		
Dubai Investments International Angola, LDA	Angola	90

(b) During the current year, the Group acquired additional 3.01% equity interest in its existing subsidiary Al Mal Capital PSC. Post-acquisition of additional interest, the Company's shareholding in Al Mal Capital PSC has increased to 73.19%.

(c) During the year ended 31 December 2023, the Group incorporated wholly owned subsidiary Dubai International Financial Centre ("DIFC") namely, DI Investment Holding Limited ("DIIHL"). The principal business activities of DIIHL are to invest in commercial enterprises.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

38 Disposal of controlling interest in subsidiaries

On 11 April 2022, the Group entered into a Sales and Purchase Agreement ("SPA") with a third party ("Buyer") for the disposal of the 50% equity interest in Emicool District Cooling LLC ("Emicool") against cash consideration.

On 25 July 2022, the Group signed a shareholders' agreement with the Buyer, transferred shares to the Buyer and received the consideration for the divestment of the equity interest resulting in the loss of control in Emicool which resulted in a gain of AED 980.42 million on the transaction which was reflected in the consolidated financial statements for the year ended 31 December 2022.

Upon the loss of control during the year ended 31 December 2022, the Group derecognised the assets and liabilities of Emicool and its subsidiaries ("Emicool Group") and the retained investment of 50% in Emicool Group has been remeasured at fair value and accounted for as a joint venture under 'investment in an equity accounted investee'.

39 Income taxes

	2023 AED'000	2022 AED'000
Tax expense		
Current tax expense	**-**	-
Deferred tax expense	**19,530**	-
Total tax expense	**19,530**	-
Deferred tax liability	**19,530**	-

The Group will be subject to income tax (Note 3) with effect from 1 January 2024, and current taxes will be accounted, as applicable, for the period beginning 1 January 2024.

Differences between IFRS Accounting Standards and statutory taxation regulations in the UAE give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

The deferred tax liability mainly relates to Purchase Price Allocation adjustments relating to the acquisition of subsidiaries in prior years. No other material deferred tax assets or liabilities have been identified as at 31 December 2023.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

40 Accounting estimates and judgments

Management has reviewed the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The following are the critical accounting estimates and judgment used by management in the preparation of these consolidated financial statements:

(a) Valuation of investment properties

The Group fair values its investment properties. Independent registered valuers, who have the appropriate recognised professional qualification value majority of the properties annually. Note 12 contains information about the valuation methodology considered by the third party valuers.

(b) Net Realisable Value ("NRV") assessment of properties held for development and sale

The Group reviews its inventories to assess any loss on account of diminution in the value of real estate inventories on a regular basis i.e. NRV assessment. A significant portion of the Group's inventories comprise property held for development and sale. For certain properties held for development and sale, NRV has been estimated with assistance from an independent registered valuer, who has the appropriate recognised professional qualification. For other properties held for development and sale, NRV was estimated internally by management. There are significant estimates and judgements involved including the Group's estimate of the selling price, construction cost for properties under development, estimated future market rent and capitalisation yield rates, which due to inherent nature of estimates, cannot be determined with precision.

(c) Impairment of other non-current assets

Other non-current assets such as property, plant and equipment, other intangible assets and investments in equity accounted investees are tested for impairment whenever there is an indication of impairment. Testing for impairment of these assets require management to estimate the recoverable amount of the cash generating unit.

(d) Determining fair values of financial investments

The determination of fair value for financial investments for which there is no observable market price requires the use of valuation techniques as described in Note 13. For financial investments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(e) Determination of incremental borrowing rate

The Group uses the incremental borrowing rate for determination of its lease liability and right of use of asset. The Group has used the discount rate based on the rates at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to continue and/or terminate lease. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). 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.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

40 Accounting estimates and judgments (continued)

(g) Revenue recognition from sale of properties under development

(i) Satisfaction of performance obligations for property and land sales

The Group is required to assess each of its contracts with customers and apply judgment in order to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers for the provision of real estate assets, the Group does not create an asset with an alternative use and has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

(ii) Cost to complete of the properties under development

The Group uses the percentage-of-completion method in accounting for its revenue from sale of properties held for development and sale. Use of the percentage-of-completion method requires the Group to estimate the cost incurred to date as a proportion of the total estimated project cost. The amount of revenue recognised for the period is in proportion to the percentage of cost incurred.

Using the proportion of cost incurred to date to the estimated cost of the project method requires the Group to estimate the obligations performed to date as a proportion of the total obligations to be performed under contracts with customers for sale of properties held for development and sale. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

(h) Recoverability of trade receivables

The Group reviews its trade receivables to assess impairment at least on an annual basis. In determining whether impairment losses should be reported in the consolidated statement of profit or loss. In doing so, the Group exercises significant judgment taking into account the legal circumstances and the ability of the counterparty to repay the outstanding amount, where applicable, to estimate the likelihood of recoverability (Note 5).

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

41 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
Investments	strategic minority investments in associates, investment banking, asset management and financial investments
Manufacturing, contracting and services	manufacture and sale of materials used in construction projects, executing construction contracts, production of raw and architectural glass, pharmaceutical products, production, aluminium extruded products, laboratory furniture, healthcare and education

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 consolidated financial statements for the year ended 31 December 2023 (continued)

41 Segment reporting (continued)

Information about reportable segments

Property	Property		Investments		Manufacturing contracting and services		Total	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Sales of goods and provision of services								
(i) at a point in time	**90,118**	24,055	**14,016**	38,040	**1,043,690**	1,150,143	**1,147,824**	1,212,238
(ii) over time	**-**	-	**-**	-	**-**	234,141	**-**	234,141
Total sales of goods and provision of services (i)+(ii)	**90,118**	24,055	**14,016**	38,040	**1,043,690**	1,384,284	**1,147,824**	1,446,379
Rental income	**969,739**	866,679	**-**	-	**-**	-	**969,739**	866,679
Contract revenue (over time)	**-**	-	**-**	-	**186,647**	242,660	**186,647**	242,660
Sales of properties - at a point intime	**662,280**	437,065	**-**	-	**-**	-	**662,280**	437,065
- overtime	**164,703**	-	**-**	-	**-**	-	**164,703**	-
Gain on fair valuation of investment properties	**702,633**	181,749	**-**	-	**-**	-	**702,633**	181,749
Gain on sale of investment properties	**1,100**	-	**-**	-			**1,100**	-
Gain on fair valuation of investments	**-**	-	**107,010**	(22,934)	**-**	-	**107,010**	(22,934)
Gain on sale of investments	**-**	-	**42,505**	11,784	**-**	-	**42,505**	11,784
Share of profit from equity accounted investees	**-**	-	**72,555**	59,370	**-**	-	**72,555**	59,370
Dividend income	**-**	-	**48,899**	40,448	**-**	-	**48,899**	40,448
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	**-**	-	**-**	980,415	**-**	-	**-**	980,415
Bargain purchase gain	**-**	-	**-**	11,479	**-**	-	**-**	11,479
Total income	**2,590,573**	1,509,548	**284,985**	1,118,602	**1,230,337**	1,626,944	**4,105,895**	4,255,094
Cost of sales and providing services	**(1,080,180)**	(694,966)	**-**	-	**(964,831)**	(1,264,053)	**(2,045,011)**	(1,959,019)
Administrative expenses	**(103,942)**	(98,131)	**(231,259)**	(155,704)	**(189,086)**	(252,195)	**(524,287)**	(506,030)
Finance costs	**(283,273)**	(139,579)	**(90,223)**	(47,724)	**(54,612)**	(62,398)	**(428,108)**	(249,701)
Finance income and other income	**56,315**	72,775	**30,274**	40,588	**13,599**	72,807	**100,188**	186,170
Net impairment losses on trade receivables	**(122,648)**	(122,124)	**-**	-	**(17,378)**	(39,363)	**(140,026)**	(161,487)
Profit before tax	**1,056,845**	527,523	**(6,223)**	955,762	**18,029**	81,742	**1,068,651**	1,565,027
Income tax expenses	**(2,766)**	-	**-**	-	**(16,764)**	-	**(19,530)**	-
Profit after tax	**1,054,079**	527,523	**(6,223)**	955,762	**1,265**	81,742	**1,049,121**	1,565,027
Profit after tax attributable to:								
Owners of the Company	**1,110,754**	555,586	**3,373**	955,414	**16,810**	97,565	**1,130,937**	1,608,565
Non – controlling interests	**(56,675)**	(28,063)	**(9,596)**	348	**(15,545)**	(15,823)	**(81,816)**	(43,538)
Profit after tax	**1,054,079**	527,523	**(6,223)**	955,762	**1,265**	81,742	**1,049,121**	1,565,027
Total assets	**14,834,935**	13,949,196	**4,666,325**	4,412,595	**1,936,537**	2,105,464	**21,437,797**	20,467,255
Total liabilities	**5,155,475**	4,869,290	**1,371,924**	1,190,753	**1,244,518**	1,370,238	**7,771,917**	7,430,281

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

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

42.1 Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination has been achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss.

Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

Any goodwill that arises is tested annually for impairment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Any contingent consideration is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as an equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date.

Changes in Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.1 Basis of consolidation (continued)

(d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost. In addition, any amounts previously recognised in "other comprehensive income" in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in "other comprehensive income" are reclassified to profit or loss.

(e) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby, the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Where the Group's share of losses in equity-accounted investees equals or exceeds its interest in the equity-accounted investees, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.2 Revenue

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 dentify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The sales commission paid where applicable, is recognised as prepaid commission and is amortised to the statement of comprehensive income over time upon fulfilment of the related performance obligation

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.2 Revenue (continued)

(a) Revenue from sale of goods

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. No element of financing is deemed present as the sales are made with a credit term of 30-60 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Revenue from sale of properties

The performance obligation with regards to sale of properties is satisfied over time, as and when construction progresses. The revenue from sale of properties is a multiple of management's total estimated cost for the construction and a percentage of completion confirmed by external consultant for each individual project.

Management estimates the cost to complete for construction of the project in order to determine the cost attributable to revenue being recognised. These estimates include the cost of constructing property, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

Infrastructure cost allocated to each project is released to the consolidated statement of profit or loss, as cost of properties sold within 'cost of sales and providing services', based on the percentage of construction completed confirmed by external consultants for each project and percentage of infrastructure cost incurred at each period end to the total estimated infrastructure cost.

The performance obligation with regards to the sale of properties where the construction has been completed prior to the sale is satisfied at a point in time where the sale purchase agreement is duly executed between the group and the customer.

The Group recognises a significant financing component where the timing of payment from the customer differs from the execution of the sale purchase agreement between the customer and the Group and where that difference is the result of the Group's financing of the customers' purchase of a property over a period of up to 5 years. The difference between the consideration receivable and the cash selling price of the property sold is used to determine a discount rate for the significant financing component of the non-current trade receivable on execution of each of the respective sale purchase agreements. As installment payments are received from the customer, the deferred revenue balance is drawn down and recognised as interest income. The Group has elected to apply the practical expedient not to adjust the promised consideration where the period between the sale purchase agreement execution date and the date the customer pays for the property will be less than 1 year.

(c) Revenue from services rendered

Revenue from services rendered is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided during the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.2 Revenue (continued)

(d) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(e) Contract revenue

Contract revenue from construction of building facades, installation and erection of heavy machineries and steel fabrication is measured at the transaction price agreed under the contract. Revenue is recognised over time based on the cost-to cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in advances received from customers.

(f) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

42.3 Government grant

Government grant is initially recognised at fair value when there is a reasonable assurance that:

(a) the Group will comply with the conditions associated to them; and
(b) the grants will be received.

Government grant that compensates the Group for expenses incurred are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. An unconditional government grant in the form of non-depreciable, non-monetary assets is recognised in profit or loss when the grant becomes receivable.

42.4 Finance income and expense

The Group's finance income and expense comprises of the following:

- interest income;
- unwinding of discount on financial assets measured at amortised cost;
- foreign exchange gains and losses on financial assets and liabilities;
- interest costs;
- unwinding of discount on financial liabilities measured at amortised cost;
- change in fair value of derivative financial instruments;
- bank charges;
- interest expenses on lease liabilities; and foreign exchange gain/(loss);

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised as expense in profit or loss using the effective interest method. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs relating to real estate development for sale is accounted for as a finance cost in the consolidated statement of comprehensive income. Borrowing costs relating to the period after acquisition, construction or production are expensed. Capitalisation of borrowing costs is suspended during the extended period in which the active development of a qualifying asset has ceased. Foreign currency gain or losses are represented on a net basis either as finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.5 Property, plant and equipment

(a) Recognition and measurement

The Group's property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(b) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. A revaluation surplus is credited to other comprehensive income and accumulated in equity under the heading of fair value reserve and revaluation loss is charged to profit or loss. Any gain arising on re-measurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the comprehensive income relating to the specific property, with any remaining loss recognised immediately in profit or loss.

(c) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of day-to-day servicing of property, plant and equipment is expensed as incurred.

(d) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component, since this mostly reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	Years
Buildings	5-33
Plant and equipments	3-50
Office equipments and furniture	3-10
Motor vehicles	3-7

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.5 Property, plant and equipment (continued)

(d) Depreciation (continued)

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate. Capital work-in-progress is stated at cost and includes assets that are being developed for future use. On completion of construction / once commissioned, capital work-in-progress is transferred to the respective category within property, plant and equipment, and depreciated in accordance with the Group's policy.

(e) Leased assets

Leases in terms of which the Group assumes all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease is stated at an amount equal to the lesser of the asset's fair value and the present value of the minimum lease payment at inception of the lease, less accumulated depreciation and impairment losses (if any).

42.6 Intangible assets

(a) Subsequent measurement

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses.

(b) Other intangible assets

Other intangible assets including technical know-how, product registration certificates, licenses and patents and trademarks, concession rights and customer contracts that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. These are amortised as per management's estimate of their useful life, which is between 5 to 39 years.

(c) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

42.7 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes. Where the Group provides ancillary services to the co-occupants of a property, it treats such a property as investment property if the services are a relatively insignificant component in the arrangement as a whole.

An investment property is measured at cost on initial recognition and subsequently at fair value with any changes therein are recognised in profit or loss.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.7 Investment properties (continued)

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

The fair value adjustments on investment properties are included in profit or loss as investment returns in the period in which these gains or losses arise. In determining the carrying amount of investment properties, the Group does not double count assets or liabilities that have already been recognised as separate assets or liabilities.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognised in profit or loss.

42.8 Inventories

Inventories comprise finished goods, raw materials, work-in-progress, spares and properties held for development and sale.

(a) Finished goods, raw materials, work-in-progress and spares

These are measured at lower of cost and net realisable value. The cost of raw materials and spares are based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Finished goods are stated at cost of raw material and also include an appropriate proportion of overheads. Work-in-progress is stated at cost of raw materials and directly attributable overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

(b) Properties held for development and sale

Properties held for development and sale are classified as inventories and stated at the lower of cost and net realisable value. Cost includes the aggregate cost of development and other direct expenses. Net realisable value is estimated by the management, taking into account the expected price which can be ultimately achieved, based on prevailing market conditions and the anticipated costs to completion.

The amount of any write down of properties held for development and sale is recognised as an expense in the period the write down or loss occurs. Any reversal of write down arising from an increase in net realisable value is recognised in profit or loss in the period in which the increase occurs.

42.9 Contract work-in-progress

Contract work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at contract cost incurred plus profits recognised to date less progress billing and less recognised losses. Contract work-in-progress is presented as part of other receivables in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as part of other payables in the statement of financial position.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.10 Financial instruments

(a) Non-derivative financial assets

The Group initially recognises financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either amortised cost or fair value.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction when substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

(i) Financial assets measured at fair value

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost comprise trade receivables, due from related parties, other receivables, cash and cash equivalents, rent receivables and finance lease receivables.

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses in other comprehensive income on an instrument by instrument basis. For instruments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss and no impairments are recognised in profit or loss.

Dividends earned from such investments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits (with maturity of less than three months). Bank overdrafts, trust receipts and bills discounted that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.10 Financial instruments (continued)

(b) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they originated. All other financial liabilities (including liabilities designated as fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities comprise loans and borrowings, sukuk Notes and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

42.11 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to AED at the average exchange rates for current year.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to the non-controlling interests. When the Group disposes of only part of its interest in joint venture or an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised in the consolidated statement of comprehensive income within 'finance costs'.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

42.13 Impairment

(a) Non-derivative financial assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, economic conditions that correlated with defaults, adverse changes in the payment status of borrower or issuer, the disappearance of an active market for a security, or observable data indicating that there is a measurable decrease in expected cash flows for a group of financial assets.

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for specific impairment. Those found individually not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the related amount are written off. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.13 Impairment (continued)

(b) Equity-accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

(c) Non- financial assets

At each reporting date, the Group reviews the carrying amounts of the Group's non-financial assets (other than investment properties and inventories) to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite useful lives or that are not available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's. Goodwill arising from business combination is allocated to CGU or group of CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds in estimated receivable amount

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses, other than in respect of goodwill is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

42.14 Provision for employee's end of service benefits

A provision is made, using actuarial techniques, for the end service benefits due to employees in accordance with the UAE Labour Law for their years of service up to balance sheet date.

Furthermore, in accordance with Federal Labour Law No.7 of 1999 for pension and social security, employers are required to contribute 12.5% of the 'contribution calculated on salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculated on salary' to the scheme. The Group's contribution is recognised as an expense in profit or loss as incurred. The employees and employers' contribution, to the extent remaining unpaid at the reporting date, has been shown under other liabilities.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involved the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.15 Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or terminate option.

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

Each lease payment is allocated between the liability and finance cost. The finance costs 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.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment property in 'right-of-use'.

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 39). 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 recognised.

The right-of-use assets within buildings includes offices, labour camps and warehouses and plant and equipment consists of a lease of a sewage treatment plant.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of vehicle that have a lease term of 12 months or less and leases of low-value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Variable lease payments

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 recognised the right-of-use asset as an investment property and is being carried at fair value in line with its accounting policy.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.15 Leases (continued)

As a lessor

When the Group acts as a lessor, it determines at the lease commencement whether each lease is a finance lease or an operating lease. To classify each lease the Group makes an overall assessment of whether the lease transfer to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance leases; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for major part of the economic life of the asset.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

42.16 Earnings per share

The Group presents basic earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. Weighted average number of shares outstanding is retrospectively adjusted to include the effect of any increase in the number of shares without a corresponding change in resources.

42.17 Current and deferred income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge / (credit) comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Dubai Investments PJSC and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

42 Material accounting policies (continued)

42.17 Current and deferred income tax (continued)

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognize deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

42.18 Segment reporting

Segment results that are reported to the Board of Directors (Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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