

**Dubai Investments PJSC and its subsidiaries**  
Condensed consolidated interim financial statements  
For the six-month period ended 30 June 2021

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



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

## Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Investments PJSC (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2021 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of cash flows and changes in equity for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of review

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

## Conclusion

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

PricewaterhouseCoopers  
4 August 2021

Murad Alnsour  
Registered Auditor Number 1301  
Dubai, United Arab Emirates

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of profit or loss

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2021	2020	2021	2020
		AED'000	AED'000	AED'000	AED'000
Sale of goods and provision of services		<b>392,718</b>	319,116	<b>740,634</b>	599,396
Rental income		<b>217,878</b>	211,497	<b>412,938</b>	431,970
Contract revenue		<b>54,866</b>	41,059	<b>101,326</b>	89,408
Sale of properties		<b>333,986</b>	4,031	<b>356,970</b>	25,243
Gain/(loss) on fair valuation of investments		<b>35,490</b>	51,172	<b>55,758</b>	(65,838)
Gain/(loss) on sale of investments	19	<b>14,493</b>	(4,351)	<b>20,908</b>	1,231
Gain on fair valuation of investment properties	10	<b>31,000</b>	59,737	<b>31,000</b>	59,737
Dividend income		<b>8,181</b>	3,511	<b>12,696</b>	9,371
Share of loss from equity accounted investees		<b>(6,940)</b>	(13,460)	<b>(12,954)</b>	(13,364)
Bargain purchase gain	20	<b>3,750</b>	-	<b>3,750</b>	-
<b>Total income</b>		<b>1,085,422</b>	672,312	<b>1,723,026</b>	1,137,154
Cost of sales	6	<b>(759,572)</b>	(307,484)	<b>(1,152,843)</b>	(638,451)
Administrative expenses	7	<b>(105,235)</b>	(102,128)	<b>(213,797)</b>	(215,401)
Finance costs		<b>(61,288)</b>	(80,024)	<b>(114,490)</b>	(145,674)
Net impairment losses on financial and contract assets		<b>(11,576)</b>	(2,085)	<b>(33,020)</b>	(8,512)
Finance income		<b>12,513</b>	7,232	<b>59,695</b>	16,433
Other income	8	<b>10,507</b>	17,572	<b>27,085</b>	41,204
<b>Profit for the period</b>		<b>170,771</b>	205,395	<b>295,656</b>	186,753
<b>Profit attributable to:</b>					
Owners of the Company		<b>178,298</b>	211,788	<b>302,068</b>	205,002
Non-controlling interests		<b>(7,527)</b>	(6,393)	<b>(6,412)</b>	(18,249)
<b>Profit for the period</b>		<b>170,771</b>	205,395	<b>295,656</b>	186,753
<b>Earnings per share</b>					
Basic and diluted earnings per share (AED)	15	<b>0.04</b>	0.05	<b>0.07</b>	0.05

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of comprehensive income


	Three-month period ended 30 June		Six-month period ended 30 June	
	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000
<b>Profit for the period</b>	<b>170,771</b>	205,395	<b>295,656</b>	186,753
<b>Other comprehensive income ('OCI'):</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Net change in fair value of investments at fair value through OCI	(12,393)	(22)	(12,397)	(3,849)
Total other comprehensive loss for the period	(12,393)	(22)	(12,397)	(3,849)
<b>Total comprehensive income for the period</b>	<b>158,378</b>	205,373	<b>283,259</b>	182,904
<b>Attributable to:</b>				
Owners of the Company	167,390	211,773	291,156	202,690
Non-controlling interests	(9,012)	(6,400)	(7,897)	(19,786)
<b>Total comprehensive income for the period</b>	<b>158,378</b>	205,373	<b>283,259</b>	182,904


# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of financial position

	Note	30 June 2021 AED'000	31 December 2020 AED'000	30 June 2020 AED'000
<b>Non-current assets</b>				
Property, plant and equipment	9	3,907,123	3,959,621	3,759,509
Right-of-use-assets		425,988	467,806	469,576
Goodwill and intangible assets		492,860	501,445	511,394
Investment properties	10	8,559,349	8,489,201	8,840,775
Investments at fair value through other comprehensive income	11	66,507	78,904	116,804
Other financial assets at fair value through profit or loss		50,057	56,638	58,273
Investments in equity accounted investees	20	234,848	98,536	118,274
Rent receivable		45,760	53,262	39,050
Finance lease receivable		489	-	800
Inventories	12	237,844	251,719	273,422
Trade receivables		442,570	330,042	24,238
Other receivables		16,851	22,296	33,028
<b>Total non-current assets</b>		<b>14,480,246</b>	<b>14,309,470</b>	<b>14,245,143</b>
<b>Current assets</b>				
Inventories	12	2,173,436	2,494,439	2,743,961
Investments at fair value through profit or loss	11	1,579,586	1,520,033	1,339,686
Trade receivables		1,784,970	1,717,554	1,567,598
Other receivables		683,264	625,521	683,546
Short-term deposits with banks	14	229,772	207,658	173,589
Cash and cash equivalents	14	1,011,590	886,872	706,787
<b>Total current assets</b>		<b>7,462,618</b>	<b>7,452,077</b>	<b>7,215,167</b>
<b>Total assets</b>		<b>21,942,864</b>	<b>21,761,547</b>	<b>21,460,310</b>
<b>Equity</b>				
Share capital		4,252,018	4,252,018	4,252,018
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		1,210,472	1,210,472	1,176,846
General reserve		1,442,729	1,442,729	1,435,654
Fair value reserve		(191,817)	(180,905)	(146,482)
Proposed dividend	17	-	340,161	-
Proposed directors' fee	17	-	10,500	-
Retained earnings		5,016,003	4,713,935	4,999,545
<b>Equity attributable to owners of the Company</b>		<b>11,754,953</b>	<b>11,814,458</b>	<b>11,743,129</b>
<b>Non-controlling interests</b>		<b>225,926</b>	<b>234,128</b>	<b>210,178</b>
<b>Net equity</b>		<b>11,980,879</b>	<b>12,048,586</b>	<b>11,953,307</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bank borrowings	16	4,253,935	4,944,051	5,058,406
Lease liabilities		392,573	435,842	432,660
Other payables		325,401	304,165	259,289
<b>Total non-current liabilities</b>		<b>4,971,909</b>	<b>5,684,058</b>	<b>5,750,355</b>
<b>Current liabilities</b>				
Bank borrowings	16	2,960,792	2,009,951	1,666,536
Lease liabilities		43,281	44,596	48,888
Trade and other payables		1,986,003	1,974,356	2,041,224
<b>Total current liabilities</b>		<b>4,990,076</b>	<b>4,028,903</b>	<b>3,756,648</b>
<b>Total liabilities</b>		<b>9,961,985</b>	<b>9,712,961</b>	<b>9,507,003</b>
<b>Total equity and liabilities</b>		<b>21,942,864</b>	<b>21,761,547</b>	<b>21,460,310</b>

To the best of our knowledge, the condensed consolidated interim financial statements are prepared in all material respects, in accordance with IAS 34. These condensed consolidated interim financial statements were approved by the board of directors on 4 August 2021 and were signed on its behalf by:

  
**Khalid Jassim Kalban**  
Vice – Chairman and Chief Executive Officer

  
**Mushtaq Masood**  
Group Chief Financial Officer

The notes set out on pages 8 to 18 form an integral part of these condensed consolidated interim financial statements (4)

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim statement of cash flows

		Six-month period ended 30 June	
		2021	2020
		AED'000	AED'000
Note			
	<b>Cash flows from operating activities</b>		
	Profit for the period	295,656	186,753
	<i>Adjustments for:</i>		
	Depreciation	110,007	109,539
	Amortisation of intangible assets	10,066	10,189
	(Gain)/loss on disposal of property, plant and equipment	(188)	8
	Gain on fair valuation of investment properties	(31,000)	(59,737)
	Gain on sale of investments – (net)	(11,540)	(1,231)
	Gain on disposal of a subsidiary	(9,368)	-
	Share of loss from equity accounted investees	12,954	13,364
	(Gain)/loss on fair valuation of investments	(55,758)	65,838
20	Bargain purchase gain	(3,750)	-
	Net impairment losses on financial and contract assets	33,020	8,512
	Finance income	(59,695)	(16,433)
	Finance costs	114,490	145,674
	<b>Operating profit before changes in working capital</b>	<b>404,894</b>	<b>462,476</b>
	<i>Changes in:</i>		
	- investment at fair value through profit or loss	(31,844)	35,949
	- trade and other receivables, net of impairment losses	(251,668)	(185,077)
	- inventories	334,878	(76,957)
	- trade and other payables	32,883	47,641
17	- directors' fee paid	(10,500)	(10,500)
	<b>Net cash generated from operating activities</b>	<b>478,643</b>	<b>273,532</b>
	<b>Cash flows from investing activities</b>		
	Net cash received on disposal of a subsidiary	65,000	-
	Additions to investment properties	(39,148)	(82,891)
	Proceeds from disposal of investment properties	-	6,931
	Acquisition of property, plant and equipment	(91,503)	(93,722)
	Proceeds from disposal of property, plant and equipment	308	530
	Additions to intangible assets	(1,481)	(1,153)
	Finance income received	59,695	16,433
	Net movement in equity accounted investees	(105,927)	(2,202)
	<b>Net cash used in investing activities</b>	<b>(113,056)</b>	<b>(156,074)</b>
	<b>Cash flows from financing activities</b>		
	Proceeds from bank borrowings	1,160,541	1,097,621
	Repayment of bank borrowings	(829,920)	(403,950)
	Principal elements of lease payments	(24,525)	(14,771)
	Net movement in non-controlling interests	(305)	-
17	Dividend paid	(340,161)	(425,202)
	Net movement in short term deposits	(22,114)	(82,665)
	Finance costs	(114,490)	(145,674)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(170,974)</b>	<b>25,359</b>
	<b>Net increase in cash and cash equivalents</b>	<b>194,613</b>	<b>142,817</b>
	Cash and cash equivalents at 1 January	566,336	245,291
	<b>Cash and cash equivalents at 30 June</b>	<b>760,949</b>	<b>388,108</b>
	<i>Cash and cash equivalents comprise following:</i>		
14	Cash in hand, current and call accounts with banks	571,168	587,694
14	Short term deposits with banks (excluding those under lien)	440,422	119,093
	Bank overdrafts, trust receipt loans and bills discounted	(250,641)	(318,679)
		<b>760,949</b>	<b>388,108</b>

**Dubai Investments PJSC and its subsidiaries**  
**Condensed consolidated interim statement of changes in equity**  
**For the six-month period ended 30 June 2021**

	-----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 2020	4,252,018	46	25,502	1,176,846	1,435,654	(144,170)	425,202	10,500	4,794,534	11,976,132	229,973	12,206,105
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	-	-	-	-	-	-	205,002	205,002	(18,249)	186,753
<b>Other comprehensive income</b>												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	(2,312)	-	-	-	(2,312)	(1,537)	(3,849)
Total other comprehensive income for the period	-	-	-	-	-	(2,312)	-	-	-	(2,312)	(1,537)	(3,849)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,312)</b>	<b>-</b>	<b>-</b>	<b>205,002</b>	<b>202,690</b>	<b>(19,786)</b>	<b>182,904</b>
<b>Transactions with owners, in their capacity as owners</b>												
<i>Contributions by and distributions to owners</i>												
Dividend paid	-	-	-	-	-	-	(425,202)	-	-	(425,202)	-	(425,202)
Total contributions by and distribution to owners	-	-	-	-	-	-	(425,202)	-	-	(425,202)	-	(425,202)
<i>Changes in ownership interests</i>												
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	9	9	(9)	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(425,202)</b>	<b>-</b>	<b>9</b>	<b>(425,193)</b>	<b>(9)</b>	<b>(425,202)</b>
<b>Other movements</b>												
Directors' fee paid	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,500)</b>	<b>-</b>	<b>(10,500)</b>	<b>-</b>	<b>(10,500)</b>
Balance at 30 June 2020	4,252,018	46	25,502	1,176,846	1,435,654	(146,482)	-	-	4,999,545	11,743,129	210,178	11,953,307



**Dubai Investments PJSC and its subsidiaries**  
**Condensed consolidated interim statement of changes in equity**  
**For the six-month period ended 30 June 2021 (continued)**

	-----Equity attributable to owners of the Company-----											
	Share Capital	Share Premium	Capital Reserve	Legal Reserve	General Reserve	Fair value reserve	Proposed dividend	Proposed directors’ fee	Retained Earnings	Sub Total	Non- controlling interests	Total
	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000
Balance at 1 January 2021	4,252,018	46	25,502	1,210,472	1,442,729	(180,905)	340,161	10,500	4,713,935	11,814,458	234,128	12,048,586
Total comprehensive income for the period												
Profit for the year	-	-	-	-	-	-	-	-	302,068	302,068	(6,412)	295,656
Other comprehensive income												
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	(10,912)	-	-	-	(10,912)	(1,485)	(12,397)
Total other comprehensive income for the period	-	-	-	-	-	(10,912)	-	-	-	(10,912)	(1,485)	(12,397)
Total comprehensive income for the period	-	-	-	-	-	(10,912)	-	-	302,068	291,156	(7,897)	283,259
Transactions with owners, in their capacity as owners												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	(340,161)	-	-	(340,161)	-	(340,161)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(305)	(305)
Total contributions by and distribution to owners	-	-	-	-	-	-	(340,161)	-	-	(340,161)	(305)	(340,466)
Transactions with owners, in their capacity as owners	-	-	-	-	-	-	(340,161)	-	-	(340,161)	(305)	(340,466)
Other movements												
Directors’ fee paid	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
Total other movements	-	-	-	-	-	-	-	(10,500)	-	(10,500)	-	(10,500)
Balance at 30 June 2021	4,252,018	46	25,502	1,210,472	1,442,729	(191,817)	-	-	5,016,003	11,754,953	225,926	11,980,879

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021

### 1. Reporting entity

Dubai Investments PJSC ("the Company") was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16 July 1995. These condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2021 ("the current period") comprise the financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint arrangements.

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

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

### 2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by International Accounting Standard Board ("IASB") and comply with the provisions of the UAE Companies law. The condensed consolidated interim financial statements does not include all of the information required for the annual audited consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2020. In addition, results for the period from 1 January 2021 to 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

### 3. Significant accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its recent annual audited consolidated financial statements as at and for the year ended 31 December 2020 except for the adoption of new standard effective as of 1 January 2021 as follows:

*In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.*

The amendments complement those issued in September 2019 and focus on the effects on financial statements when a Company replaces a previous interest rate benchmark with an alternative benchmark rate as a result of Interbank Offered Rates ("IBOR") reform.

The Phase 2 amendments are effective for the Group's fiscal year commencing 1 January 2021 and were adopted as of that date. As of 30 June 2021, applicable interest rate benchmarks in the Group's agreements have not been replaced. As a result, the adoption of the Phase 2 amendments had no impact on the condensed consolidated interim financial information for the six-month period ended 30 June 2021. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the condensed consolidated interim financial information as IBOR reform progresses.

Several other amendments apply for the first time effective 1 January 2021, but do not have an impact on the condensed consolidated interim financial statements of the Group.

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the current reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 4. Use of estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020.

The Group has determined that significant changes are not required as of 30 June 2021 in the key judgements and estimates from those applied as of 31 December 2020 for determining fair value of investment properties mainly due to the long term nature of some of the leasing contracts and available evidence from the Group's recently concluded sales transactions and recent offers received which demonstrate largely unchanged market conditions. Refer note 10.

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

### 5. Financial instruments

#### – Financial risk management

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

#### – Valuation of financial instruments

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

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

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

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

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 5. Financial instruments (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:

<i>30 June 2021</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
Financial assets at fair value through profit or loss	<b>240,207</b>	<b>901,694</b>	<b>437,685</b>	<b>1,579,586</b>
Financial assets at fair value through other comprehensive income	<b>586</b>	<b>-</b>	<b>65,921</b>	<b>66,507</b>
	<b>240,793</b>	<b>901,694</b>	<b>503,606</b>	<b>1,646,093</b>
<i>31 December 2020</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
Financial assets at fair value through profit or loss	243,038	916,689	360,306	1,520,033
Financial assets at fair value through other comprehensive income	609	-	78,295	78,904
	243,647	916,689	438,601	1,598,937

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

	<b>2021 AED'000</b>	<b>2020 AED'000</b>
As at 1 January	<b>438,601</b>	523,617
Purchased during the period	<b>77,425</b>	36,052
Redeemed/sold during the period	<b>(12,130)</b>	-
<b>Loss included in OCI</b>		
- Net change in fair value (unrealised)	<b>(12,397)</b>	(3,849)
<b>Gain/(loss) recorded in profit and loss</b>		
- Net change in fair value (unrealised)	<b>12,107</b>	(10,043)
As at 30 June	<b>503,606</b>	545,777

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

#### – Valuation techniques

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

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 6. Costs of sales

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Materials consumed	251,927	184,147	445,460	332,190
Cost of properties sold	337,115	4,957	358,324	23,497
Depreciation and amortisation	49,593	46,995	99,517	96,014
Staff costs	31,262	32,710	62,358	68,176
Share of Government of Dubai in the realised profits of a subsidiary	30,972	25,960	56,672	55,578
Infrastructure and development works cost sharing with Road and Transport Authority ("RTA")	7,270	7,270	14,540	14,540

### 7. Administrative expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
<i>These mainly include:</i>				
Staff costs	61,699	57,103	120,858	121,540
Selling and marketing expenses	19,480	17,993	29,738	32,536
Depreciation and amortisation	9,277	9,765	20,556	23,714

### 8. Other income

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

### 9. Property, plant and equipment

During the six-month period ended 30 June 2021, the Group's additions to property, plant and equipment amounted to AED 91.50 million (year ended 31 December 2020: AED 198.44 million).

Further, property, plant and equipment amounting to AED 55.63 million were disposed on account of sale of a subsidiary (Note 19).

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 10. Investment properties

Investment properties comprises of the following:

	30 June 2021 AED'000	31 December 2020 AED'000	30 June 2020 AED'000
Infrastructure and ancillary facilities	5,197,480	5,158,514	5,084,063
Plots of land for future development	1,408,759	1,406,416	1,234,411
Residential facilities	696,994	691,167	1,033,782
Retail and commercial facilities	683,616	660,604	859,297
Labor camps and warehouses	572,500	572,500	629,222
	<b>8,559,349</b>	<b>8,489,201</b>	<b>8,840,775</b>

- i) The valuation basis and assumptions used for valuation of investments properties remains largely consistent with the methodology adopted as at 31 December 2020.
- ii) As at 30 June 2021, the Group has obtained fair values of infrastructure and ancillary facilities leased to third parties built on the land (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area). The valuation was carried out by an independent registered valuer ("the Valuer") in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors ("RICS") using an income approach. The fair valuation gain of AED 31 million (six-month period ended 30 June 2020: fair valuation gain of AED 100 million) has been recorded which has arisen due to significant change in the contractual and expected net cash flows based on the terms of lease contracts with tenants.
- iii) For the remaining investment properties, given that the key assumptions used for valuation of investments properties remains largely consistent with those adopted as at 31 December 2020, accordingly the fair value of the investment properties have not changed significantly during the six-month period ended 30 June 2021 and consequently, no fair valuation gain / loss has been recorded for the six-month period ended 30 June 2021 (six-month period ended 30 June 2020: fair valuation loss of AED 41 million).
- iv) During the six-month period ended 30 June 2021, additions to investment properties amounted to AED 39.15 million (year ended 31 December 2020: AED 372.61 million). Furthermore there was no disposal of investment properties during period ended 30 June 2021 (year ended 31 December 2020: AED 289.98 million).
- v) Key assumptions and the significant unobservable inputs used in the fair value measurement of investment properties are as follows:

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

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 10. Investment properties (continued)

- vi) As disclosed in the audited consolidated financial statements for the year ended 31 December 2020, the external valuation reports for certain retail and commercial facilities, labour camps and vacant plots of land included a material valuation uncertainty statement. Consequently, management conducted a sensitivity analysis on the significant unobservable inputs used in the fair valuation of those investment properties as summarised below (keeping all other variables constant):

#### Plots of land for future development

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

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

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 10. Investment properties (continued)

#### Labor camps and warehouses

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

### 11. Financial investments

	30 June 2021 AED'000	31 December 2020 AED'000	30 June 2020 AED'000
<b><i>Investments at fair value through other comprehensive income</i></b>			
- Equity securities (i)	66,507	78,904	116,804
<b><i>Investments at fair value through profit or loss</i></b>			
- Held for trading quoted equity securities	215,963	271,559	174,520
- Unquoted equity securities, funds, bonds and sukuk	1,363,623	1,248,474	1,165,166
(ii)	1,579,586	1,520,033	1,339,686
<b><i>Geographical distribution of investments</i></b>			
UAE	688,860	697,348	619,651
Other GCC countries	302,576	216,198	355,352
Other countries	654,657	685,391	481,487
(i)+(ii)	1,646,093	1,598,937	1,456,490



# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 12. Inventories

Inventories at 30 June 2021 include properties held for development and sale in the ordinary course of business amounting to AED 2,162.72 million (31 December 2020: AED 2,497.26 million) and represent costs of land and expenditure incurred towards the development of properties for subsequent sale. The Group intends to develop/has developed these properties for sale and has classified these properties as long term or short term based on completion/future development plans.

Net realisable value ("NRV") estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. The Group has considered whether there are any indicators, such as comparable market transactions giving rise to lower sales values, to show that the estimated NRV for properties held for development and sale are less than the carrying values. Based on their assessment, management have concluded that no provision for NRV is required to be recorded.

### 13. Related party transactions

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
<b>Compensation to key management personnel</b>				
Short term benefits	7,045	6,966	14,090	13,932
Post-employment benefits	121	121	242	242

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

	30 June 2021 AED'000	31 December 2020 AED'000	30 June 2020 AED'000
<b>Short term deposits with banks</b>			
Short term deposits with banks having maturity of more than 3 months	30,000	50,472	66,097
Short term deposits within UAE under lien with banks	199,772	157,186	107,492
	<b>229,772</b>	<b>207,658</b>	<b>173,589</b>
<b>Cash and cash equivalents</b>			
Cash in hand	5,143	1,489	6,952
Cash at bank within UAE (current accounts)	545,398	846,716	515,748
Cash at bank outside UAE – GCC countries (current accounts)	3,434	2,662	8,098
Cash at bank outside UAE – Other countries (current accounts)	17,193	11,373	56,896
Short term deposits within UAE having maturity of less than 3 months	440,422	24,632	119,093
	<b>1,011,590</b>	<b>886,872</b>	<b>706,787</b>

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 15. Basic and diluted earnings per share

	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Profit attributable to Owners of the Company (AED'000)	178,298	211,788	302,068	205,002
Weighted average number of shares outstanding ('000s)	4,252,018	4,252,018	4,252,018	4,252,018
Basic and diluted earnings per share (AED)	0.04	0.05	0.07	0.05

### 16. Bank borrowings

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

### 17. Proposed dividend and directors' fee

- (i) At the Annual General Meeting held on 11 April 2021, the shareholders approved 8% cash dividend proposed by the Board of Directors. The dividend amounting to AED 340.16 million was paid during the current period.
- (ii) At the Annual General Meeting held on 11 April 2021, the shareholders approved the proposed Directors' fee amounting to AED 10.50 million for the year ended 31 December 2020 which was paid during the current period.

### 18. Capital commitments

	30 June 2021 AED'000	31 December 2020 AED'000
Capital commitments - contracted and committed	494,487	678,214

Commitments mainly include the following:

- Value of construction contracts awarded to contractors for real estate projects under development.
- DIPDC has signed an agreement with RTA to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 30 June 2021 amounts to AED 233 million (31 December 2020: AED 247.5 million) which will be invoiced and paid until 2029, in semi-annual installments of AED 14.5 million each.

### 19. Disposal of a subsidiary

During the current period, the Group disposed of its entire interest in an existing subsidiary. This transaction has resulted in a net gain of AED 9.37 million which is included under the gain on sale of investments.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 20. Acquisition of an additional equity interest and events occurring after the reporting date

On 22 April 2021, the Group acquired an additional 21.53% interest in National General Insurance Company PJSC (“NGI”). Upon acquisition of the additional interest, the Group’s interest in NGI has increased to 29.99% and consequently it has been accounted for as an associate of the Group under the investments in equity accounted investees.

NGI is listed on the Dubai Financial Market and underwrites all classes of life and general insurance business as well as certain reinsurance business.

The following table summarises the amounts recognised as part of this transaction:

	<b>AED’000</b>
<b>Fair value of identifiable net assets – (A)</b>	<b>145,622</b>
Net purchase consideration	100,730
Fair value of previously held interest	39,589
<b>Total consideration</b>	<b>140,319</b>
Add: Transaction costs	1,553
<b>Net consideration – (B)</b>	<b>141,872</b>
<b>Bargain purchase gain – (A) - (B)</b>	<b>3,750</b>
<b>Gain on fair valuation of existing interest in NGI</b>	<b>39,589</b>
Fair value of existing interest in NGI	39,589
Less: carrying amount of interest in NGI	(27,281)
<b>Gain on fair valuation of existing interest prior to acquisition of an additional stake included under gain on fair valuation of investments</b>	<b>12,308</b>

The fair value of the above identifiable net assets was determined provisionally.

Further, on 14 July 2021, the Group acquired an additional 15.19% equity interest in NGI. Upon acquisition of the additional interest, the Group’s interest in NGI has increased to 45.18%. The Group considers this acquisition to be a non-adjusting post reporting date subsequent event.

### 21. Segment reporting

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

<i>Property</i>	development of real estate for sale and leasing
<i>Manufacturing, contracting and services</i>	manufacture and sale of materials used in construction projects, executing construction contracts, production of raw and architectural glass, cooling services, production, aluminum extruded products, laboratory furniture, healthcare and education
<i>Investments</i>	strategic minority investments in associates, investment banking, asset management and financial investments

Information regarding the operations of each segment is included hereafter. Performance is measured based on segment revenue and profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are a few transactions between the segments and such transaction are carried out on arm’s length basis and are eliminated on consolidation.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021 (continued)

### 21. Segment reporting (continued)

#### Information about reportable segments

<i>Business Segments</i>	Manufacturing, contracting and							
	Property		services		Investments		Total	
	Six-month period ended 30 June		Six-month period ended 30 June		Six-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sales of goods and provision of services								
- at a point in time	11,522	12,572	489,099	381,810	11,681	6,027	512,302	400,409
- over time	-	-	228,332	198,987	-	-	228,332	198,987
Rental income	412,938	431,970	-	-	-	-	412,938	431,970
Contract revenue (over time)	-	-	101,326	89,408	-	-	101,326	89,408
Sale of properties (over time)	356,970	25,243	-	-	-	-	356,970	25,243
Gain/(loss) on fair valuation of investment	-	-	-	-	55,758	(65,838)	55,758	(65,838)
Gain on fair valuation of investment properties	31,000	59,737	-	-	-	-	31,000	59,737
Bargain purchase gain	-	-	-	-	3,750	-	3,750	-
Others	-	-	-	-	20,650	(2,762)	20,650	(2,762)
<b>Total income/(loss)</b>	<b>812,430</b>	<b>529,522</b>	<b>818,757</b>	<b>670,205</b>	<b>91,839</b>	<b>(62,573)</b>	<b>1,723,026</b>	<b>1,137,154</b>
Cost of sales	(493,277)	(106,122)	(659,566)	(532,329)	-	-	(1,152,843)	(638,451)
Administrative expenses	(35,265)	(40,745)	(124,800)	(124,972)	(53,732)	(49,684)	(213,797)	(215,401)
Finance costs	(56,024)	(76,565)	(39,935)	(57,066)	(18,531)	(12,043)	(114,490)	(145,674)
Net impairment loss on financial and contract assets	(15,485)	(1,524)	(17,535)	(6,988)	-	-	(33,020)	(8,512)
Finance income and other income	22,296	20,333	48,020	22,701	16,464	14,603	86,780	57,637
<b>Profit/(loss) for the period</b>	<b>234,675</b>	<b>324,899</b>	<b>24,941</b>	<b>(28,449)</b>	<b>36,040</b>	<b>(109,697)</b>	<b>295,656</b>	<b>186,753</b>
<b>Profit attributable to:</b>								
Owners of the Company	238,845	327,758	29,557	(19,366)	33,666	(103,390)	302,068	205,002
Non-controlling interests	(4,170)	(2,859)	(4,616)	(9,083)	2,374	(6,307)	(6,412)	(18,249)
<b>Profit/(loss) for the period</b>	<b>234,675</b>	<b>324,899</b>	<b>24,941</b>	<b>(28,449)</b>	<b>36,040</b>	<b>(109,697)</b>	<b>295,656</b>	<b>186,753</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Assets (AED'000)</b>	<b>14,123,530</b>	<b>14,063,227</b>	<b>5,248,657</b>	<b>5,400,710</b>	<b>2,570,677</b>	<b>2,297,610</b>	<b>21,942,864</b>	<b>21,761,547</b>
<b>Liabilities (AED'000)</b>	<b>5,221,887</b>	<b>5,138,510</b>	<b>2,858,568</b>	<b>2,950,734</b>	<b>1,881,530</b>	<b>1,623,717</b>	<b>9,961,985</b>	<b>9,712,961</b>

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