Dubai Investments Park Development Co. (L.L.C)

Directors' report and financial statements
for the year ended 31 December 2024

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Dubai Investments Park Development Co (L.L.C.)

Directors' report for the year ended 31 December 2024

The Board of Directors ("the Board") of Dubai Investments Park Development Company LLC ("the Company") is pleased to present their report along with the audited financial statements of the Company for the year ended 31 December 2024.

Principal activities

The Company is engaged in the planning, development, setting up and organisation of the "Dubai Investments Park" and generates rental income from leasing the land and the in-built infrastructure facilities ("serviced land").

Financial performance

The Company has reported a net profit of AED 957 million for the year ended 31 December 2024 as compared to AED 664 million in previous year.

The net assets of the Company as at 31 December 2024 were AED 5,423 million as compared to AED 5,066 million as at 31 December 2023. As of 31 December 2024, the Company had net current liabilities of AED 117 million *(2023: net current liabilities of AED 200 million).*

Dividend

The Board have recommended, approved a cash dividend of AED 600 million during the year ended 31 December 2024 *(31 December 2023: AED 500 million).*

Directors

The Board of Directors comprised of the following:

Mr. Khalid Jassim Mohammad Bin Kalban	Chairman
Mr. Abdulaziz Al Serkal	Vice-Chairman
Mr. Obaid Al Salami	Director

Auditors

KPMG Lower Gulf Limited ("KPMG") were appointed as the auditors of the Company for the year ended 31 December 2024.
KPMG were also appointed as the auditors of the Company for the year ended 31 December 2025.

Acknowledgments

The Board would like to express their gratitude and appreciation to its shareholders, clients, 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 of the efforts of the Management and the staff for their loyalty, perseverance and the hard work that has been put by them for the benefit of the Company and its shareholders.

On behalf of the Board,

Khalid Jassim Mohammad Bin Kalban
Chairman
Date: 03 JUN 2025

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Independent auditors' report

To the Shareholders of Dubai Investments Park Development Co. (L.L.C.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dubai Investments Park Development Co (L.L.C.) ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 14 June 2024.

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Other Information

Management is responsible for the other information. The other information comprises Directors' statement.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 December 2024:

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

ii) the 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 Company has maintained proper books of account;

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

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 31 December 2024;

vi) note 10 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

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Report on Other Legal and Regulatory Requirements (continued)

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 Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 03 JUN 2025

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Dubai Investments Park Development Co. (L.L.C.)

Statement of financial position

as at 31 December

	Note	2024 AED'000	2023 AED'000
Assets			
Non-current assets			
Property, plant and equipment	5	**213,366**	240,214
Investment properties	6	**7,347,069**	6,744,802
Financial assets at fair value through profit and loss	8	**17,988**	38,706
Long-term rent receivable	9	**55,023**	46,529
Trade and other receivables	11	**7,531**	9,271
		7,640,977	7,079,522
Current assets			
Trade and other receivables	11	**483,559**	576,149
Due from related parties	10	**97,451**	93,611
Cash and cash equivalents	12	**111,630**	136,955
		692,640	806,715
Total assets		**8,333,617**	7,886,237
Equity and liabilities			
Equity			
Share capital	13	**20,000**	20,000
Statutory reserve	14	**10,000**	10,000
General reserve	15	**553,955**	553,955
Retained earnings		**4,839,547**	4,482,375
Total equity		**5,423,502**	5,066,330
Liabilities			
Non-current liabilities			
Bank borrowings	17	**1,835,739**	1,580,722
Lease liabilities	18	**211,225**	232,569
Deferred tax liability	28	**53,287**	-
		2,100,251	1,813,291
Current liabilities			
Bank borrowings	17	**241,323**	374,694
Lease liabilities	18	**21,882**	20,355
Trade and other payables	19	**203,490**	192,243
Due to related parties	10	**946**	125,143
Current tax liability	28	**39,056**	-
Unearned rent	20	**303,167**	294,181
		809,864	1,006,616
Total liabilities		**2,910,115**	2,819,907
Total equity and liabilities		**8,333,617**	7,886,237

To the best of our knowledge, these financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as at, and for, the year ended 31 December 2024.

These financial statements were authorised for issue by the Board of Directors on 03 JUN 2025 and signed on its behalf by:

Chairman

Director

The notes on pages 10 to 49 form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 to 5.

Dubai Investments Park Development Co. (L.L.C.)

Statement of profit or loss and other comprehensive income

for the year ended 31 December

	Note	**2024** **AED'000**	2023 AED'000
Revenue	21	**892,094**	837,969
Cost of providing services	22	**(259,257)**	(186,191)
Gross profit		**632,837**	651,778
Administrative expenses	23	**(39,200)**	(37,821)
Net impairment losses on trade and rent receivables	27	**(2,910)**	(46,641)
Gain on fair valuation of investment properties	6	**592,086**	229,842
Other income		**13,609**	18,734
Operating profit		**1,196,422**	815,892
Finance costs	24	**(153,137)**	(151,991)
Finance income	24	**6,230**	3
Net finance costs	24	**(146,907)**	(151,988)
Profit before tax		**1,049,515**	663,904
Income tax expense	28	**(92,343)**	-
Profit for the year		**957,172**	663,904
Other comprehensive income ("OCI")			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of property, plant and equipment being transferred to investment properties	5	-	13,186
OCI for the year		-	13,186
Total comprehensive income for the year		**957,172**	677,090

The notes on pages 10 to 49 form an integral part of these financial statements.

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Dubai Investments Park Development Co. (L.L.C.)

Statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2023		20,000	10,000	553,955	4,305,285	4,889,240
Total comprehensive income for the year						
Profit for the year		-	-	-	663,904	663,904
OCI for the year		-	-	-	13,186	13,186
Total comprehensive income for the year		-	-	-	677,090	677,090
Transactions with the owners of the Company						
Distributions						
Dividend declared and paid	*16*	-	-	-	(500,000)	(500,000)
Balance at 31 December 2023 and 1 January 2024		20,000	10,000	553,955	4,482,375	5,066,330
Total comprehensive income for the year						
Profit and other comprehensive income for the year		-	-	-	957,172	957,172
Total comprehensive income for the year		-	-	-	957,172	957,172
Transactions with the owners of the Company						
Distributions						
Dividend declared and paid	*16*	-	-	-	(600,000)	(600,000)
Balance at 31 December 2024		**20,000**	**10,000**	**553,955**	**4,839,547**	**5,423,502**

The notes on pages 10 to 49 form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 to 5.

Dubai Investments Park Development Co. (L.L.C.)

Statement of cash flows

for the year ended 31 December

	Note	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax		**1,049,515**	663,904
Adjustments for:			
Depreciation expense	*5*	**26,962**	27,045
Finance costs	*24*	**153,137**	151,991
Finance income	*24*	**(6,230)**	(3)
Net impairment losses on trade and rent receivables	*27*	**2,910**	46,641
Gain on fair valuation of investment properties	*6*	**(592,086)**	(229,842)
Operating profit before changes in working capital		**634,208**	659,736
Changes in working capital:			
- trade and other receivables		**91,420**	(44,781)
- financial assets at fair value through profit and loss		**20,718**	5,222
- due from related parties		**(3,840)**	90,939
- trade and other payables		**11,247**	(101,300)
- due to related parties		**(124,197)**	111,129
- long term rent receivable		**(8,494)**	(7,981)
- unearned rent		**8,986**	29,457
Net cash generated from operating activities		**630,048**	742,421
Cash flows used in investing activities			
Additions to property, plant and equipment	*5*	**(114)**	(1,649)
Additions to investment properties	*6*	**(10,181)**	(11,082)
Finance income received	*24*	**6,230**	3
Net cash used in investing activities		**(4,065)**	(12,728)
Cash flows used in financing activities			
Dividends paid	*16*	**(600,000)**	(500,000)
Proceeds from bank borrowings	*17*	**606,445**	209,340
Repayment of bank borrowings	*17*	**(484,799)**	(172,574)
Other finance costs paid		**(134,341)**	(131,206)
Lease payments	*18*	**(38,613)**	(38,613)
Net cash used in financing activities		**(651,308)**	(633,053)
Net (decrease) / increase in cash and cash equivalents		**(25,325)**	96,640
Cash and cash equivalents at the beginning of the year	*12*	**136,955**	40,315
Cash and cash equivalents at end of the year	*12*	**111,630**	136,955

The notes on pages 10 to 49 form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 to 5.

Dubai Investments Park Development Co. (L.L.C.)

Notes to the financial statements *(forming part of the financial statements)*

1 Reporting entity

Dubai Investments Park Development Co (L.L.C.) (the "Company") is incorporated and registered as a limited liability company in the Emirate of Dubai, United Arab Emirates ("UAE") under Commercial license number 502730 on 19 October 1997 in accordance with the provisions of the UAE Commercial Companies Law in effect at that time. The registered office of the Company is PO Box 111485, Dubai, UAE.

The shareholding pattern of the Company as at 31 December 2024 and 2023 is as follows:

	Nationality	Shareholding %
Dubai Investments PJSC (the "Parent Company", "Group" and "Ultimate Parent Company")	United Arab Emirates	99%
Dubai Investment Real Estate Company (LLC)*	United Arab Emirates	1%

*Dubai Investments Real Estate LLC holds the Company's shares for the beneficial interest of Dubai Investments PJSC.

The Company is engaged in the planning, development, setting up and organisation of the "Dubai Investments Park" and generates rental income from leasing the land and the in-built infrastructure facilities ("serviced land").

The registered activities of the Company are facilities management services, buying and selling of real estate, commercial complex, and leasing and management of self-owned property.

The Company has not purchased any shares during the years ended 31 December 2024 and 2023.

2 Basis of preparation

2.1 Statement of compliance

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

The Company is in compliance with applicable provisions of the Company's Law as at the date of these financial statements.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for investment properties and financial assets at fair value through profit or loss which are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and presentation currency. All values in these financial statements are rounded to the nearest thousand (AED'000), except as otherwise stated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments and estimates about the future, that affect the application of the Company'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 and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 7.

2 Basis of preparation *(continued)*

2.5 Measurement of fair values

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

The Company 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 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 are in accordance with the accounting policies of the Company, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorized 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 categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized 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 Company recognizes 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 6 – Investment properties;

Note 7 – Significant accounting estimates and judgements; and

Note 8 – Financial assets at fair value through profit and loss.

3 Material accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

3.1 Change in accounting policy

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Company has adopted Classification of Liabilities as Current or Non-current *(Amendments to IAS 1)* and Non-current Liabilities with Covenants *(Amendments to IAS 1)* from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in a Company entity's own shares (e.g. convertible notes issued by a Company entity).

3 Material accounting policies *(continued)*

3.1 Change in accounting policy *(continued)*

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (continued)

Previously, the Company ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of a Company entity's own shares, the Company takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under IAS 32. The Company's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no impact on the statement of financial position, as the Company had no outstanding convertible notes as at 31 December 2024 *(2023: Nil)*.

3.2 Accounting standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

	Effective date
Lack of Exchangeability – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*	1-Jan-25
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	1-Jan-26
Annual Improvements to IFRS Accounting Standards – Amendments to: - IFRS 1 *First-time Adoption of International Financial Reporting Standards*; - IFRS 7 *Financial Instruments: Disclosures* and its accompanying *Guidance on implementing IFRS 7*; - IFRS 9 *Financial Instruments*; - IFRS 10 *Consolidated Financial Statements*; and - IAS 7 *Statement of Cash flows*	1-Jan-26
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1-Jan-26
IFRS 18 *Presentation and Disclosure in Financial Statements*	1-Jan-27
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1-Jan-27
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*[*]	To be determined

3.3 New and amended standards issued and effective:

The following new or amended standards that are required to be adopted in annual periods beginning on or after 1 January 2024 that do not have a material impact on the Company's financial statements are as follows:

	Effective date
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 *Leases*	1-Jan-24
Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 *Presentation of Financial Statements*	1-Jan-24
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*	1-Jan-24

3 Material accounting policies *(continued)*

3.4 Foreign currency

Transactions in foreign currencies are translated to AED at the exchange rates prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into AED at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the profit or loss.

3.5 Provision for employees' end of service benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

For full-time foreign workers, provision is made for end of service benefits in accordance with the UAE Federal Decree-Law No. (33) of 2021 (the "Labour law") and is based on the current remuneration and their period of service.

For full-time UAE national workers, pension and social security contributions are made by the employer on a monthly basis to the General Pension and Social Security Authority ("GPSSA"), in accordance with UAE Federal Decree Law No. 57 of 2023 (the "Pensions law"). The employer is required to contribute 15% of the employee's account salary (which includes basic salary plus housing and other allowances), and 12.5% where the employee's account salary is less than AED 20,000.

The Company's contribution is recognised as an expense in the statement of profit or loss and comprehensive income as incurred. The employees and employers' contribution, to the extent remaining unpaid at the reporting date, has been shown under other liabilities.

3.6 Finance income and costs

Finance income comprises interest on short-term deposits and is recognised in the statement of comprehensive income as it accrues using the effective interest method.

Finance costs comprise interest expense on bank borrowing, interest expense on lease liabilities and bank charges.

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3 Material accounting policies *(continued)*

3.7 Income tax

The Company is subject to corporate taxes in the jurisdictions where it is implemented. The total provision for current and deferred taxes has been computed in accordance with the provisions of the applicable legislation. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction affect neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of self – generated goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 Material accounting policies *(continued)*

3.7 Income tax *(continued)*

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and penalties may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset only if certain criteria are met.

UAE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply.

For the Company, current taxes is accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 *Income Taxes*, the related deferred tax accounting has been considered for the financial statements for the year ended 31 December 2024.

Global Minimum Top-up Tax

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates, where the Company's Ultimate Parent Entity is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. The Company falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules.

There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB and AASB issued amendments to IAS 12 'Income Taxes' on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. The Company applied this temporary exception as of 31 December 2024.

3.8 Property, plant and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Any gains or losses on disposal of an item of property, plant and equipment are recognised in profit or loss.

ii. Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3 Material accounting policies *(continued)*

3.8 Property, plant and equipment *(continued)*

iii. Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using straight-line method over their estimated useful lives, and is generally recognised in profit and loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the leased term. Land is not depreciated.

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

Assets	Years
Right-of-use asset	13
Motor vehicles	4
Leasehold improvements	5 to 10
Equipment, furniture and fixture	3 to 5
Tools	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus within equity.

3.9 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 Company 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.

Investment properties are initially measured at cost, including related transaction costs. After initial recognition, they are accounted for using the fair value model under IAS 40 – *Investment properties*.

Investment properties are measured at fair values determined either by an independent registered valuer or internally by management using market yield for similar properties. It is the Company's policy to carry out independent valuations of properties on a periodic basis. In the period between the independent valuations, the Company, on an annual basis, modifies the valuations, having regard to the basis in the last independent valuation, to reflect current conditions prevailing.

In addition, age and locations of the investment properties are considered while arriving at the estimated value of each of the investment properties. Any gain or loss arising from changes in fair value is recognised in the profit or loss.

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.

3 Material accounting policies *(continued)*

3.9 Investment properties *(continued)*

When the use of a property changes such that it is reclassified as property 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.

Rental income from investment property is recognised as rental income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.10 Development property

Property that is being constructed for future use as an investment property is accounted for as a development property until construction or development is complete.

Properties under development are measured at cost on initial recognition and subsequently at fair value with any changes therein recognised in profit or loss. If fair value of an investment property under construction is not reliably determinable but expected to be determinable when construction is complete, it is measured at cost until either its fair value becomes reliably determinable, or construction is completed (whichever is earlier). Cost includes the aggregate cost of development, borrowing costs capitalized and other direct expenses.

3.11 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

It is held within a business model whose objective is to hold assets to collect contractual cash flows;

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. Material accounting policies *(continued)*

3.11 Financial instruments *(continued)*

ii. Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the profit or loss.

iii. Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3. Material accounting policies *(continued)*

3.11 Financial instruments *(continued)*

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.12 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

3.13 Impairment

i. Non-derivative financial assets

Financial instruments

The Company recognises loss allowances for ECLs on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other receivables and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. There assets are measured as 12-month ECL.

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3. Material accounting policies *(continued)*

3.13 Impairment (continued)

i. Non-derivative financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii Non-financial assets

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

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 CGUs.

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

3. Material accounting policies *(continued)*

3.13 Impairment (continued)

ii. Non financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

For other assets, an impairment loss 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

3.14 Provisions

A provision is recognised in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognized at present value. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflect the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustment to the amount of previously recognized provision is recognized in the statement of profit or loss and other comprehensive income unless the provision was originally recognized as part of cost of an asset.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because; it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Company discloses contingent liabilities in the financial statements unless thc possibility of an outflow of resources embodying economic benefits is remote.

3 Material accounting policies *(continued)*

3.15 Leases

At the inception of a contract, the Company 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 an 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 Company uses the definition of a lease in IFRS 16.

i. As a lessee

At the commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes 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 restore the underlying assets or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end if the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measure 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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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 right-of-use asset has been reduced to nil.

The Company presents right-of-use assets that do not meet the definition of investment properties in 'property, plant and equipment'.

'Property, plant and equipment' comprises owned and leased assets that do not meet the definition of investment properties.

3 Material accounting policies *(continued)*

3.15 Leases *(continued)*

i. As a lessee (continued)

Leasing activities

Lease of plots of land

The Company leases land from the Government of Dubai for a period of 99 years. The Company 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 lease payments, no lease liability has been recognised for this lease. The Company has classified the right-of-use asset as an investment property carried at fair value *(refer note 6)*.

Lease of sewage water treatment plant ("STP")

The Company leases a sewage water treatment plant in Dubai Investments Park for a fixed period of 30 years. The sewage treatment plant is recognised as a right-of-use asset and a corresponding liability recognised at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the asset's useful life which was 10 years. In 2020, the useful estimated life was revised to 13 years, in line with the amended contract terms *(refer note 5)*.

ii. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

iii. As a lessor

At inception or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance

lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the

sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

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

3. Material accounting policies *(continued)*

3.16 Operating profit

Operating profit is the result generated from the principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

3.17 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities *(refer Note 2.5)*.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances in current accounts and short-term deposits with original maturities of less than three months from the date of acquisition.

3.19 Dividend distribution

Dividends are recognised in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Material accounting policies *(continued)*

3.20 Revenue recognition

Revenue from contract with customers

The Company 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. Identify 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 Company 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 Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company 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 Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

3. The Company's performance does not create an asset with an alternative use to the Company 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 Company 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 Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

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

Rental income and subleasing income

Rental income from operating leases and income from subleasing and transfer of lease is recognised on a straight-line basis over the respective lease term. When the Company provides incentives to its tenants, the aggregate cost of the incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

3. Material accounting policies *(continued)*

3.20 Revenue recognition *(continued)*

Income from sewerage collection and supply of treated sewerage effluents

Income from sewerage collection and supply of treated sewerage effluents is recognised at the point in time at which the performance obligation is satisfied. Revenue from such services are recognised on the basis of monthly meter readings of usage by the tenants.

Service charges

Revenue from service charges is recognised over time in accordance with the agreements with the customers and when the related performance obligations are satisfied.

Revenue from transfer of lease

Revenue is recognised at a point in time as the services are provided.

3.21 Other income

Other income comprises of liabilities and provisions written back, sale of scrap, rent income, marketing promotion income, support from principal supplier, gain on modification/termination of leases, gain on disposal of property, plant and equipment and other income.

3.22 Value Added Tax

VAT is a tax on the supply of goods and services which is eventually borne by the final consumer but collected at each stage of the production and distribution chain. Therefore, the treatment of VAT in the accounts of the Company reflects their role as a collector of the tax and VAT is not included as income or expenditure. However, there are circumstances, in which the Company will bear VAT and in such instances, VAT is included as part of income or expenditure.

The net amount of due to or from the revenue authorities in respect of VAT is included as part of other receivables or other payables.

4 Financial risk management

Overview

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

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management is responsible for developing and monitoring the Company's risk management framework. The Company's senior management reports to the Board of Directors on its activities.

The Company's risk management procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

4 Financial risk management *(continued)*

Overview (continued)

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to trade and other receivables, cash at banks, financial assets at fair value through profit and loss, long term rent receivable and due from related parties.

The exposure to credit risk on due from related parties, trade and other receivables, financial assets at fair value through profit and loss, and long-term rent receivables is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management.

Majority of the Company's customers have been transacting with the Company for a number of years, and no significant losses have occurred. In monitoring customer credit risk, customers are grouped according to their credit characteristics.

The Company establishes an allowance for impairment is made in accordance with 'expected credit loss' (ECL) model. This will require considerable judgment about how the changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Cash at banks

Cash held in banks accounts amount to AED 111.6 million at 31 December 2024 *(2023: AED 136.9 million)*. Cash is held with banks, which are rated ranging from A3 to Baa1, based on Moody's Corporation ratings. Impairment on cash at banks has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that cash at banks have a low credit risk based on the external credit ratings of the counterparties and accordingly, the expected credit loss is negligible.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables, due to related parties, lease liabilities, bank borrowings, and unearned rent.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

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

4 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk

The Company is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currency primarily United States Dollar ("USD"). The Company does not face any foreign currency risk on transactions denominated in USD as AED is pegged to USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's 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.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest finance expense of the Company. The interest rate risk on the Company's financial liabilities is primarily on bank borrowings which is based on variable rates.

Capital management

The Company's policy is to maintain a strong capital base to sustain future development of the business. The Company's management monitors the return on capital through operating cash flow management and seeks to maintain a balance between the higher returns and the advantages and security offered by a sound capital position. There was no change in the Company's approach to capital management during the year. The management monitors the requirements of the Company's Law.

The table below shows the credit rating at the end of the reporting period based on Moody's ratings for the banking relationships:

Rating	**2024**	2023
	AED'000	AED'000
A3	**57,775**	60,782
A2	**50,296**	72,613
A1	**3,120**	3,121
Ba1	**365**	365
Total cash and cash equivalents	**111,556**	136,881

5 Property, plant and equipment

	Right-of-use asset ("STP") AED'000	Motor vehicles AED'000	Leasehold improvements AED'000	Equipment, furniture and fixtures AED'000	Tools AED'000	Total AED'000
Cost						
Balance at 1 January 2023	547,487	1,519	12,749	9,815	13,201	584,771
Additions	-	-	-	67	1,582	1,649
Revaluation gain on assets transferred to investment properties	-	-	13,186	-	-	13,186
Transfer to investment properties *(refer note 6)*	-	-	(25,935)	-	-	(25,935)
Balance at 31 December 2023	547,487	1,519	-	9,882	14,783	573,671
Balance at 1 January 2024	547,487	1,519	-	9,882	14,783	573,671
Additions	-	-	-	114	-	114
Transfers	-	-	-	(874)	874	-
Balance at 31 December 2024	547,487	1,519	-	9,122	15,657	573,785
Accumulated Depreciation						
Balance at 1 January 2023	285,119	1,437	12,622	8,483	11,373	319,034
Charge for the year	25,672	41	-	28	1,304	27,045
Transfer to investment properties *(refer note 6)*	-	-	(12,622)	-	-	(12,622)
Balance at 31 December 2023	310,791	1,478	-	8,511	12,677	333,457
Balance at 1 January 2024	310,791	1,478	-	8,511	12,677	333,457
Charge for the year	25,672	8	-	45	1,237	26,962
Transfers	-	13	-	359	(372)	-
Balance at 31 December 2024	336,463	1,499	-	8,915	13,542	360,419
Net book value						
Balance at 1 January 2023	262,368	82	127	1,332	1,828	265,737
Balance at 31 December 2023	236,696	41	-	1,371	2,106	240,214
Balance at 31 December 2024	**211,024**	**20**	-	**207**	**2,115**	**213,366**

5 Property, plant and equipment *(continued)*

(i) During the year ended 31 December 2023, the Company reclassified an amount of AED 13.3 million from property, plant and equipment to investment properties.

(ii) Property improvements on leasehold buildings were related to properties leased from a related party.

(iii) Depreciation charge for the year is presented in the statement of profit or loss as follows:

	2024	2023
	AED'000	AED'000
Cost of providing services *(refer note 22)*	**25,672**	25,672
Administrative expenses *(refer note 23)*	**1,290**	1,373
	26,962	27,045

6 Investment properties

Investment properties comprise of:

	2024	2023
	AED'000	AED'000
Infrastructure and ancillary facilities	**6,277,797**	5,787,254
Retail and commercial facilities	**47,272**	48,548
Plots of land for future development	**1,022,000**	909,000
	7,347,069	6,744,802

The movement in investment properties during the year was as follows:

	2024	2023
	AED'000	AED'000
At 1 January	**6,744,802**	6,490,565
Additions	**10,181**	11,082
Transfer from property, plant and equipment *(refer note 5 and (i) below)*	**-**	13,313
Gain on fair valuation	**592,086**	229,842
At 31 December	**7,347,069**	6,744,802

(i) In the prior year, the Company reclassified an amount of AED 13.3 million from property, plant and equipment to investment properties based on change in use.

(ii) As at 31 December 2024, all investment properties are held at a leasehold basis in the name of the Company.

(iii) The fair value of investment properties as at 31 December 2024 and 31 December 2023 has been determined on the basis of external valuations carried out by Savills and ValuStrat, independent valuers registered in the UAE. The valuations have been prepared in accordance with IFRS (International Financial Report Standards) set by the IASB (International Accounting Standards Board), Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (31 January 2022) and incorporating the IVS (International Valuation Standards). The valuations were arrived at by using Income approach and Market comparison approach taking into account the prevailing market conditions/anecdotal evidence on similar property types, market perceptions and sentiments. The valuation techniques, basis and assumptions used for valuation of investments properties are consistent with the prior years.

(iv) The current use of all investment properties equates to their highest and best use.

6 Investment properties *(continued)*

(v) As at 31 December 2024, the rental income earned by the Company from its investment properties, all of which are leased out under operating leases, amounted to AED 604 million *(2023: AED 572.5 million)*.

(vi) Investment properties comprise of a number of commercial and residential properties that are leased to third parties and related parties. As at 31 December 2024, investment properties leased to third parties amounted to AED 6,182.6 million *(2023: 5,705.4 million)* and related parties amounted to AED 86.2 million *(2023: AED 81.1 million)*.

(vii) Management reviews the valuations performed by the independent registered valuers for financial reporting. Management review included:

- provision and verification of all material inputs to align with the independent valuation reports;
- assessment of property valuation movements in comparison to the prior year valuation reports; and
- discussions with the independent registered valuers.

Location of the Company's investment properties as follows:

	2024	2023
	AED '000	AED '000
Dubai, United Arab Emirates	**7,347,069**	6,744,802

Infrastructure, ancillary, retail and commercial facilities

Infrastructure, ancillary, retail and commercial facilities are built on land obtained from the Government of Dubai on a renewable, non-cancellable long-term lease of 99 years, beginning 1 February 1999. The Company was exempt from lease rental payments for the first ten years. Starting 1 February 2009, 20% of the net realised profits from the land projects are payable to the Government of Dubai. In 2024, the Company has made a provision of AED 114.3 million *(2023: AED 108.5 million)* as payable to the Government of Dubai towards which equates to 20% of the net realised profits in-line with the lease agreement *(refer note 22)*.

As at 31 December 2024, the fair values of infrastructure, ancillary, retail and commercial facilities have been determined by the independent external valuer, 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 valuation is based on future net cash flows, and accordingly, the amount of rent accrued on a straight line basis as per IFRS 16 has been deducted. Similarly, the unearned rental income and recognised liabilities for the estimated 20% share of the Government of Dubai at the date of valuation, 31 December 2024, have been adjusted to arrive at the valuation of investment properties.

The fair valuation gain has arisen due to significant change in the future net cash flows from tenants as per the terms of lease contracts which are periodically renegotiated. In the current year, the Company has also reassessed certain estimated future operating expenses in line with actual trends. This included a change in the growth rate of staff costs assumption from 10.7% to 4% to align revised human resources forecasts.

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

6 Investment properties *(continued)*

Plots of land for future development

Plots of land for future development comprise of plots of land held for residential and commercial development. In the current year, the fair valuation of these plots of land has been carried out using the market comparison approach *(2023: market comparison approach)*.

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

Determination of fair value

Fair value hierarchy

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
At 31 December 2024	-	-	**7,347,069**	**7,347,069**
At 31 December 2023	-	-	6,744,802	6,744,802

The valuations were determined by independent external valuers using the income valuation approach and sales comparison approach based on the below significant unobservable inputs. In determining a property's valuation, the valuers take into account property specific information such as the current contracted tenancies agreements and forecast operating expenses. They apply certain assumptions such as discount rates and market sales rates, which are influenced by property specific characteristics, such as property location, to arrive at the final valuation.

Valuation technique	Inter relationship between key unobservable inputs and fair value measurement
Income approach method - discounted cash flows: Income approach provides an indication of fair value by converting future cash flows to a single current capital value. Under the discounted cash flows ("DCF") method the forecasted cash flow is discounted back to the valuation date, resulting in a present value of the asset.	The expected fair value would increase / (decrease) if the estimated yield rates were lower / (higher).
Market comparison method: The market comparison method provides an indication of value by comparing the subject asset with identical or similar assets for which the price information is available. The best comparable are properties that have been recently sold in the open market and are similar to the subject property.	The expected fair value would increase / (decrease) if the market price increases (decreases).

6 Investment properties *(continued)*

Determination of fair value *(continued)*

Sensitivity analysis of the key valuation inputs is as follows:

Future contracted rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing lease and rent-free periods. If future contracted rental cash inflows were 10% higher/lower, the valuation would have been AED 295 million higher/lower *(2023: AED 533 million higher/lower)*, with all other variables remaining constant.
Discount rates	reflecting current market assessments of the uncertainity in the amount and timing of cash flows. If discount rate was 1% higher/lower, the valuation would have been AED 653 million lower/ AED 852 million higher *(2023: AED 567 million lower/ AED 745 million higher)*, with all other variables remaining constant.
Outgoing expenses	including necessary operating expenses to maintain functionality of the properties for its expected useful life. If operating expenses were 10% higher/lower, the valuation would have been AED 105 million lower/higher *(2023: AED 104 million lower/higher)*, with all other variables remaining constant.
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 rates were 10% higher/lower, the valuation would have been AED 102 million higher/lower respectively *(2023: AED 94 million higher/lower respectively)*, with all other variables remaining constant.

7 Significant accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Valuation of investment properties

The Company fair values its investment properties. Note 6 contains information about the valuation methodology adopted by the Company for the valuation of investment properties. Should the significant assumptions change, the fair value of investment could significantly impact the profit or loss and statement of financial position of the Company in the future.

8 Financial assets at fair value through profit and loss

Financial assets at fair value through profit of loss represents a receivable from Dubai Electricity and Water Authority for a substation cost incurred by the Company. 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.

9 Long term rent receivable

	2024	2023
	AED'000	AED'000
Long term rent receivable	**76,221**	71,490
Less: unearned rent	**(21,198)**	(24,961)
	55,023	46,529

Long-term rent receivable represents the differential between the amount of rent billed to the tenant and the amount recognised as rental income on a straight line basis over the term of the lease, including the option to renew the lease at the end of the initial lease term, as required by IFRS 16 - *Leases*. The difference principally arises due to an initial rent free period allowed and the rent escalation agreed after the expiry of the initial term of the lease. Unearned rent represents lease rentals billed in advance.

10 Related party transactions and balances

Related parties include shareholders, the Parent Company, key management personnel, and any businesses which are controlled, directly or indirectly by the shareholders and directors or over which they exercise significant management influence. Affiliated companies are other entities which are under the control of the Parent Company.

10.1 Related party transactions

The Company, in the normal course of business, enters into transactions with other business entities that fall within the definition of a related party contained in IAS 24 – Related Parties. The transactions with related parties are at rates and terms mutually agreed between the parties.

Related party transactions are entered at mutually agreed terms.

(i) Remuneration of key management personnel

The remuneration paid to key management personnel is as follows:

	2024	2023
	AED'000	AED'000
Short term employee benefits *(including Directors' remuneration)*	**5,911**	5,375
Long term employee benefits	**5,473**	4,780

(ii) Significant transactions with the parent company

	2024	2023
	AED'000	AED'000
Revenue from services provided to the parent	**88**	87
Cross charges by the parent	**(1,088)**	-
Rent expense recharge	**(2,691)**	(3,604)
Payments by the Company	**(10,839)**	(4,000)

10 Related party transactions and balances *(continued)*

10.1 Related party transactions *(continued)*

(iii) Significant transactions with other related parties during the year are as follows

	2024 AED'000	2023 AED'000
Rental income on lease of investment properties from fellow subsidiaries	**8,715**	6,825
Revenue from sewerage and irrigation services to related parties	**6,303**	15,297
Interest on receivables from related parties *(refer note 24)*	**6,228**	-
Revenue from rental service charges to fellow subsidiaries	**2,198**	8,553
IT support recharge by a fellow subsidiary	**4,281**	4,377
Other recharges from fellow subsidiaries	**3,419**	4,589
Payments made to fellow subsidiaries	**(8,601)**	(5,387)
Receipts from fellow subsidiaries	**13,688**	26,591

10.2 Balances with related parties

	2024 AED'000	2023 AED'000
Due from related parties		
Properties Investment LLC	**71,893**	65,716
Dubai Investment Real Estate Company LLC	**18,980**	19,641
Masharie LLC	**2,768**	2,305
Dubai Investments International (Angola) LDA	**1,513**	-
Emirates Float Glass LLC	**1,224**	1,159
Emirates Building Systems LLC	**1,006**	852
Dubai Investments International Limited	**64**	-
Emirates Extrusion LLC	**2**	1
Global Pharma Company LLC	**1**	1,166
Al Taif Investments LLC	**-**	76
Emirates District Cooling (Emicool) LLC	**-**	2,695
	97,451	93,611

	2024 AED'000	2023 AED'000
Due to related parties		
Techsource LLC	**351**	1,096
Emirates District Cooling (Emicool) LLC	**218**	-
National General Insurance Co. PJSC	**194**	182
Dubai Investments PJSC	**183**	109,122
Palisades Development Company LLC	**-**	14,743
	946	125,143

11 Trade and other receivables

	2024 AED'000	2023 AED'000
Trade and rent receivable	**556,546**	647,793
Less: provision for impairment of trade and rent receivables	**(80,389)**	(77,479)
	476,157	570,314
Prepayments	**14,015**	12,115
Other receivables	**918**	2,991
	491,090	585,420
Analysed as:		
Non-current	**7,531**	9,271
Current	**483,559**	576,149
	491,090	585,420

12 Cash and cash equivalents

	2024 AED'000	2023 AED'000
Cash on hand	**74**	74
Cash at banks - current accounts	**111,556**	136,881
	111,630	136,955

13 Share capital

	2024 AED'000	2023 AED'000
Authorised, issued and fully paid up:		
20,000 ordinary shares of AED 1,000 each	**20,000**	20,000

14 Statutory reserve

In accordance with the Article 103 of UAE Federal Decree Law No. 32 of 2021 ("Companies Law 2021") concerning Commercial Companies, 5% of the Company's net profit is required to be allocated every year to a statutory reserve. Such allocation will cease if the value of the reserve reaches 50% of the nominal value of the Company's issued share capital. During the current and previous year, no amount has been transferred to statutory reserve on account of the reserve being equal to 50% of the share capital.

15 General reserve

In accordance with the memorandum of association of the Company, 10% of the profit of the Company is required to be allocated to a general reserve. Such allocation will cease when the general reserve equals 50% of the paid up share capital. In the prior years, the board of directors resolved to cease transfer of profit to the general reserve on account of the general reserve exceeding 50% of the share capital. During the current and prior year, no amount has been transferred to general reserve.

16 Dividend declared

During the current year, the Company declared and paid dividends of AED 600 million *(2023: AED 500 million)* which equates to AED 30,000 per share *(2023: AED 25,000 per share)*.

17 Bank borrowings

	2024 AED'000	2023 AED'000
Bank borrowings	**2,077,062**	1,955,416
Analysed as:		
Non-current	**1,835,739**	1,580,722
Current	**241,323**	374,694
	2,077,062	1,955,416

The reconciliation of movement of liabilities to cash flow arising from financing activities is as follows:

	2024 AED	2023 AED
At 1 January	**1,955,416**	1,918,650
Changes from financing cash flows		
Drawdowns of bank borrowings	**606,445**	209,340
Repayments of bank borrowings	**(484,799)**	(172,574)
Total changes from financing cash flows	**121,646**	36,766
Other liability related changes		
Interest expense *(refer note 24)*	**133,048**	131,064
Interest paid	**(122,562)**	(117,883)
Accrued interest *(refer note 19)*	**(10,486)**	(13,181)
Total other liability related changes	**-**	-
At 31 December	**2,077,062**	1,955,416

The terms of the bank borrowings vary from three to seven years. These are secured by a combination of securities. The interest rate of the bank borrowings range between 1.00% to 1.35% over 3 month SOFR/EIBOR per annum.

The Company obtained bilateral term loan facilities of AED 2,077 million *(USD 465.4 million and AED 367.3 million)* from local financial institutions to re-finance the Sukuk notes which matured on February 2019 and for general corporate purpose. These loans are payable over a period of three to five years in half yearly installments. These loans are secured against the following:

- To ensure that securities provided to the bank are on par with security offered or granted to and the covenants with its other banks and lending institutions.
- Letter of undertaking to route rentals on annual basis of existing tenants through current accounts.

The facilities availed by the Company are subject to certain covenants that must be complied with. In accordance with the facilities agreements, the Company undertakes:

1 to utilize approved facilities for business activities, consistent with Islamic Sharia'a Principles;

2 to retain its majority shareholding with Dubai Investments PJSC (the parent during the tenor of facilities);

3 to maintain Net Debt to EBITDA at maximum level of 4x or less, (Net Debt to exclude cash balances);

4 to maintain EBITDA to profit not less than 2.5x; (EIBTDA to be calculated net of valuation gain);

17 Bank borrowings *(continued)*

5 that aggregate value of the investment properties with minimum threshold of AED 4.5 billion at all times;

6 to ensure that the ratio of EBITDA to Debt Service in respect of any relevanttesting period shall be not less than 1.25:1.

During the year ended 31 December 2024, the Company has complied with the financial covenants of all its borrowing facilities.

18 Leases

The Company as a leasee

The Company leases a sewage water treatment plant and had an option to terminate the lease after a period of 10 years from the commencement of the operations date for each phase of the plant and the asset to be transferred to the lessee. However, in 2020, the Company had amended the terms of agreement, and as a result the lease period has been extended till the end of 2032, based on management's assessment of the economic incentive to continue with the lease.

Right-of-use assets

Right of use assets recognised as part of property, plant and equipment are as follows:

	2024	2023
	AED'000	AED'000
Balance at 1 January	**236,696**	262,368
Depreciation	**(25,672)**	(25,672)
Balance at 31 December	**211,024**	236,696

Lease liabilities

	2024	2023
	AED'000	AED'000
Balance at 1st January	**252,924**	270,751
Interest charged during the year	**18,796**	20,786
Payments made during the year	**(38,613)**	(38,613)
Balance at 31st December	**233,107**	252,924

	2024	2023
Analysed as:	**AED'000**	AED'000
Non-current	**211,225**	232,569
Current	**21,882**	20,355
	233,107	252,924

18 Leases *(continued)*

Amounts recognised in the statement of profit or loss and other comprehensive income

	2024 AED'000	2023 AED'000
Depreciation of right of use assets *(refer note 5)*	**25,672**	25,672
Interest on lease liabilities *(refer note 24)*	**18,796**	20,786
Short term rentals	**7,632**	7,632

Amounts recognised in the statement of cash flows

	2024 AED'000	2023 AED'000
Depreciation of right of use assets *(refer note 5)*	**25,672**	25,672
Interest on lease liabilities *(refer note 24)*	**18,796**	20,786
Payments for lease liabilities	**(38,613)**	(38,613)

Maturity analysis - contractual undiscounted cash flows

	Present value of minimum lease payments AED'000	Interest AED'000	Future minimum lease payments AED'000
At 31 December 2024			
Less than one year	**21,882**	**16,518**	**38,400**
One to five years	**105,215**	**48,385**	**153,600**
More than five years	**106,010**	**18,279**	**124,289**
Total	**233,107**	**83,182**	**316,289**
At 31 December 2023			
Less than one year	20,355	18,045	38,400
One to five years	97,874	55,726	153,600
More than five years	134,695	27,993	162,688
Total	252,924	101,764	354,688

The Company as a lessor – operating leases

The Company leases out its investment properties to third parties and related parties. These leases are normally for a period of more than one year. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

18 Leases *(continued)*

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received from non-cancellable operating leases after the reporting date:

	2024	2023
	AED'000	AED'000
Less than one year	**612,955**	580,916
One to two years	**610,186**	576,265
Two to three years	**612,284**	579,306
Three to four years	**608,761**	579,306
Four to five years	**607,824**	578,059
More than five years	**4,352,000**	4,578,724
	7,404,010	7,472,576

19 Trade and other payables

	2024	2023
	AED'000	AED'000
Payable to Government of Dubai for their share of realised profit of the Company *(refer note 22 and below)*	**114,357**	108,516
Trade payables	**31,031**	21,615
Staff related payables	**15,578**	13,439
Accrued interest	**10,486**	13,181
Provisions	**8,441**	16,939
Retentions payable	**2,307**	6,907
Other payables and accruals	**21,290**	11,646
	203,490	192,243

As at 31 December 2024, in accordance with the Company's long term lease agreement with the Government of Dubai, the Company has recognised an accrual of AED 114.3 million *(2023: AED 108.5 million)* towards 20% share of the net realised profits (before fair valuation gain) payable to the Government of Dubai *(also refer note 6 and 22)*.

20 Unearned rent

	2024	2023
	AED'000	AED'000
Unearned rent – Rental income	**215,447**	208,475
Unearned rent – Subleasing income	**87,720**	85,706
	303,167	294,181

21 Revenue

A Major products and service lines

	2024 AED'000	2023 AED'000
Rental income	**604,001**	572,474
Subleasing income	**115,009**	106,415
Transfer of lease income	**27,556**	19,908
Sewerage collection income	**66,656**	60,544
Service charges	**57,580**	57,455
Income from supply of treated sewerage effluents	**21,292**	21,173
	892,094	837,969

B Timing of revenue recognition

	2024 AED'000	2023 AED'000
Revenue transferred overtime	**776,590**	736,344
Revenue recognized at a point in time	**115,504**	101,625
	892,094	837,969

C Geographical distribution of revenue

The Company generates all its revenue from the United Arab Emirates.

22 Cost of providing services

	2024 AED'000	2023 AED'000
Share of realised profit to be paid to the Government of Dubai *(refer note 19)*	**114,357**	108,516
Maintenance expenses	**42,089**	973
Cost of sewerage water treatment	**33,345**	22,227
Infrastructure and development works cost sharing with Roads and Transport Authority ("RTA") *(refer note 27)*	**29,077**	25,120
Depreciation expense *(refer note 5)*	**25,672**	25,672
Others	**14,717**	3,683
	259,257	186,191

During the year ended 31 December 2023, for certain provisions, the management had assessed that there is no probable outflow of economic benefits to suppliers, hence, the provisions which had been recorded as "maintenance expenses" amounting to AED 31.3 million, "cost of sewerage water treatment" amounting to AED 8.9 million and "infrastructure and development works cost sharing with RTA" amounting to AED 4 million were written back since they are no longer required.

23 Administrative expenses

	2024 AED'000	2023 AED'000
Staff costs	**24,000**	20,000
Legal and professional expenses	**3,539**	7,760
Repair and maintenance	**4,950**	4,330
Marketing expenses	**2,230**	2,151
Depreciation expense *(refer note 5)*	**1,290**	1,373
Others	**3,191**	2,207
	39,200	37,821

24 Net finance costs

	2024 AED	2023 AED
Finance income		
Interest on receivables from related parties *(refer note 10 and below)*	**6,228**	-
Interest on short-term bank deposits	**2**	3
	6,230	3
Finance costs		
Interest on bank borrowings *(refer note 17)*	**(133,048)**	(131,064)
Interest on lease liabilities *(refer note 18)*	**(18,796)**	(20,786)
Bank charges	**(1,293)**	(141)
	(153,137)	(151,991)
Net finance costs	**(146,907)**	(151,988)

Receivables from certain related parties carry interest rates between 7.19% to 7.70% per annum.

25 Contingent liabilities

As at 31 December 2024, the Company had no contingent liabilities *(2023: nil)*.

26 Capital commitments

	2024 AED'000	2023 AED'000
Capital commitments	**256,852**	215,886

Capital commitments mainly includes a capital commitment in respect of an agreement signed with the RTA to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 31 December 2024 amounts to AED 130.8 million *(2023: AED 159.9 million)* which will be paid until 2029.

27 Financial instruments

Financial assets of the Company include cash at bank, trade and other receivables, long term rent receivables, financial assets at fair value through profit and loss and amounts due from related parties. Financial liabilities of the Company include trade and other payables, bank borrowings and amounts due to related parties. Accounting policies for financial assets and liabilities are set out in note 3.

Credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Exposure to credit risk

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

	2024 **AED'000**	2023 AED'000
Financial assets at fair value through profit and loss	**17,988**	38,706
Long term rent receivable	**55,023**	46,529
Trade and other receivables *(excluding prepayments)*	**477,075**	573,305
Due from related parties	**97,451**	93,611
Cash and cash equivalents *(excluding cash in hand)*	**111,556**	136,881
	759,093	889,032

The Company limits its exposure to credit risk by investing with counterparties that have credible market reputation. The Company's management does not expect any counterparty to fail to meet its obligations.

Impairment losses

The Company applies the IFRS 9 simplified approach on financial assets to measure the expected credit losses which uses a lifetime expected loss allowance for all financial assets.

To measure the expected credit losses, financial assets 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 Company has identified the gross domestic product of the United Arab Emirates to be the most relevant factor, 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 collateral gets factored through loss given default estimates and hence are not used to adjust exposure while computing expected credit loss. The Company limits its exposure to credit risk by investing with counterparties that have credible market reputation. The Company's management does not expect any significant counterparty to fail to meet its obligations.

27 Financial instruments *(continued)*

Credit risk *(continued)*

Impairment losses (continued)

The ageing of trade receivables and related impairment loss on trade and rent receivables at the reporting date was as following:

	Weighted average loss rate 2024	**Gross 2024 AED'000**	**Provision for impairment 2024 AED'000**	Weighted average loss rate 2023	Gross 2023 AED'000	Provision for impairment 2023 AED'000
0 – 30 days	**0.08%**	**25,389**	**(21)**	6.47%	116,062	(7,514)
31 – 90 days	**0.08%**	**31,806**	**(26)**	0.06%	61,526	(36)
91 – 180 days	**0.08%**	**71,637**	**(58)**	0.06%	48,860	(29)
181 – 365 days	**0.44%**	**128,275**	**(566)**	4.77%	168,922	(8,054)
More than 365 days	**26.62%**	**299,439**	**(79,718)**	24.50%	252,423	(61,846)
		556,546	**(80,389)**		647,793	(77,479)

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

	2024 AED'000	2023 AED'000
Balance at 1 January	**77,479**	30,838
Net impairment losses on trade and rent receivables	**2,910**	46,641
Balance at 31 December *(refer note 11)*	**80,389**	77,479

A simplified approach is used in determining credit loss allowance for the trade receivables within the real estate business and finance lease receivable. A provision matrix is used to determine the provision based on management's assessment of the default period being 90 days from the date the counter party fails to make contractual payment.

Included in the above loss allowance, the Company has recognised a specific impairment provision of AED 50.5 million as of 31 December 2024.

Cash and cash equivalents, other receivables and due from related parties are also subject to the impairment requirements of IFRS 9. For cash and cash equivalents, 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, other receivables and due from related parties were insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to trade and other payables and due to related parties. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of cash and bank balances 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.

27 Financial instruments *(continued)*

Liquidity risk *(continued)*

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

	Carrying amount	Contractual cash flows	Within one year	More than 1 year
	AED'000	AED'000	AED'000	AED'000
At 31 December 2024				
Trade and other payables*	**184,563**	**184,563**	**184,563**	**-**
Due to related parties	**946**	**946**	**946**	**-**
Lease liabilities	**233,107**	**316,288**	**38,400**	**277,888**
Bank borrowings	**2,077,062**	**2,373,065**	**356,442**	**2,016,623**
Total	**2,495,678**	**2,874,862**	**580,351**	**2,294,511**

	Carrying amount	Contractual cash flows	Within one year	More than 1 year
	AED'000	AED'000	AED'000	AED'000
At 31 December 2023				
Trade and other payables*	162,123	162,123	162,123	-
Due to related parties	125,143	125,143	125,143	-
Lease liabilities	252,924	354,688	38,400	316,288
Bank borrowings	1,955,416	2,342,064	502,706	1,839,358
Total	2,495,606	2,984,018	828,372	2,155,646

*excluding provisions and accrued interest.

Market risk

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

(i) Currency risk

The Company is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar ("USD"). The Company does not face any foreign currency risk on transactions denominated in USD as AED is pegged to USD.

(ii) Interest rate risk

The Company's exposure to interest rate risk primarily relates to its bank borrowings and short-term deposits with bank with varying rates of interest, which are, in general, varied with reference to the base lending rates of the banks at regular intervals, which expose the Company to cash flow interest rate risk. The Company's risk management is carried out by senior management who identifies, evaluates, and hedges financial risks (where appropriate).

The Company regularly monitors the exposure to interest rate risk and where considered appropriate will swap the floating rates agreed into fixed rates.

27 Financial instruments *(continued)*

Market risk *(continued)*

(ii) Interest rate risk (continued)

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024 AED'000	2023 AED'000
Variable rate instruments:		
Bank borrowings	**2,077,062**	1,955,416

Fair value sensitivity analysis for fixed interest rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss; therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates as at 31 December 2024 would have increased/ (decreased) profit or loss by AED 20.8 million *(2023: AED 19.6 million)*. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Fair values versus carrying amounts

The fair value of financial assets and financial liabilities materially approximates their carrying value at the statement of financial position date.

Capital management

The Company's policy is to maintain a strong capital base 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 Company monitors capital on the basis of gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings and lease liabilities and less cash and cash equivalents.

Total capital for the Company is calculated as 'total equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 AED'000	2023 AED'000
Bank borrowings – repayable within one year *(refer note 17)*	**241,323**	374,694
Bank borrowings – repayable after one year *(refer note 17)*	**1,835,739**	1,580,722
	2,077,062	1,955,416
Less: cash and cash equivalents *(refer note 12)*	**(111,630)**	(136,955)
Net debt	**1,965,432**	1,818,461
Total equity	**5,423,502**	5,066,330
Total capital	**7,388,934**	6,884,791
Gearing ratio	**0.27**	0.26

27 Financial instruments *(continued)*

Capital management *(continued)*

	Cash and cash equivalents AED'000	Bank borrowings repayable within one year AED'000	Bank borrowings repayable after one year AED'000	Net debt AED'000
At 1 January 2023	40,315	(172,574)	(1,746,076)	(1,878,335)
Cash changes:				
Increase in cash and cash equivalents	96,640	-	-	96,640
Proceeds from bank borrowings *(refer note 17)*	-	(103,238)	(106,102)	(209,340)
Repayment of bank borrowings *(refer note 17)*	-	172,574	-	172,574
Non-cash changes:				
Reclassification	-	(271,456)	271,456	-
At 31 December 2023	136,955	(374,694)	(1,580,722)	(1,818,461)

	Cash and cash equivalents AED'000	Bank borrowings repayable within one year AED'000	Bank borrowings repayable after one year AED'000	Net debt AED'000
At 1 January 2024	**136,955**	**(374,694)**	**(1,580,722)**	**(1,818,461)**
Cash changes:				
Decrease in cash and cash equivalents	**(25,325)**	**-**	**-**	**(25,325)**
Proceeds from bank borrowings *(refer note 17)*	**-**	**(146,935)**	**(459,510)**	**(606,445)**
Repayment of bank borrowings *(refer note 17)*	**-**	**484,799**	**-**	**484,799**
Non-cash changes:				
Reclassification	**-**	**(204,493)**	**204,493**	**-**
As at 31 December 2024	**111,630**	**(241,323)**	**(1,835,739)**	**(1,965,432)**

28 Income tax

Amounts recognised in the statement of profit or loss and other comprehensive income

	2024 AED'000	2023 AED'000
Current income tax expense	**39,056**	-
Deferred tax expense	**53,287**	-
	92,343	-

28 Income tax *(continued)*

Amounts recognised in the statement of financial position

The movement in current tax is as follows:

	2024 AED'000	2023 AED'000
Income tax payable at the beginning of the year	-	-
Charge for the year, net	**39,056**	-
Income tax payable at the end of the year	**39,056**	-

The movement in deferred tax is as follows:

2024			**Balance at 31 December**	
	Balance at 1 January	**Recognised in the profit or loss**	**Net**	**Deferred tax liability**
Investment properties	-	**53,287**	**53,287**	**53,287**
Disclosed as:				
Deferred tax liabilities				**53,287**

Deferred tax assets and liabilities mainly comprises of temporary differences. Based on the recent implementation of the UAE corporate tax law, the Company intends to elect to recognise gains and losses on a 'realisation basis' for assets and liabilities held on capital account only and accordingly deferred tax liabilities were recognised in the current year on account of unrealised gain on fair valuation of investment properties.

Income tax expense relates to the tax payable on the results of the Company, as adjusted in accordance with the taxation laws and regulations of the jurisdictions in which the Company operate. The relationship between the tax expenses and the accounting profit can be explained as follows:

	2024 AED'000	2023 AED'000
Profit before tax	**1,049,515**	-
Items not subject to tax:		
Unrealised gain on fair valuation of investment properties	**(592,086)**	-
Threshold exemption specified in the UAE CT law	**(375)**	-
Others	**(23,095)**	-
Taxable profit	**433,959**	-
Current income tax expense	**39,056**	-

28 Income tax *(continued)*

Reconciliation of effective tax rate

		2024 AED'000
Profit before tax		**1,049,515**
Tax using the Company's domestic tax rate	**9.00%**	**94,456**
Tax effect of:		
Threshold exemption	**0.00%**	**(34)**
Tax exempt income - others	**-0.20%**	**(2,079)**
Effective tax rate	**8.80%**	**92,343**

The Company is part of a tax group, and income taxes are paid by the tax group parent company on behalf of the tax group. The tax liabilities of the Company are settled through intercompany arrangements with the tax group parent company.