Aldar Properties PJSC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

30 JUNE 2018

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REPORT ON REVIEW OF

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ALDAR PROPERTIES PJSC

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Aldar Properties PJSC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2018 comprising of the interim condensed consolidated statement of financial position as at 30 June 2018 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "*Interim Financial Reporting* (IAS 34)". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

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

Signed by:
Anthony O'Sullivan
Partner
Ernst & Young
Registration No. 687

6 August 2018
Abu Dhabi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	*(Unaudited)* *30 June* *2018* *AED'000*	*(Audited)* *31 December* *2017* *AED'000*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**3,644,155**	2,930,941
Intangible assets and goodwill	7	**201,953**	5,104
Investment properties	8	**16,682,305**	16,076,549
Investment in associates and joint ventures	9	**975,326**	957,631
Investment in financial assets at fair value through other comprehensive income	10	**98,967**	119,389
Other financial assets		**68,077**	-
Trade and other receivables	11	**352,790**	427,211
Total non-current assets		**22,023,573**	20,516,825
Current assets			
Land held for sale		**3,700,207**	2,305,747
Development work in progress	12	**2,041,942**	1,476,818
Inventories	13	**570,871**	286,601
Trade and other receivables	11	**4,831,152**	4,925,449
Cash and bank balances	14	**3,751,025**	6,885,486
Total current assets		**14,895,197**	15,880,101
TOTAL ASSETS		**36,918,770**	36,396,926
EQUITY AND LIABILITIES			
Equity			
Share capital		**7,862,630**	7,862,630
Statutory reserve		**3,931,315**	3,931,315
Hedging reserve		**64,730**	(17,024)
Fair value reserve		**39,658**	44,084
Retained earnings		**11,373,035**	11,200,549
Equity attributable to the owners of the Company		**23,271,368**	23,021,554
Non-controlling interests		**252,428**	213,611
Total equity		**23,523,796**	23,235,165
Non-current liabilities			
Bank borrowings	15	**3,604,863**	2,376,275
Retentions payable		**278,667**	311,389
Employees' end of service benefits		**147,502**	141,763
Other financial liabilities		**5,768**	16,263
Total non-current liabilities		**4,036,800**	2,845,690
Current liabilities			
Non-convertible sukuk	15	**2,763,936**	2,762,570
Bank borrowings	15	**642,588**	817,173
Retentions payable		**411,929**	310,175
Advances from customers	16	**440,622**	469,854
Trade and other payables	17	**5,099,099**	5,956,299
Total current liabilities		**9,358,174**	10,316,071
Total liabilities		**13,394,974**	13,161,761
TOTAL EQUITY AND LIABILITIES		**36,918,770**	36,396,926

Mohammed Al Mubarak	Talal Al Dhiyebi	Greg Fewer
Chairman	Chief Executive Officer	Chief Financial Officer

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 30 June 2018 (Unaudited)

		Three months ended 30 June		*Six months ended 30 June*	
		2018	*2017*	***2018***	*2017*
	Notes	***AED'000***	*AED'000*	***AED'000***	*AED'000*
Revenue		**1,511,463**	1,354,095	**2,981,388**	2,931,785
Direct costs		**(862,628)**	(812,040)	**(1,617,115)**	(1,636,929)
GROSS PROFIT		**648,835**	542,055	**1,364,273**	1,294,856
Selling and marketing expenses		**(16,851)**	(23,041)	**(39,140)**	(40,779)
General and administrative expenses					
Staff costs		**(54,854)**	(56,405)	**(105,552)**	(112,248)
Depreciation and amortisation		**(56,124)**	(47,959)	**(100,883)**	(97,729)
Provisions, impairments and write downs - net		**(13,020)**	(6,848)	**(20,789)**	(12,613)
Others		**(31,482)**	(14,695)	**(55,731)**	(26,891)
Loss on revaluation of investment properties	8	**(189,902)**	(39,420)	**(229,804)**	(78,841)
Share of profit from associates and joint ventures	9	**17,863**	11,919	**35,913**	27,567
Gain on disposal of joint venture	9	**-**	-	**30,319**	-
Finance income		**12,886**	27,432	**37,597**	58,579
Finance costs	18	**(74,406)**	(62,357)	**(140,014)**	(122,880)
Other income	19	**202,282**	289,455	**337,528**	371,742
PROFIT FOR THE PERIOD		**445,227**	620,136	**1,113,717**	1,260,763
Attributable to:					
Owners of the Company		**446,534**	620,185	**1,116,001**	1,256,271
Non-controlling interests		**(1,307)**	(49)	**(2,284)**	4,492
		445,227	620,136	**1,113,717**	1,260,763
Basic and diluted earnings per share attributable to owners of the Company in AED	20	**0.057**	0.079	**0.142**	0.160

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2018 (Unaudited)

	Three months ended 30 June		*Six months ended 30 June*	
	2018	*2017*	***2018***	*2017*
	AED'000	*AED'000*	***AED'000***	*AED'000*
Profit for the period	**445,227**	620,136	**1,113,717**	1,260,763
Other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods:				
Loss on revaluation of investments in financial assets at fair value through other comprehensive income	**(3,926)**	(4,750)	**(4,426)**	(7,330)
Other comprehensive income/ (loss) to be reclassified to income statements in subsequent periods:				
Increase/ (decrease) in fair value of cash flow hedges	**22,787**	(24,813)	**81,754**	(19,006)
Other comprehensive income/ (expense)	**18,861**	(29,563)	**77,328**	(26,336)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**464,088**	590,573	**1,191,045**	1,234,427
Total comprehensive income attributable to:				
Owners of the Company	**465,395**	590,622	**1,193,329**	1,229,935
Non-controlling interests	**(1,307)**	(49)	**(2,284)**	4,492
	464,088	590,573	**1,191,045**	1,234,427

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2018

	Share capital AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 31 December 2016 (Audited)	7,862,630	3,931,315	(19,136)	38,171	10,069,933	21,882,913	203,181	22,086,094
Profit for the period	-	-	-	-	1,256,271	1,256,271	4,492	1,260,763
Other comprehensive loss	-	-	(19,006)	(7,330)	-	(26,336)	-	(26,336)
Total comprehensive income/ (loss)	-	-	(19,006)	(7,330)	1,256,271	1,229,935	4,492	1,234,427
Dividends	-	-	-	-	(864,889)	(864,889)	-	(864,889)
Balance at 30 June 2017 (Unaudited)	7,862,630	3,931,315	(38,142)	30,841	10,461,315	22,247,959	207,673	22,455,632
Balance at 31 December 2017 (Audited)	7,862,630	3,931,315	(17,024)	44,084	11,200,549	23,021,554	213,611	23,235,165
Acquisition of a subsidiary (note 5)	-	-	-	-	-	-	41,101	41,101
Profit for the period	-	-	-	-	1,116,001	1,116,001	(2,284)	1,113,717
Other comprehensive income/ (loss)	-	-	81,754	(4,426)	-	77,328	-	77,328
Total comprehensive income/ (loss)	-	-	81,754	(4,426)	1,116,001	1,193,329	38,817	1,232,146
Dividends (i)	-	-	-	-	(943,515)	(943,515)	-	(943,515)
Balance at 30 June 2018 (Unaudited)	**7,862,630**	**3,931,315**	**64,730**	**39,658**	**11,373,035**	**23,271,368**	**252,428**	**23,523,796**

(i) The shareholders of the Company in their Annual General Meeting held on 21 March 2018 approved a dividend of 12 fils per ordinary share for the year ended 31 December 2017 which is paid during the period.

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 June 2018 (Unaudited)

		Six months ended 30 June	
		2018	*2017*
	Notes	*AED'000*	*AED'000*
Net cash (used in)/ from operating activities (i)		**(1,570,133)**	409,971
INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment	6	**(37,802)**	(32,469)
Payments for purchase of intangible assets		**(2,363)**	(789)
Additions to investment properties	8	**(643,229)**	(124,640)
Movement in term deposits with original maturities above three months		**2,861,410**	(483,946)
Movement in restricted bank balances		**158,479**	554,151
Finance income received		**77,612**	43,414
Capital call contributions made against investment in financial assets at FVOCI		**(14,421)**	-
Capital repayments received against investment financial assets at FVOCI		**30,416**	6,174
Acquisition of Operating Business, net of cash acquired	5.3	**(928,337)**	-
Dividends received		**28,260**	31,364
Net cash generated from/ (used in) investing activities		**1,530,025**	(6,741)
FINANCING ACTIVITIES			
Dividends paid		**(944,505)**	(865,577)
Directors' remuneration paid		**(19,279)**	(23,000)
Repayment of operating lease liability		**(38,285)**	(14,500)
Repayment of borrowings		**(456,250)**	(76,041)
Borrowings raised		**1,500,000**	-
Finance costs paid		**(116,145)**	(105,817)
Net cash used in financing activities		**(74,464)**	(1,084,935)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(114,572)**	(681,705)
Cash and cash equivalents at the beginning of the period	14	**916,907**	1,511,533
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14	**802,335**	829,828

(i) The net cash outflows from operating activities for the six months period ended 30 June 2018 include AED 2,050,000 thousand relating to the acquisition of land and projects under development as part of the asset acquisition from TDIC (Note 5).

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

The establishment of Aldar Properties PJSC (the "Company") was approved by Decision No. (16) of 2004 of the Abu Dhabi Department of Planning and Economy dated 12 October 2004. The Company's incorporation was declared by Ministerial Resolution No. (59) of 2005 issued by the UAE Minister of Economy dated 23 February 2005.

The Company is domiciled in the United Arab Emirates (UAE) and its registered office address is P O Box 51133, Abu Dhabi.

The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the "Group") are engaged in various businesses primarily the development, sales, investment, construction, management and associated services for real estate. In addition, the Group is also engaged in development, construction, management and operation of hotels, schools, marinas, cooling station operations, restaurants, beach club and golf courses.

As of 30 June 2018 the Group does not have any investments in or other exposure to Abraaj Holdings, its subsidiaries or any of the funds managed by Abraaj Holdings or any of its subsidiaries.

2 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 Standards issued and adopted

The Group applied the following standards, interpretations and amendments for the first time, which are effective for annual periods beginning on or after 1 January 2018.

- IFRS 9: Financial Instruments;
- IFRIC 22: Foreign Currency Transactions and Advance Consideration;
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions; and
- Amendments to IAS 40: Transfers of Investment Property.

Annual Improvements 2014-2016 Cycle

- IFRS 1: First-time adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first time adopters; and
- IAS 28: Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice.

The application of these new standards, interpretation and amendments, other than IFRS 9, did not have a material impact on the financial statements of the Group. The nature and the impact of IFRS 9 is described below:

The International Accounting Standard Board issued its final version of IFRS 9 Financial Instruments in July 2014 and it is effective for annual periods commencing on or after 1 January 2018. IFRS 9 replaces IAS 39 *Financial instruments: Recognition and Measurement* and addresses the following matters in relation to financial instruments:

- classification and measurement of financial assets and liabilities, including impairment of financial assets.
- hedge accounting.

2 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) continued

2.1 Standards issued and adopted continued

The Group has assessed the impact of application of the above requirements of IFRS 9 on the financial statements of the Group. On the basis of facts and circumstances existed as at 1 January 2018, the Group has assessed the following impact in relation to the classification of financial assets and financial liabilities:

- Financial assets classified as loans and receivables and measured at amortised cost continue to be measured as such as the business model for these assets is to collect contractual cash flows and these cash flows consist of solely payments of principal and interest.
- Equity investments classified as available for sale, have irrevocably been classified as financial assets at fair value through other comprehensive income.

The Group has also reviewed and assessed the impact of the measurement and impairment requirements of IFRS 9, including the requirements for hedge accounting and based on the assessment, the application of IFRS 9 in relation to the measurement, impairment and hedge accounting did not have material impact on the amounts reported in prior period/ year in the financial statements of the Group in respect of its financial instruments and existing hedge relationships.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and also comply with the applicable requirements of the laws in the UAE.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2017. In addition, results for the six-months period ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

3.2 Basis of preparation

The interim condensed consolidated financial statements are presented in UAE Dirhams (AED) since that is the currency in which the majority of the Group's transactions are denominated and all values are rounded to the nearest thousand except when otherwise indicated.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial instruments and investment properties.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2017 other than changes as a result of the application of IFRS 9. The changes to the policies as a result of application of IFRS 9 are detailed below:

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

3.2 Basis of preparation continued

Classification of financial assets and liabilities

Financial assets

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost, if both the following conditions are met:

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

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial liabilities

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- financial guarantee contracts.
- commitments to provide a loan at a below-market interest rate.

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

3.2 Basis of preparation continued

Classification of financial assets and liabilities continued
Embedded derivatives
Where a hybrid contract contains a host that is a financial asset under the scope of IFRS 9, the policy in relation to classification and measurement, including impairment relating to the financial assets applies to the entire hybrid contract.

Where a hybrid contract contains a host that is not a financial asset within the scope of IFRS 9, the embedded derivative is separated from the host and accounted for as a derivative if, and only if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss (i.e. a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Where a contract contains one or more embedded derivatives and the host is not a financial asset within the scope of IFRS 9, the Group may designate the entire hybrid contract as at fair value through profit or loss unless:

- the embedded derivatives do not significantly modify the cash flows that otherwise would be required by the contract; or
- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivatives is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortised cost.

Where it is required by this Standard to separate an embedded derivative from its host, but is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, it shall designate the entire hybrid contract as at fair value through profit or loss.

Reclassification of financial assets and financial liabilities
Where the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. An entity shall not reclassify any financial liability.

Measurement of financial assets and liabilities
Initial measurement
At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets
After initial recognition, an entity shall measure a financial asset in accordance with its classification at:

- amortised cost less impairment;
- fair value through other comprehensive income less impairment; or
- fair value through profit or loss.

Impairment is assessed on the financial assets measured at amortised cost and at fair value through other comprehensive income as disclosed below.

Hedge accounting requirements disclosed below applies to financial assets designated as hedged item.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

3.2 Basis of preparation continued

Impairment of financial assets
In relation to the impairment of financial assets, the Group applies the Expected Credit Loss ("ECL") model as opposed to an incurred credit loss model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised. The Group has adopted the simplified approach for measuring the impairment on its financial assets. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income. The financial assets subject to impairment requirements of IFRS 9, include:

- debt investments subsequently measured at amortised cost or at fair value through other comprehensive income;
- lease receivables;
- contract assets; and
- loan commitments and financial guarantee contracts.

Hedge accounting
The hedge accounting policy of the Group retains the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. Furthermore, the hedge effectiveness test requirements have been overhauled and replaced with the principle of an 'economic relationship', and accordingly, retrospective assessment of hedge effectiveness is no longer required.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies, and the key sources of estimates uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017 other than those in relation to classification and impairment of financial assets.

Impairment of financial assets
The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY continued

Impairment of financial assets continued
The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk.

5 BUSINESS COMBINATION

During the period ended 30 June 2018, the Company signed a framework agreement (the "Agreement") with Tourism Development Investment Company PJSC ("TDIC") to acquire a portfolio of real estate assets, including limited liability companies, operating businesses and other assets for a total consideration AED 3,625,000 thousand as given below.

	AED '000
Operating Businesses (Notes 5.2 and 5.3) and other assets	1,575,000
Projects under development and lands	2,050,000
	3,625,000

The acquisition comprised of assets and businesses across hospitality, retail, residential, district cooling and education sectors. The aforementioned acquisition is a part of the Group's strategic plan to profitably deploy capital to expand its portfolio. Based on the Agreement, the effective date of acquisition of assets and control over the Operating Businesses acquired has been determined as 1 May 2018.

5.1 Operating Businesses

Under the Agreement, the Operating Businesses acquired, included the acquisition of certain legal entities (listed in 5.1.1 below) and other businesses (listed in 5.1.2 below) acquired from TDIC. The Operating Businesses meet the definition of "Business" under IFRS 3.

5.1.1 Legal entities acquired

Name	*Ownership interest*	*Country of incorporation/ operation*	*Principal activity*
TDIC Food & Beverage - Sole Proprietorship LLC	100%	UAE	Restaurant management
TDIC Education - Sole Proprietorship LLC	100%	UAE	Educational activities
Saadiyat District Cooling LLC	100%	UAE	Cooling station operations
Saadiyat Cooling LLC	85%	UAE	Cooling station operations

5 BUSINESS COMBINATION continued

5.1 Operating Businesses continued

5.1.2 Other businesses acquired

Name	*Principal activity*
Saadiyat Beach Club	Beach club
Eastern Mangroves Hotel & Spa	Hotel and hospitality services
The Westin Abu Dhabi Golf Resort & Spa	Hotel and hospitality services
Abu Dhabi Golf Club	Golf club
Saadiyat Beach Golf Club	Golf club
Eastern Mangroves Retail and Marina	Retail units and marina
Al Bateen Marina Retail and Marina	Retail units and marina

For the above Operating Businesses, control has been transferred to the Group under the Agreement from the effective date. The country of incorporation and operation of all the other businesses is UAE.

The Operating Businesses acquired represent business combinations under IFRS 3 "Business Combinations" and have been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed forming part of business combination, has been recognised at its respective fair values, as of 1 May 2018. The remaining assets were accounted for and classified as additions of assets by their nature.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets at fair value.

5.2 Assets acquired and the liabilities assumed of the Operating Businesses

Acquisition date fair values of the identifiable assets acquired and liabilities assumed of the operating Businesses, as well as the fair value of the non-controlling interest in one of the acquired entity, Saadiyat Cooling LLC were determined as follows:

	Notes	*Fair value recognised on acquisition AED '000*
Assets		
Property, plant and equipment	6	**810,145**
Intangible assets (iv)	7	**179,809**
Investment properties	8	**166,053**
Inventories		**6,220**
Trade and other receivables		**103,190**
Cash and bank balances		**136,663**
Total assets		**1,402,080**
Liabilities		
Advances from customers		**8,110**
Trade and other payables		**167,562**
Total liabilities		**175,672**

5 BUSINESS COMBINATION continued

5.2 Assets acquired and the liabilities assumed of the Operating Businesses continued

	Notes	***Fair value recognised on acquisition AED '000***
Total identifiable net assets at fair value		**1,226,408**
Non-controlling interest measured at fair value (i)		**(41,101)**
Group's share of net assets acquired		**1,185,307**
Less: Purchase consideration		**(1,070,376)**
Bargain purchase gain, net of goodwill		**(114,931)**
Goodwill (ii)	7	**17,860**
Gain on business combination (iii)	19	**(132,791)**
		(114,931)

(i) This represent non-controlling interest in Saadiyat Cooling LLC which is measured at 15% of net assets at fair value.

(ii) Goodwill of AED 17,860 thousand arising from the acquisition comprises largely of the sales growth, new customers and expected synergies. Goodwill is allocated to asset management segment only.

(iii) The gain on business combination is included in other income and arises from the difference between the fair value of the net assets acquired of the Operating Businesses, forming part of business combination and consideration paid.

(iv) The fair value of the acquired identifiable intangible assets of AED 179,809 thousand (Note 7), recognised as part of business combination, represents long term non-cancellable contracts with customers for the supply of district cooling services that are valued based on the present value of expected future cash flows that will be generated over its remaining useful life.

As of 1 May 2018, the fair value of the trade receivables acquired amounts to AED 73,411 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

5.3 Analysis of cashflow on acquisition for the Operating Business

	AED '000
Cash paid for the acquisition (Note 5)	**(1,065,000)**
Net cash acquired on business combination	**136,663**
Acquisition of Operating Business - net of cash acquired (included in cash flows from investing activities)	**(928,337)**
Transaction costs of the acquisition (included in cash flows from operating activities)	**(4,406)**
Net cash outflow on acquisition	**(932,743)**

5 BUSINESS COMBINATION continued

5.3 Analysis of cashflow on acquisition for the Operating Business continued

The fair value of the contingent consideration of AED 40,898 thousand was estimated by applying an income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. Key assumptions include a discount rate of 9.7% and probable revenue of AED 60,990 thousand. As of 30 June 2018, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes, or the assumptions used to develop the estimates, had changed.

Acquisition related costs amounted to AED 4,406 thousand in relation to acquisition of Operating Businesses were expensed during the period and are included in general and administrative expenses.

From the date of acquisition, the Operating Businesses, forming part of business combination, contributed revenue of AED 66,806 thousand and net loss of AED 10,184 thousand towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue would have been AED 221,177 thousand and net profit would have been AED 28,767 thousand. These numbers represent the amounts before intra group and consolidation adjustments.

The above purchase accounting has been completed on a provisional basis. The assets and liabilities may be subsequently adjusted with a corresponding adjustment to goodwill within the measurement period of twelve months allowed in IFRS 3 Business Combinations.

6 PROPERTY, PLANT AND EQUIPMENT

Major movement in property, plant and equipment relates to acquisition as part of business combination of AED 810,145 thousand (Note 5.2), additions during the period of AED 37,802 thousand, transfer of assets to investment properties of AED 30,949 thousand (Note 8), which is offset by depreciation charge for the period amounted to AED 102,288 thousand.

Property, plant and equipment also includes right-of-use assets with respect to a land lease.

7 INTANGIBLE ASSETS AND GOODWILL

The major movement in intangible assets and goodwill relates to intangible assets acquired as part of the business combination amounted to AED 179,809 thousand and goodwill arises on business combination amounted to AED 17,860 thousand (Note 5.2).

8 INVESTMENT PROPERTIES

The major movement in investment properties relates to acquisition as part of business combination amounted to AED 166,053 thousand (Note 5), additions during the period of AED 643,229 thousand, transfer from property, plant and equipment of AED 30,949 thousand (Note 6), which is offset by loss on revaluation of investment properties amounted to AED 229,804 thousand.

9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The major movement in the investments in associates and joint ventures relates to share of the current period's profit of AED 35,913 thousand which is offset by dividends received during the period of AED 26,860 thousand.

During the period, the Company sold one of its investment in a joint venture and recognised a gain on sale of AED 30,319 thousand. As per the agreement, the Group is entitled to further compensation contingent upon performance of the Company, however as of 30 June 2018 the inflow of economic benefits is not certain.

10 INVESTMENT IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Investment in UAE quoted securities	**22,500**	28,000
Investment in UAE unquoted securities	**35,201**	35,201
Investment in international unquoted securities	**41,266**	56,188
	98,967	119,389

During the period, dividend income of AED 1,400 thousand was received from investment in financial assets at fair value through other comprehensive income (30 June 2017: AED 3,000 thousand).

11 TRADE AND OTHER RECEIVABLES

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Non-current portion		
Receivable from project finance (Note 21)	**143,606**	143,946
Receivable from the Government of Abu Dhabi (Note 21)	**95,000**	190,000
Due from associates and joint ventures (Note 21)	**79,577**	82,571
Others	**34,607**	10,694
	352,790	427,211

11 TRADE AND OTHER RECEIVABLES continued

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Current portion		
Trade receivables	**2,235,645**	1,723,551
Less: provision for impairment and cancellation	**(312,278)**	(302,466)
	1,923,367	1,421,085
Refundable costs (Note 21)	**565,441**	505,402
Receivable from project finance (Note 21)	**19,164**	19,932
Receivable from the Government of Abu Dhabi (Note 21)	**532,669**	439,995
Due from associates and joint ventures (Note 21)	**9,037**	274,405
Gross amount due from customers on contracts for sale of properties (Note 11.1)	**289,377**	748,197
Gross amount due from customers on contracts to construct an asset (Note 11.2)	**57,839**	112,459
Advances and prepayments	**1,019,133**	979,776
Accrued interest	**25,063**	66,355
Others	**390,062**	357,843
	4,831,152	4,925,449

11.1 Contracts with customers for sale of properties

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Amount due from customers included in trade and other receivable (Note 11)	**289,377**	748,197
Amount due to customers included in trade and other payable (Note 17)	**(92,780)**	(221,497)
	196,597	526,700
Total cost incurred plus recognised profits less recognised losses to date	**1,728,803**	3,335,293
Less: total progress billing to date	**(1,532,206)**	(2,808,593)
	196,597	526,700

The above represents unbilled revenue arising from sale of land and units. With respect to the above contracts, revenue aggregating to AED 3,864,498 thousand is expected to be recognised over the term of these contracts in future periods.

11 TRADE AND OTHER RECEIVABLES continued

11.2 Contracts with customers to construct an asset

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Amount due from customers included in trade and other receivable (Note 11)	**57,839**	112,459
Amount due to customers included in trade and other payable (Note 17)	**(7,751)**	(92,611)
	50,088	19,848
Total contracts cost incurred plus recognised profits less recognised losses to date	**3,589,118**	5,989,379
Less: total progress billing to date	**(3,539,030)**	(5,969,531)
	50,088	19,848

The above represents unbilled revenue arising from construction contracts. With respect to the above contracts, revenue aggregating to AED 689,562 thousand is expected to be recognised over the period of these contracts in future periods

12 DEVELOPMENT WORK IN PROGRESS

Development work in progress represents development and construction costs incurred on properties being developed.

Major movement in development work in progress relates to development costs incurred during the period amounted to AED 1,274,928 thousand, transfers from land held for sale of AED 144,506 thousand, which is offset by recognition in cost of properties sold during the period amounted to AED 539,518 thousand and transfers to inventories amounted to AED 317,447 thousand (Note 13).

All development work in progress projects are located in the United Arab Emirates.

13 INVENTORIES

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Completed properties	**507,552**	228,681
Other operating inventories	**63,319**	57,920
	570,871	286,601

During the period, properties with a value of AED 317,447 thousand were transferred to inventories upon completion (Note 12).

Completed properties in inventories are located in the United Arab Emirates.

14 CASH AND BANK BALANCES

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Cash and bank balances	**2,984,202**	2,452,164
Short term deposits held with banks	**766,823**	4,433,322
Cash and bank balances	**3,751,025**	6,885,486
Short term deposits with original maturities greater than three months	**(425,168)**	(3,286,578)
Restricted bank balances	**(2,523,522)**	(2,682,001)
Cash and cash equivalents	**802,335**	916,907

Restricted cash and bank include balances amounting to AED 1,905,992 thousand (2017: AED 1,167,727 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties.

The interest rate on term deposits during the period/ year ranges between 0.4% and 2.7% (2017: 0.4 % and 2.7%) per annum. All bank deposits are placed with local banks in the United Arab Emirates.

15 BANK BORROWINGS AND NON-CONVERTIBLE SUKUK

	Non-convertible bonds and sukuk		*Bank borrowings*		*Total borrowings*	
	30 June 2018 AED '000	*31 December 2017 (audited) AED '000*	*30 June 2018 AED '000*	*31 December 2017 (audited) AED '000*	*30 June 2018 AED '000*	*31 December 2017 (audited) AED '000*
Current						
Within one year	**2,763,936**	2,762,570	**642,588**	817,173	**3,406,524**	3,579,743
Non-current						
In two to five years	**-**	-	**3,604,863**	2,376,275	**3,604,863**	2,376,275
	2,763,936	2,762,570	**4,247,451**	3,193,448	**7,011,387**	5,956,018
Finance cost capitalised durings the period/ year (Note 18)	**-**	110	**-**	103	**-**	213

a) Loan securities are in the form of mortgage over plots of land, assignment of project receivables and lien on bank deposits.

b) Certain of the Group's borrowings carry a net worth covenant.

c) During the period ended 30 June 2018, the Group entered into a transaction with a financial institution ("The revolving credit facility") that meets the offsetting criteria under IAS 32. The transaction involves a Borrowing that is immediately offset with a Deposit resulting in the presentation of a Net Borrowing in the interim condensed consolidated statement of financial position. As of period end, the Net Borrowing was AED 1,443,750 thousand (Borrowing of AED 4,943,750 thousand less Deposit of AED 3,500,000 thousand). The Borrowing is un-secured, carries interest at relevant EBOR +1%, drawn for general corporate purposes and repayable in semi-annual installments of AED 31,250 thousand each. The Deposit earns interest at 0.75% plus 3 months EBOR.

16 ADVANCES FROM CUSTOMERS

Advances from customers represent mainly instalments collected from customers for the sale of the Group's property developments.

17 TRADE AND OTHER PAYABLES

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Trade payables	**460,225**	524,062
Contractors' cost accruals and others	**1,670,929**	1,651,530
Advances from the Government of Abu Dhabi (Note 21)	**1,034,154**	956,848
Deferred income	**252,379**	347,528
Dividends payable	**101,814**	102,803
Provision for onerous contracts	**24,184**	28,569
Gross amount due to customers on contracts for sale of properties (Note 11.1)	**92,780**	221,497
Gross amount due to customers on contracts to construct an asset (Note 11.2)	**7,751**	92,611
Due to the Government of Abu Dhabi (Note 21)	**147,336**	937,199
Operating lease liability	**535,412**	559,025
Other liabilities	**772,135**	534,627
	5,099,099	5,956,299

The Group has financial and risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The above include amounts due to joint ventures for project related work which has been disclosed in Note 21.

18 FINANCE COSTS

	Three months ended 30 June		***Six months ended 30 June***	
	2018 AED'000	*2017 AED'000*	**2018 AED'000**	*2017 AED'000*
Gross finance costs	**69,016**	57,991	**129,363**	114,361
Unwinding of finance cost on operating lease liability (Note 22.2)	**5,390**	4,366	**10,651**	8,732
Less: Amounts included in the cost of qualifying assets (Note 15)	**-**	-	**-**	(213)
	74,406	62,357	**140,014**	122,880

19 OTHER INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2018	*2017*	***2018***	*2017*
	AED'000	*AED'000*	***AED'000***	*AED'000*
Government grant income recorded upon handover of infrastructure assets (Note 21)	**54,315**	263,162	**187,674**	263,162
Release of infrastructure accruals, onerous provision and other accruals and provisions	**-**	-	**-**	23,800
Recovery of amounts previously charged to income statement	**-**	25,371	**-**	73,871
Gain on business combination (Note 5.2)	**132,791**	-	**132,791**	-
Others	**15,176**	922	**17,063**	10,909
	202,282	289,455	**337,528**	371,742

20 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the period attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Parent is based on the following data:

	Three months ended 30 June		*Six months ended 30 June*	
	2018	*2017*	***2018***	*2017*
Earnings (AED '000)				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to Owners of the Company)	**446,534**	620,185	**1,116,001**	1,256,271
Weighted average number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**7,862,629,603**	7,862,629,603	**7,862,629,603**	7,862,629,603
Earnings per share (AED)				
Basic and diluted earnings per share attributable to Owners of the Company	**0.057**	0.079	**0.142**	0.160

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise of major shareholder, associated companies, directors, key management personnel of the Group and their related entities. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management. Government of Abu Dhabi is an indirect major shareholder of the Company.

The Group maintains significant balances with these related parties, which are as follows:

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Due from/ (to) Government:		
Refundable costs (Note 11)	**565,441**	505,402
Receivable from assets sold (Note 11)	**285,000**	475,000
Receivables against infrastructure handovers (Note 11)	**342,669**	154,995
Other payables (Note 17)	**(147,336)**	(937,199)
Other receivables	**82,916**	42,916
	1,128,690	241,114
Advances received (Note 17)	**1,034,154**	956,848
Due from associates and joint ventures (Note 11)	**88,614**	356,976
Due to joint ventures for project-related work:		
Contract payables	**32,692**	32,692

Certain receivables from joint ventures carry interest of 9% and are repayable within 2 to 5 years from the end of the reporting period.

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Due from major shareholder owned by Government and/ or its associated companies:		
Receivable from project finance (Note 11)	**133,218**	133,779

Significant transactions with related parties during the period were as follows:

	Six months ended 30 June	
	2018 AED'000	*2017 AED'000*
Key management compensation:		
Salaries, bonuses and other benefits	**5,072**	7,208
Post-employment benefits	**693**	326
	5,765	7,534
Directors' remuneration paid	**19,279**	23,000

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES continued

	Six months ended 30 June	
	2018	*2017*
	AED'000	*AED'000*
Revenue from Government and major shareholder owned by Government:		
Project management income	**39,609**	69,324
Rental income	**179,621**	154,261
Government grant income (Note 19)	**187,674**	263,162
District cooling income	**9,842**	-
	416,746	486,747
Finance income from project finance and joint ventures	**10,352**	8,513

The amount and timing of the infrastructure cost reimbursement is subject to the completion of certain audit and technical inspections and assessments to be performed by the relevant government authority. Once these activities are completed, there will be reasonable assurance that the grant will be received and at that point it will be recognised as a deferred government grant. Once the conditions of the grant are met, i.e. infrastructure assets are handed over to the designated authorities, the deferred government grant will be recognised in profit or loss. During the period, an amount of AED 187,674 thousand (Note 19) was recognised as government grant income upon handover of infrastructure assets (30 June 2017: AED 263,162 thousand).

22 COMMITMENTS AND CONTINGENCIES

22.1 Capital commitments

Capital expenditure contracted for but not yet incurred is as follows:

	30 June 2018	*(Audited) 31 December 2017*
	AED'000	*AED'000*
Projects under development	**4,711,645**	3,468,891
Reimbursable project works in progress	**1,901,135**	2,722,701
Investment in associates	**4,454**	30,342
	6,617,234	6,221,934

The above commitments are spread over a period of one to five years.

22 COMMITMENTS AND CONTINGENCIES continued

22.2 Operating lease commitments

	Six months ended 30 June	
	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
The Group as lessor		
Within one year	**974,706**	900,147
In the second to fifth year	**1,472,932**	1,671,228
After five years	**698,421**	598,172
	3,146,059	3,169,547

	Six months ended 30 June	
The Group as a lessee	**30 June 2018 AED'000**	*30 June 2017 AED'000*
Unwinding of interest expense during the period on lease liabilities (note 18)	**10,651**	8,732
Expense relating to short-term leases	**174**	14,324
Total cash outflow in respect of leases	**38,285**	14,500

22.3 Contingencies

	30 June 2018 AED'000	*(Audited) 31 December 2017 AED'000*
Letters of credit and bank guarantees:		
Issued by the Group	**782,489**	784,166
Group's share in contingencies of joint ventures and associates	**158,421**	165,765

Included in the above are bank guarantees and letters of credit amount of AED 716,034 thousand (31 December 2017: AED 720,039 thousand) pertaining to a construction related subsidiary.

23 SEGMENT INFORMATION

23.1 Business segments

Segment information about the Group's continuing operations for the six months ended 30 June 2018 is presented below:

	Property development and management		*Asset management*			
	Property development and sales AED'000	*Development management AED'000*	*Investment properties AED'000*	*Hospitality and leisure AED'000*	*Adjacencies AED'000*	*Group AED'000*
Revenue excluding service charges	**1,150,609**	**39,609**	**816,076**	**247,771**	**658,134**	**2,912,199**
Revenue from service charges	-	-	69,189	-	-	69,189
Gross revenue	**1,150,609**	**39,609**	**885,265**	**247,771**	**658,134**	**2,981,388**
Cost of revenue excluding service charges	**(584,755)**	**(8,446)**	**(90,849)**	**(227,727)**	**(636,149)**	**(1,547,926)**
Service charge expenses	-	-	(69,189)	-	-	(69,189)
Gross profit	**565,854**	**31,163**	**725,227**	**20,044**	**21,985**	**1,364,273**
Depreciation and amortisation	-	-	(2,826)	(62,029)	(29,331)	(94,186)
Provision for impairments/write downs – net	-	-	(25,208)	-	(3,396)	(28,604)
Loss on revaluation of investment properties	-	-	(229,804)	-	-	(229,804)
Share of profit from associates and joint ventures	-	-	32,926	-	-	32,926
Other income	202,674	-	-		-	202,674
Segment profit	768,528	31,163	500,315	(41,985)	(10,742)	1,247,279
Share of profit from associates and joint venture						2,987
Selling and marketing expenses						(39,140)
General and administrative expenses						(161,283)
Reversal of provision for impairments/ write downs – net						7,815
Gain on disposal of joint venture						30,319
Depreciation and amortisation						(6,697)
Finance income						37,597
Finance costs						(140,014)
Other income						134,854
Profit for the period						**1,113,717**

23 SEGMENT INFORMATION continued

23.1 Business segments continued

Segment information about the Group's continuing operations for the six months ended 30 June 2017 is presented below:

	Property development and management		*Asset management*			
	Property development and sales AED'000	*Development management AED'000*	*Investment properties AED'000*	*Hospitality and leisure AED'000*	*Adjacencies AED'000*	*Group AED'000*
Revenue excluding service charges	963,275	100,652	789,271	231,673	779,011	2,863,882
Revenue from service charges	-	-	67,903	-	-	67,903
Gross revenue	963,275	100,652	857,174	231,673	779,011	2,931,785
Cost of revenue excluding service charge	(520,526)	(10,592)	(87,917)	(197,275)	(752,716)	(1,569,026)
Service charge expenses	-	-	(67,903)	-	-	(67,903)
Gross profit	442,749	90,060	701,354	34,398	26,295	1,294,856
Depreciation and amortisation	-	-	(3,454)	(57,701)	(28,163)	(89,318)
Provision for impairments/write downs – net	-	-	(11,903)	-	(710)	(12,613)
Fair value loss on investment properties	-	-	(78,841)	-	-	(78,841)
Share of profit from associates and joint ventures	-	-	29,304	-	-	29,304
Other income	336,538	-	-	18	-	336,556
Segment profit/ (loss)	779,287	90,060	636,460	(23,285)	(2,578)	1,479,944
Share of loss from associates and joint venture						(1,738)
Selling and marketing expenses						(40,779)
General and administrative expenses						(139,139)
Depreciation and amortisation						(8,411)
Finance income						58,580
Finance costs						(122,880)
Other income						35,186
Profit for the period						1,260,763

23 SEGMENT INFORMATION continued

23.1 Business segments continued

The segment assets and liabilities and capital and project expenditure are as follows:

	Property development and management		*Asset management*				
	Property development and sales AED'000	*Development management AED'000*	*Investment properties AED'000*	*Hospitality and leisure AED'000*	*Adjacencies AED'000*	*Unallocated AED'000*	*Group AED'000*
As at 30 June 2018							
Assets	**10,801,758**	**1,504,215**	**17,976,475**	**2,628,455**	**2,202,135**	**1,805,732**	**36,918,770**
Liabilities	**(1,810,635)**	**(1,693,152)**	**(2,085,526)**	**(147,586)**	**(867,981)**	**(6,790,094)**	**(13,394,974)**
Period ended 30 June 2018							
Capital expenditures	**-**	**-**	**55,071**	**309,046**	**658,540**	**5,099**	**1,027,756**
Project expenditures	**1,273,772**	**-**	**809,282**	**-**	**1,155**	**-**	**2,084,209**
As at 31 December 2017							
Assets	8,279,511	2,281,360	17,222,084	2,293,710	1,706,200	4,614,061	36,396,926
Liabilities	(1,555,201)	(2,355,518)	(2,188,271)	(148,239)	(1,156,854)	(5,757,678)	(13,161,761)
Year ended 31 December 2017							
Capital expenditures	-	-	29,404	14,806	104,730	6,000	154,940
Project expenditures	1,342,289	-	284,953	-	3,248	-	1,630,490

Segment profit represents the profit earned by each segment without allocation of central administration, selling and marketing costs and directors' salaries, share of profits of associates and joint ventures, other gains and losses, finance income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

24 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 6 August 2018.