

**ALDAR INVESTMENT PROPERTIES LLC**

**Review report and interim  
financial information  
for the six-months period ended  
30 June 2024**

## **ALDAR INVESTMENT PROPERTIES LLC**

### **Review report and condensed consolidated financial statements for the six-months period ended 30 June 2024**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ALDAR INVESTMENT PROPERTIES LLC

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Investment Properties LLC (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

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

### *Conclusion*

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

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration No. 717  
13 August 2024  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 30 June 2024**

		<b>30 June 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
<b>ASSETS</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Property, plant and equipment	<b>5</b>	<b>1,397</b>	1,848
Investment properties	<b>6</b>	<b>25,435,975</b>	24,772,518
Derivative financial instruments	<b>15</b>	<b>11,255</b>	-
Deferred tax asset		<b>12,063</b>	-
<b>Total non-current assets</b>		<b>25,460,690</b>	24,774,366
<b>Current assets</b>			
Trade and other receivables	<b>7</b>	<b>651,277</b>	619,349
Cash and bank balances	<b>8</b>	<b>1,882,393</b>	2,304,033
<b>Total current assets</b>		<b>2,533,670</b>	2,923,382
<b>Total assets</b>		<b>27,994,360</b>	27,697,748

The accompanying notes are an integral part of these condensed consolidated financial statements.

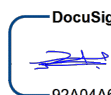
## ALDAR INVESTMENT PROPERTIES LLC

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Condensed consolidated statement of financial position  
as at 30 June 2024 (continued)

	Notes	30 June 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1	1
Capital contributions	11,18	11,711,694	11,674,407
Cash flow hedging reserve	9	162,235	171,418
Retained earnings		3,218,442	2,996,174
<b>Equity attributable to owners of the Company</b>		<b>15,092,372</b>	<b>14,842,000</b>
Hybrid equity instrument	10	1,815,646	1,815,646
Non-controlling interests	25	503,883	402,676
<b>Total equity</b>		<b>17,411,901</b>	<b>17,060,322</b>
<b>Non-current liabilities</b>			
Non-convertible sukuk	12	6,833,005	5,456,856
Bank borrowings	12	2,079,469	3,345,923
Corporate loan	18	5,060	250,849
Lease liabilities	13	282,254	300,950
Employee benefits		23,614	24,032
Deferred tax liability		59,585	31,451
<b>Total non-current liabilities</b>		<b>9,282,987</b>	<b>9,410,061</b>
<b>Current liabilities</b>			
Non-convertible sukuk	12	52,587	46,098
Bank borrowings	12	1,830	2,511
Due to the Parent	18	91,640	111,273
Lease liabilities	13	42,203	39,004
Advances and security deposits	14	321,269	301,721
Trade and other payables	16	751,193	726,758
Income tax payable	24	38,750	-
<b>Total current liabilities</b>		<b>1,299,472</b>	<b>1,227,365</b>
<b>Total liabilities</b>		<b>10,582,459</b>	<b>10,637,426</b>
<b>Total equity and liabilities</b>		<b>27,994,360</b>	<b>27,697,748</b>

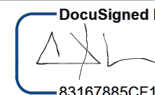
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**Jassem Saleh Busaibe**  
Chief Executive Officer

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**Christopher Wilson**  
Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated financial statements.

Initial



**Condensed consolidated statement of profit or loss  
for the six-months period ended 30 June 2024**

	Notes	6 months ended 30 June	
		2024 (unaudited) AED'000	2023 (unaudited) AED'000
Revenue and rental income	20	1,117,133	1,057,662
Direct costs	20	(233,579)	(222,996)
<b>Gross profit</b>		<b>883,554</b>	<b>834,666</b>
<i>General and administrative expenses:</i>			
Staff cost		(46,119)	(55,005)
Depreciation expense	5	(504)	(526)
Provisions, impairments and write-offs, net	7	(3,039)	(11,634)
Others	23	(33,428)	(36,734)
Gain on disposal of investment properties	6	65,363	8,090
Fair value gain on investment properties, net	6	390,630	231,296
Finance income		50,256	17,667
Finance costs	17	(248,001)	(224,811)
Other income		5,524	-
<b>Profit for the period before tax</b>		<b>1,064,236</b>	<b>763,009</b>
Income tax expense	24	(54,821)	-
<b>Profit for the period after tax</b>		<b>1,009,415</b>	<b>763,009</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company		928,208	758,544
Non-controlling interests	25	81,207	4,465
		<b>1,009,415</b>	<b>763,009</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income  
for the six-months period ended 30 June 2024**

	<b>6 months ended 30 June</b>	
	<b>2024</b>	2023
	<b>(unaudited)</b>	(unaudited)
	<b>AED'000</b>	AED'000
<b>Profit for the period after tax</b>	<b>1,009,415</b>	763,009
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Fair value loss arising on hedging instruments during the period classified under cash flow hedges	-	(20,785)
Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss upon derecognition (note 17)	<b>(9,183)</b>	334
Other comprehensive loss for the period	<b>(9,183)</b>	(20,451)
<b>Total comprehensive income for the period</b>	<b>1,000,232</b>	742,558
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company	<b>919,025</b>	738,093
Non-controlling interests (note 25)	<b>81,207</b>	4,465
	<b>1,000,232</b>	742,558

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity  
for the six-months period ended 30 June 2024**

	Share capital AED'000	Capital contributions AED'000	Cash flow hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the Owners of the Company AED'000	Hybrid equity instrument AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2023 (audited)	1	11,729,495	199,919	2,041,042	13,970,457	1,815,646	352,751	16,138,854
Profit for the period	-	-	-	758,544	758,544	-	4,465	763,009
Other comprehensive income for the period	-	-	(20,451)	-	(20,451)	-	-	(20,451)
Total comprehensive income for the period	-	-	(20,451)	758,544	738,093	-	4,465	742,558
Dividends paid (note 26)	-	-	-	(565,319)	(565,319)	-	-	(565,319)
Coupon paid on hybrid equity instrument (note 10)	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Net movement in capital contributions during the period (note 11)	-	(27,318)	-	-	(27,318)	-	-	(27,318)
Contribution from minority shareholder	-	-	-	-	-	-	16,000	16,000
Balance at 30 June 2023 (unaudited)	1	11,702,177	179,468	2,182,622	14,064,268	1,815,646	373,216	16,253,130
Balance at 1 January 2024 (audited)	1	11,674,407	171,418	2,996,174	14,842,000	1,815,646	402,676	17,060,322
Profit for the period	-	-	-	928,208	928,208	-	81,207	1,009,415
Other comprehensive income for the period	-	-	(9,183)	-	(9,183)	-	-	(9,183)
Total comprehensive income for the period	-	-	(9,183)	928,208	919,025	-	81,207	1,000,232
Dividends paid (note 26)	-	-	-	(654,295)	(654,295)	-	-	(654,295)
Coupon paid on hybrid equity instrument (note 10)	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Net movement in capital contributions during the period (note 11)	-	37,287	-	-	37,287	-	-	37,287
Contribution from minority shareholder (note 25)	-	-	-	-	-	-	20,000	20,000
<b>Balance at 30 June 2024 (unaudited)</b>	<b>1</b>	<b>11,711,694</b>	<b>162,235</b>	<b>3,218,442</b>	<b>15,092,372</b>	<b>1,815,646</b>	<b>503,883</b>	<b>17,411,901</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**Condensed consolidated statement of cash flows  
for the six-months period ended 30 June 2024**

	Notes	6 months ended 30 June	
		2024 (unaudited) AED'000	2023 (unaudited) AED'000
<b>Operating activities</b>			
Profit for the period before tax		1,064,236	763,009
<i>Adjustments for:</i>			
Depreciation	5	504	526
Fair value gain on investment properties, net	6	(390,630)	(231,296)
Provisions for expected credit loss	7	3,039	11,634
Gain on disposal of investment properties	6	(65,363)	(8,090)
Finance costs	17	248,001	224,811
Finance income		(50,256)	(17,667)
Provision for employee benefits		6,994	3,479
Other income		(4,559)	-
		<hr/>	<hr/>
<b>Operating cash flows before movements in working capital</b>		<b>811,966</b>	<b>746,406</b>
		<hr/>	<hr/>
<b>Movement in working capital:</b>			
(Increase)/decrease in trade and other receivables		(36,977)	251,573
Decrease in due to the Parent		(19,633)	(188,698)
Increase in advances and security deposits		19,548	22,004
Increase in trade and other payables		24,435	128,283
		<hr/>	<hr/>
<b>Cash generated from operating activities</b>		<b>799,339</b>	<b>959,568</b>
Employee benefits paid		(7,412)	(3,124)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>791,927</b>	<b>956,444</b>
		<hr/>	<hr/>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed consolidated statement of cash flows  
for the six-months period ended 30 June 2024 (continued)**

	Notes	6 months ended 30 June	
		2024 (unaudited) AED'000	2023 (unaudited) AED'000
<b>Cash flows from investing activities</b>			
Payments for purchases of property, plant and equipment	5	(53)	(170)
Additions to investment properties	6	(318,219)	(141,754)
Proceeds from disposal of investment properties	6	110,755	61,763
Net movement in term deposits with original maturities greater than three months		-	(367,250)
Finance income received		52,266	22,242
<b>Net cash used in investing activities</b>		<b>(155,251)</b>	<b>(425,169)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	13	(15,497)	(14,957)
Proceeds from borrowings, net of transaction costs	12	300,000	2,150,000
Proceeds from non-convertible sukuk	12	1,825,912	1,813,213
Proceeds from corporate loan from the Parent	18	407,000	-
Repayments of bank borrowings	12	(1,574,059)	(2,924,626)
Repayments of non-convertible sukuk	12	(451,319)	-
Repayments of corporate loan to the Parent	18	(607,000)	(500,000)
Finance costs paid		(294,700)	(237,115)
Dividends paid	26	(654,295)	(565,319)
Coupon paid on hybrid equity investment	10	(51,645)	(51,645)
Net movement in capital contributions	11	37,287	(27,318)
Additional contribution from non-controlling interests	25	20,000	16,000
Proceeds from settlement of derivatives	15	-	183,662
<b>Net cash used in financing activities</b>		<b>(1,058,316)</b>	<b>(158,105)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(421,640)</b>	<b>373,170</b>
Cash and cash equivalents at beginning of the period	8	2,304,033	1,609,403
<b>Cash and cash equivalents at end of the period</b>	<b>8</b>	<b>1,882,393</b>	<b>1,982,573</b>
<b>Non-cash transaction</b>			
Exchange of assets classified as investment properties	6	56,800	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2024

### 1 General information

Aldar Investment Properties LLC (the “Company”) is a limited liability company incorporated in accordance with the UAE Federal Law No. (2) of 2015. The Company is owned by Aldar Investment Holding Restricted Limited (the “Immediate Parent”), a restricted scope company incorporated in Abu Dhabi Global Market. Aldar Properties PJSC, a company incorporated in Abu Dhabi, UAE and listed in Abu Dhabi Securities Exchange, is the Parent of the Company. (“Aldar” or the “Parent”).

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

The Company and its subsidiaries (together referred to as the “Group”) are involved in management of real estate assets including offices, retail and residential units, warehousing, industrial, logistics and office complex which are the principal activities of the Group.

### 2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

- ***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s condensed consolidated financial statements.

- ***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group’s interim condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements for the six-months period ended 30 June 2024 (continued)

### 2 New standards, interpretations and amendments adopted by the Group (continued)

#### • *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's condensed consolidated financial statements.

### 3 Summary of significant accounting policies

#### 3.1 Statement of compliance

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

These condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. In addition, results for the six-months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

#### 3.2 Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams ("AED") which is presentation currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties, revaluation of the financial assets at fair value through other comprehensive income, revaluation of the financial assets at fair value through profit or loss, measurement of derivative financial instruments and measurement of share-based payments at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective 1 January 2024.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of these 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. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these 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 in the Group consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective 1 January 2024.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**5 Property, plant and equipment**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	1,848	2,641
Additions during the period/year	53	232
Depreciation charge for the period/year	(504)	(1,025)
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Balance at the end of the period/year	<b>1,397</b>	1,848
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**6 Investment properties**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Balance at the beginning of the year/period	24,772,518	23,773,399
Addition during the period/year	498,619	596,875
Disposals during the period/year	(225,792)	(137,897)
Fair value gain, net	390,630	540,141
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Balance at the end of the period/year	<b>25,435,975</b>	24,772,518
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- (i) Investment properties include right-of-use assets mainly with respect to leases of plots amounting to AED 320,801 thousand as at 30 June 2024 (31 December 2023: AED 329,733 thousand).
- (ii) During the period, the Group sold investment properties of AED 102,192 thousand (for the period ended 30 June 2023: AED 53,673 thousand) and realised a net gain of AED 14,129 thousand (for the period ended 30 June 2023: AED 8,090 thousand) that is recorded in condensed consolidated statement of profit or loss under "Gain on disposal of investment properties".
- (iii) During the period, the Group entered into a sale and purchase agreement to exchange a property with plots of land. The fair value of the plots of land received amounted to AED 180,400 thousand while the carrying values of the property and consideration given were AED 129,166 thousand, resulting in a gain of AED 51,234 thousand which was recorded in the consolidated income statement as "gain on disposal of investment properties".
- (iv) The Group recorded net fair value gain amounting to AED 390,630 thousand (30 June 2023: net fair value gain amounting to AED 231,296 thousand) on major investment properties based on valuation carried out by the accredited external independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualification and experience in the valuation of properties at the relevant locations. Fair value gain or loss on investment properties are presented as "fair value gain on investment properties, net" in the condensed consolidated statement of profit or loss. The investment properties are categorised under Level 3 in the fair value hierarchy.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**6 Investment properties (continued)**

(v) The Group conducted sensitivity analysis on the capitalisation rates and rental rates for the major investment properties on which net fair value gain was recognised as of 30 June 2024. Based on this sensitivity analysis:

- A decrease in the capitalisation rates by 50bps would result in AED 1,009,006 thousand (30 June 2023: AED 1,002,005 thousand) increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 950,861 thousand (30 June 2023: AED 875,319 thousand) decrease in the valuation of those properties; and
- An increase in the rental rates by 10% would result in AED 1,384,414 thousand (30 June 2023: AED 1,258,613 thousand) increase in the valuation, whilst a decrease in the rental rates by 10% would result in AED 1,384,477 (30 June 2023: AED 1,258,717 thousand) thousand decrease in the valuation of those properties.

**7 Trade and other receivables**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Trade receivables	<b>590,206</b>	545,645
Accrued income	<b>4,188</b>	38,250
Less: allowance for expected credit loss	<b>(125,120)</b>	(132,934)
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	<b>469,274</b>	450,961
Advances and prepayments	<b>172,119</b>	146,881
Other receivables	<b>9,884</b>	21,507
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	<b>651,277</b>	619,349
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(i) During the period, allowance for expected credit loss of AED 3,039 thousand (period ended 30 June 2023: AED 11,634 thousand) was made against trade and other receivables and trade and other receivables amounting to AED 10,853 thousand were written off against allowance (30 June 2023: AED 20,034 thousand).

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**8 Cash and bank balances**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Cash and bank balances	<b>114,581</b>	417,477
Short term deposits with banks	<b>1,767,812</b>	1,886,556
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Cash and cash equivalents	<b>1,882,393</b>	2,304,033
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As at 30 June 2023, certain bank accounts are in the name of the Parent.

The interest rate on term deposits during the period is 5.36% to 5.50% (31 December 2023: between 5.35% to 5.72%) per annum.

All bank balances and deposits are held with local banks in the United Arab Emirates.

**9 Cash flow hedging reserve**

This represent the effective portion of fair value movements of the interest rate swaps contracts that are designated by the Group as hedging instruments for cash flow hedges (note 15).

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	<b>171,418</b>	199,919
Cumulative fair value gain arising on hedging instruments during the year classified under cash flow hedges	-	(22,054)
Cumulative loss arising on hedging instruments reclassified to profit or loss upon derecognition (note 17)	<b>(9,183)</b>	(6,447)
	<hr/>	<hr/>
Balance at the end of the period/year	<b>162,235</b>	171,418
	<hr/> <hr/>	<hr/> <hr/>



**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**10 Hybrid equity instrument**

During the year 2022, the Group issued USD 500 million (AED 1,836 million) Reset Subordinated Perpetual Notes (the “Notes”) to an investor (“Noteholder”) in two tranches.

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Notes and Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 *Financial Instruments: Presentation*. Transaction costs amounting to AED 22,017 thousand related to issuance of the Notes were recorded directly in equity.

During the period, the Group paid coupons amounting to AED 51,645 thousand (31 December 2023: AED 103,289 thousand).

<b>Issuance period</b>	<b>Issued amount</b>	<b>Coupon rate</b>
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest rate with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest rate with a reset after 15 years

**11 Capital contributions**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	<b>11,674,407</b>	11,729,495
Other movements	<b>37,287</b>	(55,088)
	<hr/>	<hr/>
Balance at the end of the period/year	<b>11,711,694</b>	11,674,407
	<hr/> <hr/>	<hr/> <hr/>

Capital contributions mainly represent the net contribution/funding made by the Parent as a result of transfer of the Asset Management Business to the Group and transfer of properties. The amount is payable at the discretion of the Group and classified under equity.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**12 Non-convertible sukuk and bank borrowings**

	<b>Current &lt;1 year AED '000</b>	<b>Non-current 1 year AED '000</b>	<b>Total AED '000</b>
<b><u>As at 30 June 2024 (unaudited)</u></b>			
Non-convertible Sukuk	52,587	6,833,005	6,885,592
Bank borrowings	1,830	2,079,469	2,081,299
	54,417	8,912,474	8,966,891
<b><u>As at 31 December 2023 (audited)</u></b>			
Non-convertible Sukuk	46,098	5,456,856	5,502,954
Bank borrowings	2,511	3,345,923	3,348,434
	48,609	8,802,779	8,851,388

As at 30 June 2024, the Group had AED 4,300,000 thousand of undrawn, committed term and revolving credit facilities in the form of bilateral agreements (31 December 2023: AED 3,330,500 thousand). Bank borrowings and sukuk drawn during the period amounted to AED 2,125,912 thousand (31 December 2023: AED 4,154,551 thousand) and repaid during the period amounted to AED 2,025,378 thousand (31 December 2023: AED 2,924,626 thousand).

During the period ended 30 June 2024, Aldar Investment Properties Sukuk Limited (the "Issuer"), a subsidiary of the Company registered as an exempted company with limited liability under the laws of the Cayman Islands, issued a USD 500 million (AED 1,836,250 thousand) green sukuk as part of its USD 2,000 million (AED 7,345 million) Trust Certificate Issue Programme established in 2023. Under this Programme, the Issuer is authorised to periodically issue trust certificates in series, with a total value of up to USD 2,000 million (AED 7,345 million). On May 8, 2024, the Issuer issued the second series of trust certificates, known as "Sukuk 4", amounting to USD 500 million (AED 1,836,250 thousand). This issuance, with a ten-year term, represents the Issuer's second green sukuk, following its inaugural USD 500 million (AED 1,836,250 thousand) sukuk issued in May 2023. Sukuk 4 is listed on Euronext Dublin, carries an annual profit rate of 5.50%, and is due for repayment in May 2034.

Consistent with Aldar's initial green sukuk, the proceeds from this issuance will be allocated in accordance with Aldar's Green Finance Framework. This framework supports investments in sustainable projects, including green buildings, energy-efficient property upgrades, sustainable water management, pollution control measures, and renewable energy sources.

During the period the Group initiated an early redemption of Sukuk No. 1, with original maturity in September 2025. As at 30 June 2024, USD 124,133 thousand (AED 455,878 thousand) of Sukuk No. 1 was redeemed at discount on the face value resulting in a gain of USD 1,241 thousand (AED 4,559 thousand) recognised as other income in the condensed consolidated statement of profit or loss. No new facilities were entered into in the quarter. Further during the period, the Group repaid and terminated a facility amounted to USD 81,688 thousand (AED 300,000 thousand).

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**12 Non-convertible sukuk and bank borrowings (continued)**

All the loans are priced at market rate.

Certain bank borrowings carry a net worth covenant and are secured in the form of mortgage over operating assets under investment properties having fair value of AED 708,100 thousand (31 December 2023: AED 1,078,200 thousand).

**13 Lease liabilities**

	<b>30 June 2024 AED '000 (unaudited)</b>	31 December 2023 AED '000 (audited)
Balance at the beginning of the period/year	<b>339,954</b>	329,977
Additions for the period/year	-	35,029
Payments made during the period/year	<b>(21,955)</b>	(38,235)
Finance cost for the period/year (note 17)	<b>6,458</b>	13,183
	<hr/>	<hr/>
Balance at the end of the period/year	<b>324,457</b>	339,954
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysed as:</b>		
Non-current	<b>282,254</b>	300,950
	<hr/> <hr/>	<hr/> <hr/>
Current	<b>42,203</b>	39,004
	<hr/> <hr/>	<hr/> <hr/>

The Group does not face a liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The following are the amounts recognised in profit or loss:

	<b>6 months ended 30 June</b>	
	<b>2024 AED '000 (unaudited)</b>	2023 AED '000 (unaudited)
Unwinding of interest expense on lease liabilities during the year (note 17)	<b>6,458</b>	6,596
	<hr/> <hr/>	<hr/> <hr/>

The Group had total cash outflows for principal portion of lease of AED 15,497 thousand and finance cost of AED 6,458 thousand (30 June 2023: principal portion of lease AED 14,957 thousand and finance cost of AED 6,596 thousand).

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**14 Advances and security deposits**

Advances and security deposits represent mainly instalments collected from customers for security deposits.

**15 Derivative financial instruments**

The Group entered into interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings.

The movement in derivative financial instruments is given below:

	<b>30 June 2024 AED '000 (unaudited)</b>	31 December 2023 AED '000 (audited)
Balance at the beginning of the period/year	-	207,045
Net fair value changes (i)	<b>11,255</b>	(22,054)
Realised during the period/year	-	(184,991)
	<hr/>	<hr/>
Balance at the end of the period/year	<b>11,255</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Disclosed as:		
Non-current assets	<b>11,255</b>	-
Current assets	-	-
	<hr/>	<hr/>
Balance at the end of the period/year	<b>11,255</b>	-
	<hr/> <hr/>	<hr/> <hr/>

i) This include an amount of AED 11,255 thousand (31 December 2023: nil) netted off against the non-convertible sukuk.

During the period the Group entered into a forward starting interest rate swap (“IRS”) having notional value of USD 500 million, under which fixed interest rate is received semi-annually and floating interest rate is paid by the Group semi-annually. The fair value movements on fixed leg of the swap is designated as a hedge of fair value movements in the 10-year Sukuk attributable to movements in USD SOFR coupon curve.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**15 Derivative financial instruments (continued)**

The fair value of interest rate swaps at the reporting date is based on discounted future cash flows using the applicable yield curves derived from observable interest rates. The Group's USD SOFR interest rate exposure is USD 500,000 thousand (AED 1,836,250 thousand) of the borrowings or debt capital markets issuance are at a fixed rate in exchange for the bank paying overnight USD SOFR. The fair values of these interest rate swaps is USD 3,065 thousand (AED 11,255 thousand).

As the critical terms of the IRS and its corresponding hedged item is the same, the Group performed a qualitative assessment of effectiveness and it is expected that the value of the IRS and the value of the corresponding hedged item will systematically change in opposite direction in response to movements in the underlying interest rates. This qualitative assessment resulted in no hedge ineffectiveness.

**16 Trade and other payables**

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Accrued expenses	344,555	321,591
Deferred income	115,557	115,371
Trade payables	81,124	97,726
Retention payable	36,645	23,758
Other payables	173,312	168,312
	<hr/>	<hr/>
	<b>751,193</b>	726,758
	<hr/> <hr/>	<hr/> <hr/>

**17 Finance costs**

	<b>6 months ended 30 June</b>	
	<b>2024 (unaudited) AED'000</b>	2023 (unaudited) AED'000
Finance cost on bank borrowings, non-convertible sukuk and corporate loan from the Parent	250,726	217,881
Finance costs on lease liabilities (note 13)	6,458	6,596
	<hr/>	<hr/>
	<b>257,184</b>	224,477
Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss upon derecognition (Note 9)	<b>(9,183)</b>	334
	<hr/>	<hr/>
	<b>248,001</b>	224,811
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**18 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 the Parent, Immediate Parent, major shareholders of the Parent, associated companies, directors, key management personnel of the Parent and Immediate Parent its affiliates and related entities. The terms of related party transactions are approved by the Management. Government of Abu Dhabi is an indirect major shareholder of the Parent. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.

*Related party balances:*

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
<b>The Parent</b>		
Due to the Parent	<b>91,640</b>	111,273
Corporate loan	<b>5,060</b>	250,849
Capital contributions	<b>11,711,694</b>	11,674,407
<b>Other related parties (iii)</b>		
Trade and other receivables	<b>18,348</b>	22,223
Trade and other payables	<b>32,963</b>	23,649
<b>Government of Abu Dhabi:</b>		
Trade and other receivables	<b>84,043</b>	160,264
Bank borrowings	<b>1,400,000</b>	1,400,000
Bank deposits	<b>1,382,775</b>	741,672

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**18 Transactions and balances with related parties (continued)**

Under the Facility Agreement executed on 2 September 2018, The Parent has provided a corporate loan facility of AED 3,000,000 thousand with a termination date at 7 years from the date of utilisation. The loan carries interest at 1% plus 3 month EIBOR. The Company has discretion to roll over the outstanding amounts under the Corporate Loan Facility and it does not require approval of the Parent if there is no event of default and that repeating representations continue to be made by the Company (which are also under control of the Company). Although the maturity of the loans as per the utilisation requests specify less than 12 months period, the Company intends to roll over the drawings under the Corporate Loan Facility at next maturity dates and at this point does not expects to repay any outstanding balances of Corporate Loan Facility as of 30 June 2024 for a period of at least 12 months. As at 30 June 2024, there were no events of default in occurrence and all the repeating representations as defined in the Corporate Loan facility remained valid. Accordingly, the entire outstanding amount of the Corporate Loan Facility as of 30 June 2024 is classified as non-current in the condensed consolidated statement of financial position.

Corporate loan drawn during the period amounted to AED 407,000 thousand (30 June 2023: Nil) and repaid during the period amounted to AED 607,000 (30 June 2023: AED 500,000 thousand). The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provision has been made for doubtful debts in respect of the amounts owned by related parties.

*Transactions with related parties:*

	<b>6 months ended 30 June</b>	
	<b>2023 (unaudited) AED'000</b>	<b>2023 (unaudited) AED'000</b>
<b>The Parent</b>		
Revenue and rental income	<b>11,136</b>	9,391
Finance costs	<b>(5,060)</b>	(35,480)
Cost recharged by the Parent (i)	<b>58,633</b>	49,883
Cost recharged to the Parent (ii)	<b>10,140</b>	10,032

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**18 Transactions and balances with related parties (continued)**

*Transactions with related parties:*

	<b>6 months ended 30 June</b>	
	<b>2024</b> <b>(unaudited)</b> <b>AED'000</b>	<b>2023</b> <b>(unaudited)</b> <b>AED'000</b>
<b>Other related parties (iii)</b>		
Revenue and rental income	<b>49,748</b>	50,709
Direct costs	<b>95,301</b>	95,277
Cost recharged by other related parties	-	3,243
<b>Government of Abu Dhabi</b>		
Revenue and rental income	<b>194,728</b>	203,582
Finance cost on bank borrowings	<b>52,615</b>	51,679
Finance income on bank deposits	<b>14,612</b>	3,593

- (i) In 2022, the Parent and the Company entered into a Central Services – Service Level Agreement where the Group procures the services from the Parent and the service provider has agreed to provide those services in accordance with the terms of the agreement for a fee on a cost to company basis within agreed allocation methodology.
- (ii) In 2022, the Company has entered into an Asset and Investment Management Agreement (the “Asset Management Agreement”) with the Parent to provide asset management and reporting services.
- (iii) Other related parties represent subsidiaries of the Parent.



**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**19 Operating lease arrangements**

The Group has leased out certain properties. The amounts of undiscounted committed future lease inflows are as follows:

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
<i>The Group as lessor (commitments)</i>		
Within one year	<b>1,471,584</b>	1,386,380
In the second to fifth year	<b>3,741,511</b>	3,482,194
After five years	<b>1,814,315</b>	1,886,474
	<hr/> <b>7,027,410</b> <hr/>	<hr/> 6,755,048 <hr/>

Set out below are the maturity analysis of lease liabilities:

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
<i>The Group as lessee</i>		
Within one year	<b>42,203</b>	39,004
In the second to fifth year	<b>114,699</b>	116,721
After five years	<b>427,291</b>	433,254
	<hr/> <b>584,193</b> <hr/>	<hr/> 588,979 <hr/>

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)****20 Segment information****20.1 Operating segments**

For internal management reporting purposes, the individual investment properties are aggregated into segments with similar economic characteristics such as the nature of the property and the occupier market it serves. Management considers that this is best achieved with retail, residential, commercial and logistics investment properties operating segments.

Consequently, the Group has presented four reportable segments for the current and comparative periods which are as follows:

- Residential – acquires and leases residential properties
- Retail – acquires and leases shopping malls and residential / commercial retail spaces
- Commercial – acquires and leases offices and commercial use properties
- Logistics – acquires and leases, warehousing, industrial, and office complex

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Chief Executive Officer, considered to be the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment with allocation of finance income, finance costs and overhead costs. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**20 Segment information (continued)**

**20.1 Operating segments (continued)**

Segment information about the Group's continuing operations for the six months ended 30 June 2024 (unaudited) is presented below:

	<b>Residential</b> <b>AED'000</b>	<b>Retail</b> <b>AED'000</b>	<b>Commercial</b> <b>AED'000</b>	<b>Logistics</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<b>Revenue</b>					
Revenue and rental income (i)	279,250	379,287	421,673	36,923	<b>1,117,133</b>
<b>Direct costs</b>					
Cost of revenue excluding service charge	(48,118)	(55,793)	(25,210)	(5,076)	<b>(134,197)</b>
Service charge expenses	(1,309)	(52,726)	(45,347)	-	<b>(99,382)</b>
Gross profit	<u>229,823</u>	<u>270,768</u>	<u>351,116</u>	<u>31,847</u>	<b>883,554</b>
<i>General and administrative expenses:</i>					
Depreciation expense	-	-	-	(504)	<b>(504)</b>
Provisions, impairments and write-downs, net	-	(2,836)	(203)	-	<b>(3,039)</b>
Staff costs	(12,219)	(14,052)	(18,223)	(1,625)	<b>(46,119)</b>
Others	(9,033)	(10,299)	(13,356)	(740)	<b>(33,428)</b>
Fair value (loss)/gain on investment properties, net	(69,979)	91,235	369,374	-	<b>390,630</b>
Gain on disposal of investment properties	13,063	-	52,300	-	<b>65,363</b>
Finance income	11,627	19,754	18,642	233	<b>50,256</b>
Finance costs	(57,704)	(96,747)	(90,333)	(3,217)	<b>(248,001)</b>
Other income	1,060	1,800	1,706	958	<b>5,524</b>
Income tax expense	(8,905)	(17,335)	(26,490)	(2,091)	<b>(54,821)</b>
Segment profit	<u>97,733</u>	<u>242,288</u>	<u>644,533</u>	<u>24,861</u>	<b>1,009,415</b>
<b>Profit for the period</b>					<b>1,009,415</b>

(i) Gross revenue of investment properties includes AED 99,893 thousand of revenue from service charges (period ended 30 June 2023: AED 95,821) and contingent rent of AED 31,601 thousand (period ended 30 June 2023: AED 21,786).

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**20 Segment reporting (continued)**

**20.1 Business segments (continued)**

Segment information about the Group's continuing operations for the six months ended 30 June 2023 (unaudited) is presented below:

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Total AED'000
Revenue					
Revenue and rental income (i)	291,658	356,439	379,355	30,210	1,057,662
Direct costs					
Cost of revenue excluding service charge	(51,997)	(45,245)	(26,690)	(3,243)	(127,175)
Service charge expenses	-	(53,489)	(42,332)	-	(95,821)
Gross profit	239,661	257,705	310,333	26,967	834,666
<i>General and administrative expenses:</i>					
Depreciation and amortisation	-	-	-	(526)	(526)
Provisions, impairments and write-offs, net	(3,263)	(8,271)	(100)	-	(11,634)
Staff costs	(15,943)	(17,143)	(20,644)	(1,275)	(55,005)
Others	(10,766)	(11,575)	(13,939)	(454)	(36,734)
Fair value (loss)/gain on investment properties, net	(64,299)	12,604	282,991	-	231,296
Gain on disposal of investment properties	8,090	-	-	-	8,090
Finance income	4,548	6,744	6,203	172	17,667
Finance costs	(56,844)	(84,277)	(79,375)	(4,315)	(224,811)
Segment profit	101,184	155,787	485,469	20,569	763,009
Profit for the period					763,009

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**20 Segment reporting (continued)**

**20.1 Business segments (continued)**

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

	Residential AED'000	Retail AED'000	Commercial AED'000	Logistics AED'000	Unallocated AED'000	Group AED'000
<b><u>As at 30 June 2024 (unaudited)</u></b>						
Assets	5,660,926	10,244,347	10,590,940	935,606	562,541	27,994,360
<b><u>Period ended 30 June 2024 (unaudited)</u></b>						
Capital expenditures	-	-	-	53	-	53
Project expenditures	22,188	182,477	268,140	25,814	-	498,619
<b><u>As at 31 December 2023 (audited)</u></b>						
Assets	5,793,577	9,951,425	9,781,570	913,161	1,258,015*	27,697,748
<b><u>Period ended 30 June 2023 (unaudited)</u></b>						
Capital expenditures	-	-	-	170	-	170
Project expenditures	18,614	99,713	22,964	463	-	141,754

**20.2 Geographical segments**

The Group operated only in one geographical segment, i.e., United Arab Emirates.

**21 Seasonality of results**

No significant income of a seasonal nature was recorded in the condensed consolidated income statement for the six-months period ended 30 June 2024.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**22 Fair value of financial instruments**

Except as disclosed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated financial statements approximate their fair values.

	<b>30 June 2024 (unaudited)</b>		<b>31 December 2023 (audited)</b>	
	<b>Gross carrying amount AED'000</b>	<b>Fair value AED'000</b>	<b>Gross carrying amount AED'000</b>	<b>Fair value AED'000</b>
<i>Financial liabilities at amortised cost</i>				
Sukuk No.1	<b>1,392,487</b>	<b>1,367,534</b>	1,852,144	1,820,844
Sukuk No.2	<b>1,840,072</b>	<b>1,710,896</b>	1,839,102	1,722,890
Sukuk No.3	<b>1,813,510</b>	<b>1,759,623</b>	1,811,708	1,782,319
Sukuk No.4	<b>1,839,523</b>	<b>1,837,609</b>	-	-
	<b>6,885,592</b>	<b>6,675,662</b>	5,502,954	5,326,053

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.

**23 Other general and administrative expenses**

	<b>6 months ended 30 June</b>	
	<b>2024 AED '000 (unaudited)</b>	<b>2023 AED '000 (unaudited)</b>
Allocated cost	<b>26,786</b>	30,280
Professional fees	<b>5,381</b>	4,914
Others	<b>1,261</b>	1,540
	<b>33,428</b>	36,734

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**24 Income tax**

The Group recognised income tax expense based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year that would be applicable to the expected total annual earnings. The estimated average annual tax rate used for the period ended 30 June 2024 is 5.15%. Effective 1 January 2024, the Group operations in UAE are subject to income tax. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	<b>6 months ended 30 June</b>	
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(unaudited)
<b>Current income tax:</b>		
Current income tax expense	<b>38,750</b>	-
<b>Deferred income tax:</b>		
Deferred income tax expense	<b>16,071</b>	-
	<hr/>	<hr/>
<b>Income tax expense recognised in condensed consolidated statement of profit or loss</b>	<b>54,821</b>	-
	<hr/> <hr/>	<hr/> <hr/>

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law is applicable to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period).

The UAE CT Law is applicable to the Group with effect from 1 January 2024. The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.

**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)****24 Income tax (continued)**International Tax Reform - Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is in scope of Pillar Two legislation as it operates in a jurisdiction that has substantively enacted Pillar Two legislation and its consolidated revenue exceeds €750 million threshold.

UAE, where the head quarter of the Group is based, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines.

The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

Additionally, Pillar Two legislation is effective in the jurisdiction in financial year ending 31 December 2024 where the Group operates. The Group will continue to monitor the Pillar Two legislations in all relevant jurisdictions and accrue any potential top-up tax when the legislation is effective in those jurisdictions in accordance with the IAS 12 Amendments and taking into consideration the transitional CbC safe harbour relief.

The Group is in the process of assessing the potential exposure to Pillar Two income taxes as at 31 March 2024. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in the second half of 2024.

Recently, the UAE issued a public consultation on Pillar II rules, the global minimum tax framework, with the expectation that a law will be issued later this year that explain how and when UAE would implement Pillar II. The Group expects to be in a position to report the potential exposure in the second half of 2024.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group has applied this mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.



**Notes to the condensed consolidated financial statements  
for the six-months period ended 30 June 2024 (continued)**

**25 Non-controlling interests**

The table shows the movement of non- controlling interest during the period/year.

	<b>30 June 2024 (unaudited) AED'000</b>	31 December 2023 (audited) AED'000
Balance at the beginning of the period/year	<b>402,676</b>	352,751
Share of profit for the period/year	<b>81,207</b>	33,925
Contribution from minority shareholder	<b>20,000</b>	16,000
	<hr/>	<hr/>
Balance at the end of the period/year	<b>503,883</b>	402,676
	<hr/> <hr/>	<hr/> <hr/>

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests for the period/year		Accumulated non-controlling interests	
		Jun 2024 %	Dec 2023 %	June 2024 AED (000)	Dec 2023 AED (000)	Jun 2024 AED (000)	Dec 2023 AED (000)
Al Maryah Property Holdings Limited	UAE	<b>40</b>	40	<b>74,767</b>	27,685	<b>331,052</b>	236,285
Twafq Projects Development Property - Sole Proprietorship L.L.C.	UAE	<b>30</b>	30	<b>6,440</b>	6,240	<b>172,831</b>	166,391
				<hr/>	<hr/>	<hr/>	<hr/>
				<b>81,207</b>	33,925	<b>503,883</b>	402,676
				<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**26 Dividends distribution**

The Management in their meeting held on 5 March 2024, approved a cash dividend of AED 654.3 million for the year ended 31 December 2023 (2022: AED 565.3 million), which was paid during the period.

**27 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Management and authorised for issue on 13 August 2024.