

**ALDAR INVESTMENT PROPERTIES LLC**

**Review report and interim  
financial information  
for the period ended  
30 June 2019**

## **ALDAR INVESTMENT PROPERTIES LLC**

### **Review report and interim financial information for the period ended 30 June 2019**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of  
Aldar Investment Properties LLC  
Abu Dhabi  
United Arab Emirates

### *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 2019 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month 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.

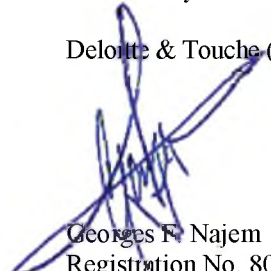
### *Conclusion*

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.

### *Other matter*

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 May 2019. The comparative information in the condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows and related explanatory information for the six-month period ended 30 June 2018 were reviewed by another auditor who expressed an unmodified conclusion on those statements on 11 September 2018.

Deloitte & Touche (M.E.)



Georges F. Najem  
Registration No. 809  
16 September 2019  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 30 June 2019**

	Notes	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,963,142	3,044,822
Intangible assets		1,045	1,157
Investment properties	6	16,393,778	15,516,830
Other financial asset		-	8,481
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>19,357,965</b>	<b>18,571,290</b>
<b>Current assets</b>			
Inventories		10,347	13,198
Trade and other receivables	7	528,572	415,016
Due from the ultimate parent	13	187,947	8,526
Cash and bank balances	8	625,149	246,242
		<hr/>	<hr/>
<b>Total current assets</b>		<b>1,352,015</b>	<b>682,982</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>20,709,980</b>	<b>19,254,272</b>
		<hr/> <hr/>	<hr/> <hr/>

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

**Condensed consolidated statement of financial position  
as at 30 June 2019 (continued)**

	Notes	30 June 2019 AED'000 (unaudited)	31 December 2018 AED'000 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1	1
Retained earnings/(accumulated losses)		299,590	(67,780)
Capital contributions	9	11,976,642	10,987,708
Hedging reserve		(19,215)	61,404
Equity attributable to the Owners of the Company		12,257,018	10,981,333
Non-controlling interests		68,821	68,528
<b>Total equity</b>		<b>12,325,839</b>	<b>11,049,861</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-convertible sukuk	10	1,808,163	1,810,140
Bank borrowings	10	2,289,089	2,287,713
Corporate loan from the Ultimate Parent	13	3,000,000	2,759,214
Lease liability		213,922	244,842
Other financial liabilities		71,735	5,543
<b>Total non-current liabilities</b>		<b>7,382,909</b>	<b>7,107,452</b>
<b>Current liabilities</b>			
Non-convertible sukuk	10	22,538	21,811
Bank borrowings	10	10,407	10,370
Lease liability		50,759	44,526
Advances and security deposits		220,002	216,437
Due to the Ultimate Parent	13	-	39,359
Trade and other payables	11	697,526	764,456
<b>Total current liabilities</b>		<b>1,001,232</b>	<b>1,096,959</b>
<b>Total liabilities</b>		<b>8,384,141</b>	<b>8,204,411</b>
<b>Total equity and liabilities</b>		<b>20,709,980</b>	<b>19,254,272</b>



**Talal Al Dhiyebi**  
Chairman



**Jassem Saleh Busaibe**  
Chief Executive Officer

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

**Condensed consolidated income statement  
for the period ended 30 June 2019**

	Notes	6 months ended 30 June	
		2019 (unaudited) AED'000	2018 (unaudited) AED'000
Revenue		<b>1,147,604</b>	918,447
Direct costs		<b>(452,642)</b>	(314,692)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>694,962</b>	603,755
Management fee to the Ultimate Parent	<b>13</b>	<b>(45,614)</b>	-
Selling and marketing expenses		-	(3,673)
<i>General and administrative expenses:</i>			
Staff costs		-	(26,493)
Depreciation and amortisation		<b>(100,243)</b>	(58,785)
Provisions, impairments and write downs, net	<b>7</b>	<b>(15,870)</b>	(7,789)
Others		-	(4,752)
Gain on disposal of investment properties	<b>6</b>	<b>17,690</b>	-
Fair value loss on investment properties	<b>6</b>	<b>(41,275)</b>	(190,804)
Finance income		<b>6,324</b>	-
Finance costs	<b>12, 13</b>	<b>(148,311)</b>	(115,038)
		<hr/>	<hr/>
<b>Profit for the period</b>		<b>367,663</b>	196,421
		<hr/>	<hr/>
<b>Attributable to:</b>			
Owners of the Company		<b>367,370</b>	196,421
Non-controlling interests		<b>293</b>	-
		<hr/>	<hr/>
		<b>367,663</b>	196,421
		<hr/>	<hr/>

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

**Condensed consolidated statement of comprehensive income  
for the period ended 30 June 2019**

	<b>6 months ended 30 June</b>	
	<b>2019</b>	2018
	<b>(unaudited)</b>	(unaudited)
	<b>AED'000</b>	AED'000
<b>Profit for the period</b>	<b>367,663</b>	196,421
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Changes in fair value of cash flow hedges	<b>(80,619)</b>	73,825
Other comprehensive (loss)/income for the period	<b>(80,619)</b>	73,825
<b>Total comprehensive income for the period</b>	<b>287,044</b>	270,246
<b>Attributable to:</b>		
Owners of the Company	<b>286,751</b>	270,246
Non-controlling interests	<b>293</b>	-
	<b>287,044</b>	270,246

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

**Condensed consolidated statement of changes in equity  
for the period ended 30 June 2019**

	Share capital AED'000	Retained earnings/ (accumulated losses) AED'000	Net investment by the Ultimate Parent AED'000	Capital contributions AED'000	Hedging reserve AED'000	Equity attributable to the Owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2018 (audited)	-	-	10,197,130	-	(5,748)	10,191,382	-	10,191,382
Profit for the period	-	-	196,421	-	-	196,421	-	196,421
Other comprehensive income for the period	-	-	-	-	73,825	73,825	-	73,825
Net movement during the period	-	-	198,353	-	-	198,353	-	198,353
Balance at 30 June 2018 (unaudited)	-	-	10,591,904	-	68,077	10,659,981	-	10,659,981
Balance at 1 January 2019 (audited)	1	(67,780)	-	10,987,708	61,404	10,981,333	68,528	11,049,861
Profit for the period	-	367,370	-	-	-	367,370	293	367,663
Other comprehensive loss for the period	-	-	-	-	(80,619)	(80,619)	-	(80,619)
Net movement during the period (note 9)	-	-	-	988,934	-	988,934	-	988,934
<b>Balance at 30 June 2019 (unaudited)</b>	<b>1</b>	<b>299,590</b>	<b>-</b>	<b>11,976,642</b>	<b>(19,215)</b>	<b>12,257,018</b>	<b>68,821</b>	<b>12,325,839</b>

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



**Condensed consolidated statement of cash flows  
for the period ended 30 June 2019**

	Notes	6 months ended 30 June	
		2019 (unaudited) AED'000	2018 (unaudited) AED'000
<b>Net cash generated from operating activities</b>		<b>458,615</b>	396,497
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	5	(18,314)	(7,173)
Purchases of intangible assets		(138)	(782)
Additions to investment properties		(18,878)	(122,497)
Proceeds from disposal of investment property		281,829	-
Finance income received		6,324	-
Movement in term deposits with original maturities above three months		-	(168)
<b>Net cash generated from/(used) in investing activities</b>		<b>250,823</b>	(130,620)
<b>Cash flows from financing activities</b>			
Repayments of borrowings		-	(400,000)
Finance costs paid		(143,000)	(102,773)
Payments made against lease liabilities	14	(28,810)	(23,000)
Cash payments to the ultimate parent		(158,721)	-
Movement in net investment by the ultimate parent		-	198,353
<b>Net cash used in financing activities</b>		<b>(330,531)</b>	(327,420)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>378,907</b>	(61,543)
Cash and cash equivalents at beginning of the period	8	246,242	180,084
<b>Cash and cash equivalents at end of the period</b>	<b>8</b>	<b>625,149</b>	118,541

Refer to note 17 for details of non-cash transactions excluded from the condensed consolidated statement of cash flows.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019****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 “Parent Company”), 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 “Ultimate Parent” of the Company.

The principle activities of the Company are real estate enterprises investment, development, institution and management. The subsidiaries of the Company are involved in management of real estate assets including offices, malls, hotels, golf courses, beach clubs, restaurants and cooling assets, which are the principal activities of the Group. The Company and its subsidiaries are together referred to as the “Group”.

**2 Application of new and revised International Financial Reporting Standards (IFRSs)**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been applied in these condensed consolidated financial statements.

**IFRIC 23 Uncertainty over Income Tax Treatments**

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities’ examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

This Interpretation does not have any impact on the Group’s condensed consolidated financial statements.

**Amendments in IFRS 9 Financial Instruments relating to prepayment features with negative compensation**

Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment does not have any impact on the Group’s condensed consolidated financial statements.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)****2 Application of new and revised International Financial Reporting Standards (IFRSs)  
(continued)***Amendment to IAS 19 Employee Benefits relating to amendment, curtailment or settlement of a defined benefit plan*

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement; and
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

This amendment does not have any impact on the Group's condensed consolidated financial statements.

*Amendments in IAS 28 Investments in Associates and Joint Ventures relating to long-term interests in associates and joint ventures*

The amendment clarifies that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This amendment does not have any impact on the Group's condensed consolidated financial statements.

*Annual Improvements to IFRSs 2015–2017 Cycle*

- IFRS 3 and IFRS 11 - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- IAS 12 - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- IAS 23 - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The application of these amendments did not have a material impact on the condensed consolidated financial statements of the Group.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)****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*” (IAS 34).

These 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 2018. In addition, results for the six months period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

**3.2 Basis of preparation**

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

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

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 2018, except for the adoption of new standards and interpretations effective 1 January 2019.

*Financial results and cash flows for the period ended 30 June 2018*

As disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2018, transfer of Aldar Asset Management Business to the Company by the Ultimate Parent represented transfer of business under common control and management applied the pooling of interests method of accounting. Accordingly, the financial results and cash flows for the period ended 30 June 2018 represent the operations of Aldar Asset Management Business which was transferred to the Company in accordance with an asset transfer agreement entered into between the Ultimate Parent and the Company and has been derived from the Ultimate Parent’s historical accounting records.

As the Aldar Asset Management Business did not comprise a separate legal entity, therefore, share capital or an analysis of reserves or components of other comprehensive income, other than hedging reserves which is separately identifiable have not been presented in the condensed consolidated statement of changes in equity for the period ended 30 June 2018. “Net investment by the Ultimate Parent” in the comparative period represents a combination of the overall receivables and payables with the Ultimate Parent, funding balances with the Ultimate Parent and investment by the Ultimate Parent in the Aldar Asset Management Business, which cannot be separately identified or allocated. Subsequent to the transfer of the Aldar Asset Management Business to the Company, the balance as at 30 June 2018 representing the contribution/funding by the Ultimate Parent was transferred to “Capital contributions”.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (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.

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 same as those applied to the consolidated financial statements as at and for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective 1 January 2019.

**5 Property, plant and equipment**

The major movement in property, plant and equipment relates to depreciation charge for the period amounting to AED 99,994 thousand (30 June 2018: AED 58,552 thousand) and transfer of assets to investment properties of nil (30 June 2018: AED 22,387 thousand) (note 6), offset by additions during the period of AED 18,314 thousand (30 June 2018: AED 7,173 thousand).

**6 Investments properties**

The major movement in investment properties relates to additions during the period amounting to AED 1,182,082 thousand (30 June 2018: AED 122,497 thousand), transfer from property, plant and equipment of nil (30 June 2018: AED 22,387 thousand) (note 5) and loss on revaluation of investment properties amounting to AED 41,275 thousand (30 June 2018: AED 190,804 thousand).

During the period, the Group sold an investment property with a carrying value of AED 263,860 thousand and realised a net gain of AED 17,690 thousand.

Investment properties include right-of-use assets with respect to land lease of AED 284,394 thousand (31 December 2018: AED 293,801 thousand).

The investment properties are categorised under Level 3 in the fair value hierarchy.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**7 Trade and other receivables**

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
Trade receivables	<b>483,787</b>	454,217
Less: allowances for expected credit loss (i)	<b>(193,132)</b>	(178,446)
	<hr/>	<hr/>
	<b>290,655</b>	275,771
Advances and prepayments	<b>97,740</b>	66,410
Accrued income	<b>85,425</b>	22,015
Other receivables	<b>54,752</b>	50,820
	<hr/>	<hr/>
	<b>528,572</b>	415,016
	<hr/> <hr/>	<hr/> <hr/>

(i) During the period, additional allowance for expected credit loss of AED 15,870 thousand (30 June 2018: AED 7,789 thousand) was made and receivables amounting to AED 1,184 thousand were written off against provision (30 June 2018: AED 11,565 thousand).

**8 Cash and bank balances**

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
Cash on hand and at banks	<b>375,149</b>	246,242
Short-term deposits held with banks	<b>250,000</b>	-
	<hr/>	<hr/>
Cash and bank balances	<b>625,149</b>	246,242
	<hr/> <hr/>	<hr/> <hr/>

As of 30 June 2019, certain bank accounts are in the name of the Ultimate Parent with carrying value of nil (31 December 2018: nil).

The interest rate on term deposits during the period is 2.95% (31 December 2018: nil) per annum. All bank balances are held with local banks in the United Arab Emirates.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**9 Capital contributions**

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
Balance at the beginning of the period/year	<b>10,987,708</b>	-
Net investment by the Ultimate Parent (note 3.2)	-	10,542,257
Net movement during the period/year (i)	<b>988,934</b>	445,451
	<hr/>	<hr/>
Balance at the end of the period/year	<b>11,976,642</b>	10,987,708
	<hr/> <hr/>	<hr/> <hr/>

Capital contributions mainly represent the net contribution/funding made by the Ultimate 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 (note 13).

(i) Net movement during the period/year mainly represents transfer of certain property assets and related working capital offset by corporate loan from the Ultimate Parent to the Group.

**10 Bank borrowings and non-convertible sukuk**

	<b>Non-convertible Sukuk</b>		<b>Bank borrowings</b>		<b>Total borrowings</b>	
	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
<i>Current</i>						
Within one year	<b>22,538</b>	21,811	<b>10,407</b>	10,370	<b>32,945</b>	32,181
<i>Non-current</i>						
More than one year	<b>1,808,163</b>	1,810,140	<b>2,289,089</b>	2,287,713	<b>4,097,252</b>	4,097,853
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,830,701</b>	1,831,951	<b>2,299,496</b>	2,298,083	<b>4,130,197</b>	4,130,034
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In September 2018, the Company novated 3 loans from Aldar Properties PJSC for AED 1.8 billion. The facilities comprised of USD 272 million (AED 1,000 million) of which, the facilities of USD 136 million (AED 500 million) each are with a maturity of 3 and 5 years and AED 800 million of which the facilities of AED 400 million each are with a maturity of 5 and 8 years. In September 2018, the Company signed a bilateral facility with a bank for AED 500 million with a maturity of 5 years.

Bank borrowings are secured in the form of mortgages over operating assets and carry a net worth covenant.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**11 Trade and other payables**

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
Trade payables	<b>82,039</b>	102,823
Accruals	<b>335,937</b>	327,359
Deferred income	<b>136,033</b>	153,296
Retention payable	<b>32,488</b>	57,296
Other payables	<b>111,029</b>	123,682
	<hr/>	<hr/>
	<b>697,526</b>	764,456
	<hr/> <hr/>	<hr/> <hr/>

**12 Finance costs**

	<b>6 months ended 30 June</b>	
	<b>2019 (unaudited) AED'000</b>	2018 (unaudited) AED'000
Finance cost on borrowings and non-convertible sukuk (note 13)	<b>143,038</b>	110,265
Unwinding of finance cost on operating lease liability	<b>5,273</b>	4,773
	<hr/>	<hr/>
	<b>148,311</b>	115,038
	<hr/> <hr/>	<hr/> <hr/>

**13 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 Parent, Ultimate Parent, associated companies, directors, key management personnel of the Ultimate Parent and related entities. The terms of related party transactions are approved by the Group's Board of Directors. Government of Abu Dhabi is an indirect major shareholder of the Ultimate Parent. The balances and transactions disclosed below with reference to Government of Abu Dhabi also include the entities controlled by Government of Abu Dhabi.



**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

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

*Related party balances:*

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
<b>Ultimate Parent</b>		
Corporate loan from the Ultimate Parent	<b>(3,000,000)</b>	(2,759,214)
Due to the Ultimate Parent	-	(39,359)
Due from the Ultimate Parent (i)	<b>187,947</b>	8,526
<b>Other related parties (ii)</b>		
Trade and other receivables	<b>1,612</b>	3,683
Trade and other payables	<b>(1,293)</b>	(1,264)
<b>Government of Abu Dhabi</b>		
Trade and other receivables	<b>45,042</b>	79,011

*Transactions with related parties:*

	<b>6 months ended 30 June</b>	
	<b>2019 (unaudited) AED'000</b>	2018 (unaudited) AED'000
<b>Ultimate Parent</b>		
Revenue	<b>4,926</b>	-
Finance costs (note 12)	<b>(52,349)</b>	-
Management fee	<b>(45,614)</b>	-
General and administrative expenses - overheads allocated	-	(34,918)
<b>Other related parties (ii)</b>		
Revenue	<b>11,070</b>	7,217
Direct costs	<b>(7,748)</b>	(9,029)
<b>Government of Abu Dhabi</b>		
Revenue	<b>128,328</b>	81,161

(i) This represent surplus cash which is swept periodically and will be settled at the time a dividend is declared.

(ii) Other related parties represent subsidiaries of the Ultimate Parent.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

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

During the period, the Ultimate Parent transferred properties and its related working capital with a net value of AED 1,229,720 thousand and provided additional corporate loan of AED 240,786 thousand. These were recorded against the additional capital contributions from the Ultimate Parent (note 9).

Outstanding borrowings of AED 1,293,947 thousand (31 December 2018: AED 1,293,346 thousand) are due to banks ultimately controlled by the Government of Abu Dhabi. Finance cost on these borrowings amounted to AED 30,016 thousand (30 June 2018: AED 32,033 thousand).

Deposits and bank balances of AED 575,279 thousand (31 December 2018: AED 199,970 thousand) are kept with banks ultimately controlled by the Government of Abu Dhabi. Finance income on these deposits amounted to AED 4,568 thousand (30 June 2018: nil).

**14 Operating lease arrangements**

	<b>30 June 2019 (unaudited) AED'000</b>	31 December 2018 (audited) AED'000
<i>The Group as lessor (commitments)</i>		
Within one year	<b>656,856</b>	630,514
In the second and fifth year	<b>1,379,827</b>	1,116,588
After five year	<b>1,368,838</b>	495,725
	<hr/> <b>3,405,521</b> <hr/>	<hr/> 2,242,827 <hr/>
	<hr/> <b>6 months ended 30 June</b> <hr/>	
	<b>2019</b>	2018
	<b>(unaudited)</b>	(unaudited)
	<b>AED'000</b>	AED'000
<i>The Group as lessee</i>		
Unwinding of interest expense during the period on lease liabilities	<b>5,273</b>	4,773
	<hr/> <b>28,810</b> <hr/>	<hr/> 23,000 <hr/>
Payments made against lease liabilities		

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**15 Segment information**

Segment profit represents the profit earned by each segment excluding any common costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**15.1 Business segments**

Segment information about the Group's continuing operations for the six months ended 30 June 2019 (unaudited) is presented below:

	<b>Investment properties AED'000</b>	<b>Hospitality and leisure AED'000</b>	<b>Cooling assets AED'000</b>	<b>Total AED'000</b>
<b>Revenue from external customers</b>				
- Over a period of time	-	175,213	50,533	225,746
- At a point in time	-	157,210	-	157,210
- Leasing	764,648	-	-	764,648
	<hr/>	<hr/>	<hr/>	<hr/>
Gross revenue (i)	764,648	332,423	50,533	1,147,604
Cost of revenue excluding service charge	(90,039)	(275,171)	(28,344)	(393,554)
Service charge expenses	(59,088)	-	-	(59,088)
	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	615,521	57,252	22,189	694,962
Depreciation and amortisation	-	(76,912)	(23,331)	(100,243)
Provisions, impairments and write downs, net	(15,870)	-	-	(15,870)
Fair value loss on investment properties	(41,275)	-	-	(41,275)
Gain on disposal of investment properties	17,690	-	-	17,690
Finance income	3,859	2,465	-	6,324
	<hr/>	<hr/>	<hr/>	<hr/>
Segment profit/(loss)	579,925	(17,195)	(1,142)	<b>561,588</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Finance cost				(148,311)
Management fee				(45,614)
				<hr/>
<b>Profit for the period</b>				<b>367,663</b>
				<hr/> <hr/>

(i) Gross revenue of investment properties include AED 59,088 thousand of revenue from service charges.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**15 Segment reporting (continued)**

**15.1 Business segments (continued)**

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

	Investment properties AED'000	Hospitality and leisure AED'000	Cooling assets AED'000	Total AED'000
<b>Revenue from external customers</b>				
- Over a period of time	-	112,586	-	112,586
- At a point in time	-	92,610	-	92,610
- Leasing	713,251	-	-	713,251
	<hr/>	<hr/>	<hr/>	<hr/>
Gross revenue (i)	713,251	205,196	-	918,447
Cost of revenue excluding service charge	(83,101)	(177,724)	-	(260,825)
Service charge expenses	(53,867)	-	-	(53,867)
	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	576,283	27,472	-	603,755
Depreciation and amortisation	(226)	(55,070)	-	(55,296)
Provisions, impairments and write downs, net	(7,789)	-	-	(7,789)
Fair value loss on investment properties	(190,804)	-	-	(190,804)
	<hr/>	<hr/>	<hr/>	<hr/>
Segment profit/(loss)	377,464	(27,598)	-	349,866
	<hr/>	<hr/>	<hr/>	<hr/>
Selling and marketing expenses				(3,673)
General and administrative expense				(31,245)
Depreciation and amortisation				(3,489)
Finance costs				(115,038)
				<hr/>
Profit for the period				196,421
				<hr/>

(i) Gross revenue of investment properties include AED 53,867 thousand of revenue from service charges.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**15 Segment reporting (continued)**

**15.1 Business segments (continued)**

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

	<b>Investment properties AED'000</b>	<b>Hospitality and leisure AED'000</b>	<b>Cooling assets AED'000</b>	<b>Unallocated AED'000</b>	<b>Total AED'000</b>
<b>As at 30 June 2019 (unaudited)</b>					
Assets	17,138,269	2,665,841	717,923	187,947	20,709,980
Liabilities	7,042,724	1,059,241	282,176	-	8,384,141
<b>Period ended 30 June 2019 (unaudited)</b>					
Capital expenditures	-	18,261	53	-	18,314
Project expenditures	1,182,082	-	-	-	1,182,082
<b>As at 31 December 2018 (audited)</b>					
Assets	15,802,701	2,707,609	727,119	16,843	19,254,272
Liabilities	6,722,911	1,144,733	240,246	96,521	8,204,411
<b>Year ended 31 December 2018 (audited)</b>					
Capital expenditures	97,665	390,177	637,000	-	1,124,842
Project expenditures	1,911,340	-	-	-	1,911,340

**15.2 Geographical segments**

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

**16 Seasonality of results**

The seasonal nature of the Group's activities only concerns the hospitality and leisure segment, whose revenue has variability during the first and last quarters of the year.

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**17 Non-cash transactions**

The following were significant non-cash transactions relating to investing and financing activities of condensed consolidated statement cash flows:

	<b>6 months ended 30 June</b>	
	<b>2019</b> <b>(unaudited)</b> <b>AED'000</b>	2018 <b>(unaudited)</b> <b>AED'000</b>
Addition to investment properties against capital contributions from the Ultimate Parent	<b>1,163,204</b>	-
Addition in corporate loan against capital contributions from the Ultimate Parent	<b>(240,786)</b>	-
Transfer between investment properties and property, plant and equipment	-	22,387

**18 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 2019</b> <b>(unaudited)</b>		31 December 2018 <b>(audited)</b>	
	<b>Gross carrying amount</b> <b>AED'000</b>	<b>Fair value</b> <b>AED'000</b>	Gross carrying amount AED'000	Fair value AED'000
<i>Financial liabilities at amortised cost</i>				
Non-convertible sukuk (note 10)	<b>1,830,701</b>	<b>1,928,110</b>	1,831,951	1,839,285

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

**Notes to the condensed consolidated financial statements  
for the period ended 30 June 2019 (continued)**

**18 Fair value of financial instruments (continued)**

The Company entered into floating to fixed interest rate swaps to partially hedge its interest rate risk in relation to its floating rate borrowings. As per the terms of the contracts, the Company's floating interest rate payments relating to a notional amount of AED 2,020,150 thousand of the borrowings are at a fixed rate in exchange for the bank paying 3 month USD LIBOR. The fair values are determined by counterparty banks and are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable interest rates. The fair values of these interest rate swaps are presented below:

	<b>30 June 2019 (unaudited)</b>		<b>31 December 2018 (audited)</b>	
	<b>Gross carrying amount AED'000</b>	<b>Fair value hierarchy</b>	<b>Gross carrying amount AED'000</b>	<b>Fair value hierarchy</b>
Derivative financial assets – interest rate swaps	-	-	8,481	Level 2
Derivative financial liabilities – interest rate swaps	<b>71,735</b>	<b>Level 2</b>	5,543	Level 2

**19 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 16 September 2019.