

**ALPHA DHABI HOLDING PJSC**

**Reports and consolidated financial  
statements for the year  
ended 31 December 2023**

## **ALPHA DHABI HOLDING PJSC**

### **Reports and consolidated financial statements for the year ended 31 December 2023**

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**Directors' report  
for the year ended 31 December 2023**

The Directors have pleasure in submitting their report together with the audited consolidated financial statements of Alpha Dhabi Holding PJSC ("the Company") and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2023.

**Principal activities**

The Group is one of the fastest growing Abu Dhabi based investment holding conglomerates, with businesses spread across healthcare, real estate, construction, and hospitality, amongst others. The Group is a strategic contributor to the UAE economy and is committed to driving continuous growth for its stakeholders through investments in strong businesses, which support innovation and diversity.

**Results and appropriation of profits**

Revenue for the year was AED 45,416 million (2022: AED 40,050 million) and profit attributable to the Owners of the Company for the year was AED 10,680 million (2022: AED 7,342 million). The major movements in retained earnings for the year were:

	AED '000
At 1 January 2023	10,163,414
Profit for the year attributable to the Owners of the Company	10,680,323
Transfer to statutory reserve	(534,016)
Transfer to non-controlling interests on dilution of ownership	(101,780)
Others	145,557
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<b>At 31 December 2023</b>	<b>20,353,498</b>
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**Directors**

The Directors of the Company are as follows:

Mr. Mohamed Thani Murshed Alrumaithi	Chairman
Mr. Syed Basar Shueb	Vice Chairman
Mr. Hamad Salem Alameri	Managing Director
Mr. Sultan Dahi Alhemeiri	Member
Ms. Sofia Lasky	Member

**Release**

The Directors release the management and the external auditor from any liability in connection with their duties for the year ended 31 December 2023.

**Directors' report  
for the year ended 31 December 2023 (continued)**

**Auditors**

Deloitte and Touché (M.E.) have expressed their willingness to be re-appointed as external auditor of the Company for the year ending 31 December 2024.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 February 2024.

**Acknowledgement**

To the best of our knowledge, the financial information included in these consolidated financial statements presents fairly, in all material respects, the financial position, results of operations and cash flows of the Group as of, and for, the years presented therein.

**for and on behalf of the Board of Directors**

  
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Managing Director

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated financial statements of Alpha Dhabi Holding PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group’s consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were discussed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are stated below:

**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)**

**Key audit matters (continued)**

<b>Revenue recognition</b>	<b>How our audit addressed the key audit matters</b>
<p>The Group recognized revenue of AED 45,416 million for the year ended 31 December 2023. Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations.</p> <p>The Group’s business involves entering into contractual relationships with customers to provide a range of services with a significant proportion of the Group’s revenues and profits derived from long term contracts. Also, revenue is quantitatively significant to the consolidated financial statements and requires management to apply significant judgements and make significant estimates when determining the amount of revenue to be recognised.</p> <p>The significant judgements applied and estimates made include determining the stage of completion, the timing of revenue recognition and the calculation of the percentage of completion in applying the Group’s revenue recognition policies to long-term contracts entered into by the Group.</p> <p>The nature of these judgements results in them being susceptible to management override and risk that revenue recognized is incorrect.</p> <p>The Group’s revenue recognition accounting policy is included in Note 2 to the consolidated financial statements. Critical accounting judgements and key sources of estimation uncertainty are disclosed in Note 4 and details of the amount of revenue recognized during the year are included in Note 32.</p>	<p>We performed the following procedures, inter alia, in respect of revenue recognition:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the business process flow and performed walkthroughs to understand the key processes and identify key controls;</li> <li>• We assessed the key controls over revenue to determine if they had been designed and implemented appropriately and tested controls, for significant revenue streams and, where we planned to rely on controls, we determined if they were operating effectively;</li> <li>• We performed a range of audit procedures which included obtaining a sample of contracts, reviewing for variation orders, retrospectively reviewing estimated profit and costs to complete and enquiring of key personnel regarding potential contract losses;</li> <li>• For material contracts identified, we have reviewed the contract terms and verified assumptions made in determining the amount of revenue to be recognised, including consideration of discounts, performance penalties and other cost implications of the contract;</li> <li>• We performed analytical procedures by comparing the current year project margins for certain projects with their prior year margin. If we identified an unexpected margin, we carried out more focused testing on these contracts;</li> <li>• We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and is in accordance with the Group’s accounting policy and the requirements of IFRSs;</li> <li>• We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions; and</li> <li>• We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRSs.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Key audit matters (continued)

Recoverability and impairment of trade receivables and contract assets	How our audit addressed the key audit matters
<p>At 31 December 2023, gross trade receivables and contract assets were AED 9,885 million and AED 9,088 million respectively against which expected credit loss (“ECL”) allowances of AED 455 million and AED 152 million respectively were recorded. These assets represent 13% of the total assets presented in the consolidated financial statements and include trade receivable balances of AED 1,566 million which has been outstanding for more than 120 days. Further, contract assets include balances of AED 822 million relating to unsigned or verbal contracts.</p> <p>The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. Management has applied the simplified approach for measurement of ECL allowances for trade receivables and contract assets. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Group’s trade collections experience.</p> <p>The directors exercise significant judgement when determining both when and how much to record as the ECL allowance. Because of the significance of these judgements and the size of trade receivables and contract assets, the audit of the allowance for ECL is a key area of focus.</p> <p>We have considered the above matter as a Key Audit Matter due to the identification of significant delays in the collection of receivables which results in the application of significant auditor judgement regarding the accounting estimates made by management in determining the ECL allowance.</p> <p>The Group disclosures are included in Notes 2 and 4 of the consolidated financial statements which outline the accounting policy and critical estimates made and judgements applied for determining the allowance for ECL.</p>	<p>We performed the following procedures in relation to the allowance for expected credit loss:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process and identified the relevant controls over the measurement and determination of the allowance for ECL;</li> <li>• We assessed the design of these controls and determined if they had been implemented appropriately;</li> <li>• We compared the ECL model developed by management against the requirements of IFRSs and reviewed the methodology against accepted best practice;</li> <li>• We tested the arithmetical accuracy of the model;</li> <li>• We performed procedures on individually significant projects, such as substantiating transactions with underlying documents, including contracts and third-party correspondence, final settlement agreements, requests submitted for extension of time, to obtain evidence for the accuracy and valuation of the recorded receivables.</li> <li>• We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also considered the incorporation of forward-looking factors to reflect the impact of future events on expected credit losses;</li> <li>• We agreed the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and</li> <li>• We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Key audit matters (continued)

Business acquisitions and purchase price allocation	How our audit addressed the key audit matters
<p>During the year, the Group acquired control over the entities disclosed in note 42 of the consolidated financial statements, which were determined to be business combinations as defined by IFRSs, for a total purchase price of AED 2,067 million. Management engaged independent professional valuers to perform the purchase price allocation exercise, to assist them in the determination of fair valuation and identification of assets acquired and liabilities assumed. This includes the identification and valuation of intangible assets which requires judgements to be made. A customer related intangible asset of AED 464.7 million was identified which had not been recorded by the entities acquired.</p> <p>These transactions require management to apply significant judgement and make significant estimates in determining the acquisition-date fair values of identifiable assets acquired and liabilities assumed.</p> <p>Key estimates applied in the determination of provisional fair values include, inter alia, discount rates, revenue growth rates, gross margins and useful life of assets. Any significant changes in these key estimates may give rise to material changes in the provisional fair value of the acquired assets and liabilities including intangible assets, which directly impact the goodwill recognised.</p> <p>We have considered business acquisitions and purchase price allocations as a key audit matter due to the level of judgements applied and estimates made in the process of performing the purchase price allocation.</p> <p>Refer to note 2 for the accounting policy and note 42 for disclosures related to this matter.</p>	<p>We performed the following procedures in relation to the review of business acquisitions and purchase price allocation:</p> <ul style="list-style-type: none"> <li>• Assessed the controls over the accounting of the transactions to determine if they had been appropriately designed and implemented;</li> <li>• Assessed whether management's assumptions in relation to the accounting for the transactions are in accordance with the requirements of IFRSs;</li> <li>• Reviewed the purchase agreements to assess if the recording of the acquisitions were in accordance with the requirements of IFRSs.</li> <li>• Assessed the skills, independence and qualifications of the independent valuers engaged by management in relation to this matter and reviewed their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes;</li> <li>• As part of our audit procedures in respect of the review of purchase price allocation, we have: <ul style="list-style-type: none"> <li>○ assessed the completeness and accuracy of the assets acquired and liabilities assumed in the provisional purchase price allocation;</li> <li>○ evaluated, with involvement of our internal experts, the methodologies and significant inputs used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets;</li> </ul> </li> </ul>



**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)**

**Key audit matters (continued)**

<b>Business acquisitions and purchase price allocation (continued)</b>	<b>How our audit addressed the key audit matters</b>
	<ul style="list-style-type: none"> <li>○ assessed the adequacy of fair values of the assets acquired and liabilities assumed. Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made;</li> <li>○ analysed the fair value adjustments recognized by management and evaluated whether the adjustments made were in accordance with the requirements of IFRSs;</li> <li>○ reperformed the mathematical accuracy of the determination of the provisional fair values of assets acquired and liabilities assumed;</li> <li>○ agreed the fair values of assets acquired and liabilities assumed that were determined by the professional valuers to the amounts disclosed in the consolidated financial statements;</li> <li>○ assessed, with involvement of our internal experts, goodwill recognised by management and evaluated whether it was accounted for in accordance with the requirements of IFRSs; and</li> <li>● Assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Key audit matters (continued)

Derecognition of Pure Health Holding (PHH) as a subsidiary and related Purchase Price Allocation	How our audit addressed the key audit matters
<p>The shareholders of PHH amended the shareholders agreement during the year. One of the amendments made was that any decisions about the relevant activities of PHH require the unanimous consent of all the shareholders. Consequently, as a result of this amendment, the Group lost control over PHH and derecognized all assets and liabilities relating to PHH at the date of the agreement. The Group recognized its interest in PHH at fair value at this date. Subsequently, the investment in PHH is accounted for using the equity method of accounting whereby the Group recognizes its share of PHH's earnings as a single line item in profit or loss.</p> <p>The Group recognised a gain on derecognition of PHH's assets and liabilities of AED 7,457 million, being the difference between the carrying value of assets and liabilities of PHH on the date of derecognition of AED 4,501 million and the fair value of the retained interest of AED 11,958 million. This gain has been recognized in profit or loss.</p> <p>Management engaged independent professional valuer for the valuation to determine the fair value of the remaining portion of PHH and to perform the purchase price allocation exercise, to assist them in the identification of assets acquired and liabilities assumed, to allocate the goodwill and account for any other intangible assets, for example brands or customer relationships, with finite useful lives which will adjust future earnings with an amortization charge.</p> <p>In estimating the fair value of PHH, the valuer valued PHH on a Sum of the Parts ("SOTP") approach, considering the Discounted Cash Flow ("DCF") methodology under the Income Approach as the primary valuation methodology to arrive at the Enterprise Value of each business. Further, where appropriate, the valuer performed a market cross check of the value using trading multiples of publicly listed comparable companies, for each cash-generating unit.</p>	<p>We performed the following procedures in relation to the key audit matter.</p> <ul style="list-style-type: none"> <li>• Assessed the controls over the accounting of the transactions to determine if they had been appropriately designed and implemented;</li> <li>• Reviewed the amended shareholders' agreement to assess if the derecognition of PHH and subsequent accounting of the investment as a joint venture was in accordance with the requirements of IFRSs;</li> <li>• Involved our internal specialist valuation team who: <ul style="list-style-type: none"> <li>○ assessed the valuation method used to value the business and analyzed the projections, assumption used in the valuation; and</li> <li>○ performed an independent assessment against external market data of key inputs used by management in calculating appropriate discount rates, principally risk-free rates, country risk premium and inflation rates.</li> </ul> </li> <li>• Performed audit procedures described in the preceding key audit matter, in respect of the review of valuation of business and purchase price allocation; and</li> <li>• Assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Key audit matters (continued)

Derecognition of Pure Health Holding (PHH) as a subsidiary and related Purchase Price Allocation (continued)	How our audit addressed the key audit matters
<p>We have identified the business valuation of PHH and the exercise of PPA, as a key audit matter due to the overall size of the transaction and the use of significant judgements applied and estimates made by management.</p> <p>The key judgements and estimates involved are described in note 4, and details of the transaction and amount involved is explained in more detail in note 43 to the consolidated financial statements.</p>	

### Other Information

The Board of Directors are responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Group Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Group's Annual Report, if we conclude that there is material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and their preparation in compliance with the Articles of Association of the Company, applicable provisions of UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DHABI HOLDING PJSC (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Company has maintained proper books of accounts;
- The financial information included in the Directors' report is consistent with the Group's books of account;
- Note 2, 10 and 12 to the consolidated financial statements discloses the purchases and investments in shares made by the Group during the financial year ended 31 December 2023;
- Note 18 to the consolidated financial statements of the Group discloses material related party balances, transactions and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2023; and
- Note 34 reflects the disclosure related to social contributions made during the year.

Deloitte and Touche (M.E.)



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

**Consolidated statement of financial position  
as at 31 December 2023**

	Notes	2023 AED '000	2022 AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	14,244,530	14,342,991
Intangible assets	6	2,738,250	5,519,512
Goodwill	7	4,025,991	4,007,444
Biological assets		19,039	27,008
Investment properties	8	24,036,050	23,062,483
Right-of-use assets	9	1,509,516	2,429,330
Investment in associates and joint ventures	10	18,164,155	4,714,276
Investment in financial assets	12	1,050,521	1,209,831
Trade and other receivables	15	1,083,539	832,929
<b>Total non-current assets</b>		<b>66,871,591</b>	<b>56,145,804</b>
<b>Current assets</b>			
Investment in financial assets	12	6,624,193	5,384,806
Contract assets	13	8,936,145	7,186,319
Trade and other receivables	15	17,442,207	20,667,141
Inventories	16	12,290,915	10,377,725
Development work-in-progress	17	6,614,971	4,139,938
Due from related parties	18	724,550	1,639,393
Cash and bank balances	19	20,183,615	25,488,098
<b>Total current assets</b>		<b>72,816,596</b>	<b>74,883,420</b>
Assets of group held-for-sale	38	665,500	-
		<b>73,482,096</b>	<b>74,883,420</b>
<b>Total assets</b>		<b>140,353,687</b>	<b>131,029,224</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	10,000,000	10,000,000
Statutory reserve	21	1,219,424	685,408
Merger reserve	22	11,619,043	11,539,393
Other reserves	23	(1,173,328)	(493,604)
Retained earnings		20,353,498	10,163,414
<b>Equity attributable to the Owners of the Company</b>		<b>42,018,637</b>	<b>31,894,611</b>
Hybrid equity instruments	24	1,815,646	1,815,646
Non-controlling interests		32,142,748	36,328,703
<b>Total equity</b>		<b>75,977,031</b>	<b>70,038,960</b>

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

**Consolidated statement of financial position  
as at 31 December 2023 (continued)**

	Notes	2023 AED '000	2022 AED '000
<b>Non-current liabilities</b>			
Lease liabilities	9	1,427,687	2,365,898
Provision for employees' end of service benefits	26	1,074,874	2,542,495
Bank borrowings	27	14,016,788	13,210,294
Non-convertible sukuku	28	5,456,856	3,644,812
Deferred tax liabilities	14	580,112	88
Trade and other payables	31	4,444,220	1,698,219
<b>Total non-current liabilities</b>		<b>27,000,537</b>	<b>23,461,806</b>
<b>Current liabilities</b>			
Lease liabilities	9	102,679	141,989
Due to related parties	18	969,483	2,019,205
Bank borrowings	27	3,116,582	1,305,266
Non-convertible sukuku	28	46,098	37,104
Contract liabilities	30	12,468,416	9,940,067
Trade and other payables	31	20,638,890	24,084,827
<b>Total current liabilities</b>		<b>37,342,148</b>	<b>37,528,458</b>
Liabilities of group held-for-sale	38	33,971	-
		<b>37,376,119</b>	<b>37,528,458</b>
<b>Total liabilities</b>		<b>64,376,656</b>	<b>60,990,264</b>
<b>Total equity and liabilities</b>		<b>140,353,687</b>	<b>131,029,224</b>


  
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**Group Chief Financial Officer**

  
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**Managing Director**

  
 \_\_\_\_\_  
**Chairman**

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

**Consolidated statement of profit or loss  
for the year ended 31 December 2023**

	Notes	2023 AED '000	2022 AED '000
<b>Revenue</b>	<b>32</b>	<b>45,415,595</b>	40,049,989
Direct costs	33	(36,068,092)	(30,312,280)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>9,347,503</b>	9,737,709
General, administrative and selling expenses	34	(3,956,433)	(4,844,322)
Share of results of associates and joint ventures	10	259,993	(367,911)
Impairment of financial and other assets		(434,271)	(372,100)
Other income	35	1,236,764	1,566,544
Government grant income	36	330,767	1,423,331
Gain on derecognition of a subsidiary	43	7,457,394	-
Gain on derecognition and partial disposal of investment in associates and joint ventures	10	55,707	3,879,900
Finance costs, net	37	(385,311)	(347,245)
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>13,912,113</b>	10,675,906
Income tax	14	(630,863)	(68,532)
		<hr/>	<hr/>
<b>Profit after tax</b>		<b>13,281,250</b>	10,607,374
		<hr/>	<hr/>
<b>Profit for the year attributable to:</b>			
Owners of the Company		10,680,323	7,341,651
Non-controlling interests		2,600,927	3,265,723
		<hr/>	<hr/>
		<b>13,281,250</b>	10,607,374
		<hr/>	<hr/>
Earnings per share attributable to equity holders of the Company (AED)	39	1.06	0.73
		<hr/>	<hr/>

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



**Consolidated statement of comprehensive income  
for the year ended 31 December 2023**

	Notes	2023 AED '000	2022 AED '000
<b>Profit after tax</b>		<b>13,281,250</b>	10,607,374
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on debt instruments measured at FVTOCI		-	(20,243)
Fair value (loss) / gain arising on hedging instruments		(412)	120,226
Exchange differences arising on translation of foreign operations		(344,825)	(830,744)
Share of other comprehensive income / (loss) of associates and joint ventures	10	9,403	(21,323)
Net (loss) / gains on debt instruments, hedging instruments and translation of foreign operations reclassified to profit or loss		(7,795)	18,053
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on investments in equity instruments designated as FVTOCI		(573,531)	(75,784)
Remeasurement loss on defined benefit plans	26	-	(35,748)
Share of other comprehensive income / (loss) of associates and joint ventures	10	37,254	(3,256)
<b>Total other comprehensive loss</b>		<b>(879,906)</b>	(848,819)
<b>Total comprehensive income for the year</b>		<b>12,401,344</b>	9,758,555
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		10,041,399	6,826,838
Non-controlling interests		2,359,945	2,931,717
		<b>12,401,344</b>	9,758,555

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

### Consolidated statement of changes in equity for the year ended 31 December 2023

	Attributable to the Owners of the Group						Hybrid equity instruments AED '000	Non- controlling interests AED '000	Total equity AED '000
	Share capital AED '000	Statutory reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Total AED '000			
Balance at 1 January 2022	10,000,000	318,325	8,723,368	10,880	3,964,433	23,017,006	-	2,954,575	25,971,581
Profit for the year	-	-	-	-	7,341,651	7,341,651	-	3,265,723	10,607,374
Other comprehensive loss for the year	-	-	-	(500,890)	(13,923)	(514,813)	-	(334,006)	(848,819)
Total comprehensive (loss) / income for the year	-	-	-	(500,890)	7,327,728	6,826,838	-	2,931,717	9,758,555
Equity arising from business combinations under common control (Note 41)	-	-	741,360	-	-	741,360	-	305,345	1,046,705
Acquisition of assets from entities under common control (Note 22)	-	-	754,820	-	-	754,820	-	-	754,820
Non-controlling interests arising from business combinations under common control (Note 41)	-	-	-	-	-	-	-	70,360	70,360
Non-controlling interests arising from acquisition of subsidiaries (Note 42)	-	-	-	-	-	-	-	23,934,613	23,934,613
Non-controlling interests arising from acquisition of assets	-	-	-	-	-	-	-	192,600	192,600
Hybrid equity instruments arising on acquisition of a subsidiary (Note 24)	-	-	-	-	-	-	1,126,639	-	1,126,639
Hybrid equity instruments issued during the year (Note 24)	-	-	-	-	-	-	689,007	-	689,007
Coupon paid on hybrid equity instrument (Note 24)	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Transfer to non-controlling interests on dilution of ownership (Note 43)	-	-	(1,120,678)	-	(359,937)	(1,480,615)	-	1,480,615	-
Proceeds from disposal to non-controlling interests in subsidiaries (Note 43)	-	-	-	-	(46,371)	(46,371)	-	3,309,736	3,263,365
Contribution in kind from a shareholder (Note 42)	-	-	2,440,523	-	-	2,440,523	-	3,825,105	6,265,628
Transfer from non-controlling interests on dilution of ownership (Note 43)	-	-	-	-	326,407	326,407	-	(326,407)	-
Acquisition of non-controlling interests (Note 43)	-	-	-	-	(633,712)	(633,712)	-	(166,288)	(800,000)
Dividend	-	-	-	-	-	-	-	(1,947,127)	(1,947,127)
Transfer to statutory reserve	-	367,083	-	-	(367,083)	-	-	-	-
Movement in non-controlling interests on disposal of subsidiaries (Note 38)	-	-	-	-	-	-	-	(216,433)	(216,433)
Payment to non-controlling interests towards contributed capital	-	-	-	-	-	-	-	(20,000)	(20,000)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(3,594)	3,594	-	-	-	-
Non-controlling interests arising from formation of a subsidiary	-	-	-	-	-	-	-	292	292
Balance at 31 December 2022	10,000,000	685,408	11,539,393	(493,604)	10,163,414	31,894,611	1,815,646	36,328,703	70,038,960

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

**Consolidated statement of changes in equity  
for the year ended 31 December 2023 (continued)**

	Attributable to the Owners of the Group					Total AED '000	Hybrid equity instruments AED '000	Non- controlling interests AED '000	Total equity AED '000
	Share capital AED '000	Statutory reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Retained earnings AED '000				
Balance at 1 January 2023	10,000,000	685,408	11,539,393	(493,604)	10,163,414	31,894,611	1,815,646	36,328,703	70,038,960
Profit for the year	-	-	-	-	10,680,323	10,680,323	-	2,600,927	13,281,250
Other comprehensive loss for the year	-	-	-	(668,871)	29,947	(638,924)	-	(240,982)	(879,906)
Total comprehensive (loss) / income for the year	-	-	-	(668,871)	10,710,270	10,041,399	-	2,359,945	12,401,344
Acquisition of assets from entities under common control (Note 22)	-	-	79,650	-	-	79,650	-	-	79,650
Non-controlling interests arising from acquisition of subsidiaries (Note 42)	-	-	-	-	-	-	-	463,600	463,600
Non-controlling interests arising from acquisition of assets	-	-	-	-	-	-	-	66,929	66,929
Derecognition of non-controlling interests of a subsidiary (Note 43)	-	-	-	-	-	-	-	(7,059,849)	(7,059,849)
Contribution in kind from a shareholder (Note 42)	-	-	-	-	208,617	208,617	-	804,383	1,013,000
Transfer to non-controlling interests on dilution of ownership (Note 43)	-	-	-	-	(101,780)	(101,780)	-	101,780	-
Acquisition of non-controlling interests (Note 43)	-	-	-	-	(571)	(571)	-	571	-
Dividend	-	-	-	-	-	-	-	(1,159,356)	(1,159,356)
Coupon paid on hybrid equity instrument (Note 24)	-	-	-	-	(103,289)	(103,289)	-	-	(103,289)
Contribution from minority shareholders	-	-	-	-	-	-	-	246,042	246,042
Payment to non-controlling interests towards contributed capital	-	-	-	-	-	-	-	(10,000)	(10,000)
Transfer to statutory reserve	-	534,016	-	-	(534,016)	-	-	-	-
Transfer of reserves to retained earnings	-	-	-	(10,853)	10,853	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>10,000,000</b>	<b>1,219,424</b>	<b>11,619,043</b>	<b>(1,173,328)</b>	<b>20,353,498</b>	<b>42,018,637</b>	<b>1,815,646</b>	<b>32,142,748</b>	<b>75,977,031</b>

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

**Consolidated statement of cash flows  
for the year ended 31 December 2023**

	Notes	2023 AED '000	2022 AED '000
<b>Cash flows from operating activities</b>			
Profit before tax		13,912,113	10,675,906
<b>Adjustment for non-cash charges:</b>			
Depreciation of property, plant and equipment	5	1,198,611	1,157,860
Amortisation of intangible assets	6	202,390	236,986
Depreciation of right-of-use assets	9	153,830	128,892
Depreciation of investment properties	8	684,085	488,103
Provision for employees' end of service benefits	26	247,546	256,167
Re-measurement of biological assets		2,558	(1,153)
Share of results of associates and joint ventures	10	(306,872)	357,555
Gain on derecognition and partial disposed of associates and joint ventures	10	(55,707)	(3,879,900)
Interest expense on lease liabilities	37	66,281	61,172
Loss / (gain) on disposal of property, plant and equipment		1,906	(272,019)
(Gain) / loss on lease modifications and cancellations	9	(12,852)	2,046
Net changes in fair value of derivative financial instruments		5,468	(23,150)
Net changes in fair value of financial assets		(13,996)	198,105
Gain on disposal of investment properties		(7,741)	(22,252)
Fair value gain arising on re-measurement of an associate		-	(116,430)
Finance income	37	(740,602)	(236,553)
Finance costs	37	1,059,633	522,626
Reversal of impairment of property, plant and equipment	5	-	(299,935)
Impairment of intangible assets	6	11,054	569
Impairment of investment properties	8	118,021	-
Impairment of investment in associates and joint ventures		-	135,729
(Reversal) / charge of impairment of development work-in-progress	17	(480)	73,333
Impairment of goodwill	7	2,867	265
Gain on bargain purchase of subsidiaries	42	(1,502)	(416,372)
Gain on bargain purchase of associates and joint ventures	35	(100,080)	-
Dividend income		(159,516)	(324,775)
Write-off of property, plant and equipment	5	155	23,432
Write-off of development work-in-progress	17	133,696	37,714
Write-off of intangible assets	6	878	6,441
Write-off of land-held-for-sale		-	71,191
Provision for slow moving and obsolete inventories	16	50,048	6,168
Amortisation of borrowing costs	27	(7,322)	(9,728)
Amortisation of non-convertible sukuk		10,972	4,860
Gain on derecognition of a subsidiary	43	(7,457,394)	-
Gain on disposal of subsidiaries		-	(107,449)
Other gains		(7,657)	(38,314)
Impairment of financial and other assets		434,271	372,100
<b>Operating cashflows before movement in working capital</b>		<b>9,424,662</b>	<b>9,069,190</b>

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

**Consolidated statement of cash flows  
for the year ended 31 December 2023 (continued)**

	Notes	2023 AED '000	2022 AED '000
<b>Movement in working capital</b>			
Inventories		(132,882)	847,803
Trade and other receivables		(5,377,618)	3,333,442
Contract assets		(3,624,865)	(803,112)
Due from related parties		681,189	(372,911)
Development work-in-progress		(1,378,230)	(617,502)
Contract liabilities		4,634,206	5,984,169
Trade and other payables		2,105,703	(4,609,399)
Due to related parties		(74,366)	929,160
<b>Cash generated from operating activities</b>		<b>6,257,799</b>	<b>13,760,840</b>
Employees' end of service benefits paid	26	(218,607)	(171,561)
Income tax paid		(72,721)	(110,029)
<b>Net cash generated from operating activities</b>		<b>5,966,471</b>	<b>13,479,250</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	5	(2,538,794)	(3,299,894)
Cash given up on derecognition of a subsidiary		(5,502,398)	-
Cash acquired on business combinations	42	649,512	12,425,302
Proceeds from disposal of property, plant and equipment		19,264	321,281
Purchases of investment properties	8	(1,457,978)	(4,904,358)
Proceeds from disposal of investment properties		149,958	176,744
Proceeds from disposal of investments in financial assets		734,825	400,836
Purchases of intangible assets	6	(95,425)	(70,900)
Purchases of biological assets		-	(582)
Proceeds from disposal of biological assets		5,411	-
Dividend income received		203,021	329,099
Purchases of investments in associates and joint ventures		(1,302,453)	(1,647,964)
Proceeds from disposal of investments in associates and joint ventures		15,914	41,314
Purchases of investments in financial assets	12	(2,990,061)	(5,644,276)
Net cash outflow on disposal of subsidiaries		-	(139,303)
Deposit recovered / (placed) with banks		1,859,750	(2,365,988)
Net movement in restricted cash		(1,482,853)	(5,502,339)
Finance income received		636,911	185,650
Cash paid on acquisition of assets		(124,665)	-
Cash paid on acquisition of subsidiaries	42	(1,986,771)	(542,645)
Cash received on reduction of capital of associates	10	-	32,000
<b>Net cash used in investing activities</b>		<b>(13,206,832)</b>	<b>(10,206,023)</b>

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

**Consolidated statement of cash flows  
for the year ended 31 December 2023 (continued)**

	Notes	2023 AED '000	2022 AED '000
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		(6,561,275)	(5,774,151)
Bank borrowings obtained		8,971,969	10,533,804
Dividend paid to holders of non-controlling interests		(1,159,356)	(1,645,877)
Coupon paid on hybrid equity instruments		(103,289)	(51,645)
Issue of hybrid equity instruments	24	-	689,007
Repayment of loan to holders of non-controlling interests		(10,000)	(20,000)
Disposal of non-controlling interests in subsidiaries		-	3,263,365
Finance costs paid		(1,022,799)	(402,254)
Payment of lease liabilities	9	(135,975)	(126,374)
Additional contribution from minority shareholders		246,042	-
Proceeds from non-convertible sukuk	28	1,801,074	-
Receipt / (payment) for derivative financial instruments		184,059	(13,840)
		<hr/>	<hr/>
<b>Net cash generated from financing activities</b>		<b>2,210,450</b>	<b>6,452,035</b>
		<hr/>	<hr/>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(5,029,911)</b>	<b>9,725,262</b>
Effect of foreign exchange rate changes		145,312	252,871
Cash and cash equivalents at the beginning of the year		16,945,182	6,967,049
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>19</b>	<b>12,060,583</b>	<b>16,945,182</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Non-cash transactions:</b>			
Net assets transferred under common control business combinations	41	-	1,046,705
		<hr/>	<hr/>
Dividend declared to non-controlling interests		-	87,511
		<hr/>	<hr/>
Consideration receivable on disposal of subsidiaries	38	-	760,330
		<hr/>	<hr/>
Consideration payable on acquisition of controlling interest in a subsidiary	43	-	800,000
		<hr/>	<hr/>
Contribution by a shareholder	42	1,013,000	6,236,347
		<hr/>	<hr/>
Property, plant and equipment		40,290	-
		<hr/>	<hr/>
Investment properties	8	243,504	192,600
		<hr/>	<hr/>
Investment in associates and joint ventures	10	-	74,693
		<hr/> <hr/>	<hr/> <hr/>

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

**Notes to the consolidated financial statements  
for the year ended 31 December 2023****1 General information**

Alpha Dhabi Holding PJSC (the “Company”) is a public joint stock company registered in the Emirate of Abu Dhabi, United Arab Emirates. Its parent company is International Holding Company PJSC. The Company’s registered address is P.O. Box 111059, Abu Dhabi, United Arab Emirates and its ordinary shares are listed on the Abu Dhabi Securities Exchange.

The principal activities of the Company and its subsidiaries (together referred to as “the Group”) carried out both in the UAE and abroad include:

- Medical services including management of hospitals, testing laboratories and medical clinics;
- Development, sale, investment, leasing, management and associated services for real estate;
- Engineering and construction contracting of buildings, infrastructure, earth and civil works;
- Engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- Oil and gas engineering, construction and operation management services;
- Tourism and hospitality-related investments, development and management;
- Industrial production-related investments, development and management;
- Forestry and natural vegetation management including farming, agricultural investments and management;
- Production and supply of ready-mix concrete;
- Investment in a diverse range of industries;
- Manufacturing, supply, installation and fabrication of aluminium and glass panels;
- Security services;
- Manufacturing of motor vehicles;
- Facilities management services;
- Renewable energy power plant installation and maintenance of energy equipment;
- Digital banking services;
- Health insurance solutions; and
- Chemicals production

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies****2.1 Basis of preparation****Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the applicable provisions of U.A.E. Federal Decree Law No. (32) of 2021.

**Accounting convention**

These consolidated financial statements have been prepared on the historical cost basis except for financial assets carried at fair value through other comprehensive income, fair value through profit and loss, derivative financial instruments and biological assets that have been measured at fair value at the end of each reporting period, as explained in the accounting policies given below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value ('NRV') in IAS 2 or value in use in IAS 36.

**Functional and presentation currency**

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand only except when otherwise indicated.

**Going concern**

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has:

- power over the investee;
- is exposed, or has rights, to variable returns from its involvement; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.1 Basis of preparation (continued)****Basis of consolidation (continued)**

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

*Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in consolidated statement of comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified consolidated statement of to profit or loss or transferred to another category of equity as specified / permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

These consolidated financial statements include the financial performance and position of the following subsidiaries, all of which are incorporated in the UAE:

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Alpha Dhabi Commercial Investment – Sole Proprietorship LLC	100%	100%	Investment holding
Alpha Dhabi Construction Holding LLC	100%	100%	Investment holding
Alpha Dhabi Health Holding LLC	100%	100%	Investment holding
Alpha Dhabi Hospitality Holding LLC	100%	100%	Investment holding
Alpha Dhabi Industries Holding LLC	100%	100%	Investment holding
Alpha Dhabi Partners Holding LLC	100%	100%	Investment holding
Alpha Dhabi Investment Management LLC	100%	100%	Management services
Alpha Dhabi Energy Holding LLC	100%	100%	Investment holding
ADH Investments RSC Ltd	100%	-	Investment holding
Alpha Dhabi Climate Capital RSC LTD (Previously known as "ADH Green RSC LTD")	100%	-	Investment holding
ADH IFI RSC LTD	100%	-	Investment holding
ADH Energy RSC LTD	100%	-	Investment holding
ADH Hospitality RSC LTD	100%	-	Investment holding
Alpha Dhabi Real Estate Holding L.L.C	100%	-	Investment holding

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Trojan Construction Group – Sole Proprietorship LLC	100%	100%	Investment holding
Murban Energy Limited	100%	100%	Investment holding
Mawarid Holding Investment LLC (“MHI”)	90%	90%	Investment holding
Aldar Properties PJSC (“Aldar”)	32%	32%	Real estate and investment holding
Sogno Commercial Investment – Sole Proprietorship LLC	100%	100%	Investment holding
W A S Two Commercial Investment – Sole Proprietorship LLC	100%	100%	Investment holding
Sublime Commercial Investment – Sole Proprietorship LLC	100%	100%	Investment holding
C D Properties - Sole Proprietorship LLC	100%	100%	Investment holding
Emirates Gateway Securities Services LLC	95%	95%	Security services
Sublime Two Sole Proprietorship LLC	100%	100%	Investment holding
Sogno Two Sole Proprietorship LLC	100%	100%	Investment holding
Sogno Three Sole Proprietorship LLC	100%	100%	Investment holding
Trojan General Contracting LLC	100%	100%	Construction contracting
National Projects and Construction LLC	100%	100%	Infrastructure construction and related projects
Royal Advance Electromechanical LLC	100%	100%	Electromechanical services
Al Maha Modular Industries LLC	100%	100%	Pre-cast structure manufacturing
Hi-Tech Concrete Products LLC	100%	100%	Building of projects and general contracting
Reem Emirates Aluminum LLC	100%	100%	Manufacture and installation of aluminium and glass products
Phoenix Timber Factory LLC	100%	100%	Manufacture of timber products

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Reem Ready Mix LLC	<b>60%</b>	60%	Concrete mixing and supply
Trojan Property Investments LLC	<b>100%</b>	100%	Real estate investments
7E - Sole Proprietorship LLC	<b>100%</b>	100%	Building, project management, property management services, design services and security systems consultancy
Mais Interior Design LLC	<b>60%</b>	-	Interior designing
Trojan Tunnelling – Sole Proprietorship LLC	<b>100%</b>	-	Bridge and tunneling contracting
Trojan Alсахra General Transport – L.L.C – O.P.C	<b>100%</b>	-	Transportation services
Trojan General Trading LLC	<b>100%</b>	-	General trading
Etihad International Hospitality LLC – Sole Proprietorship LLC	<b>100%</b>	100%	Hospitality services, cleaning services, gas field facilities services and catering
Abu Dhabi United Hospitality – Sole Proprietorship LLC	<b>100%</b>	100%	Tourism investments, restaurants management and catering
St. Regis Saadiyat Island Resort – Abu Dhabi	<b>100%</b>	100%	Hotels and resort ownership
Al Wathba A Luxury Collection Desert Resort & Spa – Sole Proprietorship LLC	<b>100%</b>	100%	Hotel and resort ownership
Le Noir Cafe – Sole Proprietorship LLC	<b>100%</b>	100%	Catering, hospitality services and restaurants
Int'l Fresh Harvest Fruits and Vegetables Trading - Sole Proprietorship LLC	<b>100%</b>	100%	Trading of foodstuff
ADMO Lifestyle Holding Limited	<b>51%</b>	-	Investment holding
ADMO One Holding Limited	<b>51%</b>	-	Holding company
Nammos Restaruant LLC	<b>32%</b>	-	Restaurant services
ADMO Hospitality Holding Limited	<b>51%</b>	-	Holding company
C 2 R Real Estate Investment - Sole Proprietorship L.L.C.	<b>100%</b>	-	Real estate investment, development, institution and management

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Barari Natural Resources LLC	90%	90%	Forest and park management, parks construction and maintenance
Telal Resort LLC	90%	90%	Management of resorts and operation of recreational preservations
Aqua Power Technology LLC	90%	90%	Trading in agricultural machinery and equipment
Campaign Facilities Management Services LLC	90%	90%	Facilities management
Emirates Safety Laboratory LLC	90%	90%	Compliance certification for building construction products
Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship L.L.C.	90%	90%	Investment and management of tourist enterprises and agricultural enterprises.
Mawarid Hotels and hospitality LLC	90%	90%	Management of hotels, tourist resorts and hotel apartments
Mawarid Services Company LLC	90%	90%	Facilities management services, agricultural land cultivation, wholesale of plants and trees.
Al Ain Fodder Factory LLC	90%	90%	Manufacture animal feed
Dicon Investment LLC	90%	90%	Administrative and business services
Best Twasol Government Services LLC	90%	90%	Administrative and business services
Twasol Business Men Service LLC – Br Abu Dhabi	90%	90%	Administrative and business services
Twasol Business Men Service LLC – Dubai	90%	90%	Administrative and business services
Al Forsan Tadbeer Center LLC – Dubai	90%	90%	Administrative and business services
Al Forsan Tadbeer Center LLC – Abu Dhabi	90%	90%	Administrative and business services
Al Twasol Al Mutamiz Guidance LLC - Abu Dhabi	90%	90%	Administrative and business services

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Al Tawasol Al Mutamiz Guidance LLC	90%	90%	Administrative and business services
Dicon Business LLC	90%	90%	Administrative services for businessmen
Dicon of Twafouq Services LLC	90%	90%	Operating Twafouq service centres
Mawarid Desert Control L.L.C.	90%	-	Land preparation and irrigation systems works and maintenance
Desert Control Liquid Natural Clay LLC	90%	-	Land preparation and irrigation systems works and maintenance
Aldar Education - Sole Proprietorship LLC	32%	32%	Education services
Aldar Hotels and Hospitality LLC	32%	32%	Hospitality services
Aldar Marinas LLC	32%	32%	Managing and operating marinas, sports clubs and marine machinery
Provis Real Estate Management - Sole Proprietorship LLC	32%	32%	Management and leasing of real estate
Provis Real Estate Brokers LLC	32%	32%	Real estate brokerage
Yas Links LLC	32%	32%	Ownership and management of golf courses and golf clubs
Pivot Engineering & General Contracting Co. (WLL)	21%	21%	Engineering and general construction works
Aldar Investment Properties LLC	28%	28%	Real estate services and the operation of hotels
Aldar Investment Holding Restricted Limited ("AIHR")	28%	28%	Special purpose vehicle, proprietary asset management company
Khidmah - Sole Proprietorship LLC	32%	32%	Management and leasing of real estate
Saadayat Accommodation Village LLC	28%	32%	Accommodation services
Cloud Spaces - Sole Proprietorship LLC	32%	32%	Real estate lease and management services
Eastern Mangroves Marina - Sole Proprietorship LLC	32%	32%	Managing and operating marinas

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Marsa Al Bateen - Sole Proprietorship LLC	32%	32%	Managing and operating marinas
Advanced Real Estate Services - Sole Proprietorship LLC	32%	32%	Real estate services
Aldar Investments Limited	28%	32%	Investment holding
Pacific Owners Association Management Services LLC	32%	32%	Management of owners' associations
Aldar Ventures International Holding RSC Limited	32%	32%	Investment holding
Aldar Projects LLC	32%	32%	Project management services
Tasareeh Engineer Services - Sole Proprietorship LLC	32%	32%	Development consultancy
Aldar Investment Management Limited	32%	32%	Assets management
Asteco Property Management LLC	21%	32%	Property management services
Aldar Logistics - Sole Proprietorship LLC	32%	32%	Real estate lease and management services
The Gateway Engineering Services - Sole Proprietorship LLC	32%	32%	Development consultancy
Al Seih Real Estate Management LLC	29%	29%	Investment management and leasing of real estate.
Seih Sdeirah Real Estate LLC	29%	29%	Property rental and management; real estate projects investment
Saadiyat Grove - Sole Proprietorship LLC	32%	32%	Real estate development
Aldar Logistics Holding Limited	32%	32%	Investment holding
Twafq Projects Development Property LLC	20%	22%	Real estate lease and management services
Abu Dhabi Business Hub LLC - Sole Proprietorship L.L.C.	22%	22%	Real estate lease and management services
Aldar Lifestyle - Sole Proprietorship LLC	32%	32%	Hospitality services

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Al Shohub Private School - Sole Proprietorship L.L.C.	32%	32%	Educational services
Pactive Sustainable Solutions LLC	32%	32%	Facilities management
Mace Macro Technical Services L.L.C.	32%	32%	Facilities management
Spark Security Services – LLC	32%	32%	Security services
Aldar Island Hotel - Sole Proprietorship L.L.C.	32%	32%	Hospitality services
Double Tree by Hilton Resort & SPA Marjan Island LLC	32%	32%	Hospitality services
Confluence Partners (HQ) RSC LTD	28%	32%	Managing real estate
Aldar Hansel SPV Restricted SPV LTD (“AHSPV”)	16%	16%	Real estate development
Saga International Owners Association Management Services LLC	32%	32%	Property management services
Saga OA DMCC	32%	32%	Property management services
Al Maryah Property Holding Limited	17%	19%	Real estate holding
Bab Resorts LLC	32%	32%	Hospitality services
Mustard and Linen Interior Design Holdings Limited	24%	-	Premium interior design business
Aldar Estates Holding Limited	21%	-	Special purpose vehicles
Aldar Estates Investment - Sole Proprietorship L.L.C.	21%	-	Real estate development
Kent College LLC - FZ	32%	-	Education services
Kent Nursery LLC - FZ	32%	-	Education services
Basatin Holding SPV Ltd.	15%	-	Landscaping services
Virgina International Private School - Sole Proprietorship LLC	32%	-	Education services
AURORA HOLDING COMPANY LIMITED	16%	-	Special purpose vehicles



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
AURORA SPV 1 L.L.C	16%	-	Real estate development
AURORA SPV 2 L.L.C	16%	-	Real estate development
AURORA SPV 3 L.L.C	16%	-	Real estate development
Eltizam Asset Management Estate - Sole Proprietorship L.L.C.	21%	-	Real estate lease and management services
800TEK Facilities Management LLC	21%	-	Event management services, lifeguard services, façade cleaning, management and operation of public utilities.
EAMG Services Holdings Limited	21%	-	Holding company
East-O Holdings Limited	21%	-	Holding company
Eltizam Asset Management Estate LLC	21%	-	Holding company
Falcon Investments LLC	21%	-	Real estate lease and management services, commercial enterprises investment, institution and management
Fixis Technical Services LLC	21%	-	Facilities maintenance services
IFM Holdings Limited	21%	-	Holding company
Inspire Building Management Services LLC	21%	-	Facilities management and buildings general maintenance
Inspire Integrated Facilities Management LLC	21%	-	Facilities management and buildings general maintenance
Inspire Integrated Services LLC (Abu Dhabi)	21%	-	Facilities management and buildings general maintenance
Inspire Integrated Services LLC (Dubai)	21%	-	Facilities management and buildings general maintenance
Inspire Integrated Solutions Holding Ltd	21%	-	Holding company

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Inspire Integrated Solutions Ltd	21%	-	Real estate management services
IREC Holdings Limited	21%	-	Holding company
King Field Owner Association Management Services - Sole Proprietorship LLC	21%	-	Management and supervision services for owners' associations
Kingfield Communities Management LLC	21%	-	Community and property management services
Kingfield Owners Association Management Services LLC	21%	-	Operation, management, and maintenance of community and property.
MENA Real Estate Solutions LLC	21%	-	Real estate services
National Investor Property Management LLC	21%	-	Real estate services
Omnium Real Estate Brokerage – Sole Proprietorship LLC	21%	-	Real estate services
Orientek Innovations LLC	21%	-	Real estate services
Data Intelligence Technology Consultancy LLC (formerly "OS Orion Security & Surveillance Systems")	21%	-	Information technology systems installation and maintenance
Teslam Asset Management Estate L.L.C.	21%	-	Outsourcing and shared support services
Three 60 Communities Management for Owners Associations LLC	21%	-	Management and supervision services for owners' associations
Fab Properties - Sole Proprietorship LLC	21%	-	Real estate services
Aldar Development Holdings Limited	32%	-	Holding ownership
The Sustainable Investment Yas - Sole Proprietorship L.L.C.	32%	-	Real estate development
The Sustainable Investment Company SPV Limited	32%	-	Special purpose vehicle
Aldar Hamra Holdings Limited	32%	-	Special purpose vehicle
AMI Properties Holding Limited	19%	-	Special purpose vehicle

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Aldar Development (UK) Holdings Limited	32%	-	Residents' management company
ADMO Hotel Management Holding Limited	51%	-	Hotels management
Monterock Investments Nedafushi Maldives Private Limited	48%	-	Hospitality
Enigma Commercial Investment - Sole Proprietorship LLC	100%	100%	Investment holding
National Marine Dredging Company PJSC ("NMDC")	68%	68%	Engineering, procurement and construction contracting, dredging contracts and associated land reclamation works
National Petroleum Construction Company PJSC ("NPCC")	68%	68%	Engineering, procurement and construction contracts
Emarat Europe Fast Building Technology System Factory LLC	68%	68%	Manufacturing and supply of precast concrete
ADEC Engineering Consultancy LLC	68%	68%	Civil, architectural, drilling and marine engineering consultancy services
Sandstorm Motor Vehicles Manufacturing LLC	65%	65%	Motor vehicles manufacturing
Perfect Alpha Auto Services LLC	65%	-	Motor Vehicle repairing
W Solar Investment LLC	100%	75%	Renewable energy power plant installation and maintenance

These consolidated financial statements also include the financial performance and position of the following overseas subsidiaries:

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
Branch of Trojan General Contacting LLC	100%	100%	Russia	Hospitality services
Taj Dhabi Company Limited	100%	-	Saudi Arabia	Building projects contracting
Reem Emirates Egypt for Contracting Co.	100%	-	Egypt	Building projects contracting

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
Al Mutaqdema Holding LLC	100%	-	Saudi Arabia	Building projects contracting.
Churcill LLC	100%	100%	Russia	Hospitality services
Trojan Egypt Contracting	100%	100%	Egypt	Construction contracting
Hi-Tech Concrete Products LLC	100%	100%	Saudi Arabia	Construction contracting
Murban Investment Limited	100%	100%	British Virgin Islands	Investment holding
I&T Management Private Limited	100%	100%	Maldives	Tourist resort operation
Hill View (Seychelles) Limited	100%	100%	Seychelles	Hotel resort holding
Nammos Holding STA Ltd	32%	-	Cyprus	Holding company
MRINLON2SUB Ltd	32%	-	Cyprus	Holding company
Nammos Restaurant London Limited	32%	-	United Kingdom	Restaurant management
Mystic Quartz Resorts Ltd	51%	-	Cyprus	Holding company
Monte London Limited	51%	-	United Kingdom	Hospitality services
Damesin LTD	51%	-	Cyprus	Holding company
Benestar SA	51%	-	Greece	Hospitality services
Colliers International Property Consultancy Services JSC	21%	-	Egypt	Consultancy services
Colliers International Property Services - Doha LLC	21%	-	Qatar	Interior design implementation works and real estate brokerage business
Enterprise Solutions Company for Professional Consulting	21%	-	Saudi Arabia	Real estate services

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
Orion Systems Integrators LTD	21%	-	United Kingdom	Information technology
Oriontek Innovations for Technology Services Egypt - Oriontek Egypt	21%	-	Egypt	Information technology
Professional Realtors Company LLC	21%	-	Saudi Arabia	Consultancy services
Inspire Facilities Management Co LLC - Oman (formerly "Tafawuq Facilities Management Co LLC- Oman")	21%	-	Oman	Facilities management
Inspire For Facilities Management Services Egypt - Inspire Egypt (formerly "Tafawuq For Facilities Management Services Egypt - Tafawuq Egypt")	21%	-	Egypt	Facilities management
Teslam Business Services Philippines INC.	21%	-	Philippines	Outsourcing and shared support services
Three 60 Communities Estate Services Egypt – Three 60 Communities Egypt	21%	-	Egypt	Provision of management and supervision services for owners' associations
Kingfield Community Management Co LLC - Oman (formerly "Three Sixty Communities Estate LLC - Oman")	21%	-	Oman	Provision of management and supervision services for owners' associations

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
London Square Developments (Holdings) Limited	32%	-	United Kingdom	Real estate services
LSQ HoldCo 2 Limited	32%	-	United Kingdom	Information technology systems installation and maintenance
LSQ HoldCo 3 Limited	32%	-	United Kingdom	Information technology systems installation and maintenance
London Square Limited	32%	-	United Kingdom	Consulting services, research, and questionnaire
London Square Developments (Ventures) Limited	32%	-	United Kingdom	Facilities management
London Square (Staines) Limited	32%	-	United Kingdom	Facilities management
London Square (Holdings) Limited	32%	-	United Kingdom	Outsourcing and shared support services
London Square Developments Limited	32%	-	United Kingdom	Management and supervision services for owners' associations
London Square (Investments) Limited	32%	-	United Kingdom	Management and supervision services for owners' associations

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
London Square (Putney) Limited	32%	-	United Kingdom	Real estate development
London Square Living Ltd	32%	-	United Kingdom	Real estate development
London Square Works Limited	32%	-	United Kingdom	Real estate development
London Square (Streatham) Limited	32%	-	United Kingdom	Holding company
LSQ (Crimscott Street) Holdings Limited	32%	-	United Kingdom	Holding company
London Square (Crimscott Street) Limited	32%	-	United Kingdom	Holding company
London Square (Walton-on-Thames) Holdings Limited	32%	-	United Kingdom	Holding company
London Square (Walton-on-Thames) Limited	32%	-	United Kingdom	Land developer and housebuilder
London Square Development Management Limited	32%	-	United Kingdom	Holding company
London Square (Projects) Limited	32%	-	United Kingdom	Land developer and housebuilder
London Square (RSG) Limited	32%	-	United Kingdom	Holding Company
London Square Partners Limited	32%	-	United Kingdom	Land developer and housebuilder
London Square (West Croydon) Holdings Limited	32%	-	United Kingdom	Land developer and housebuilder
London Square (West Croydon) Limited	32%	-	United Kingdom	Commercial land developer

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
London Square (Bugsby Way) Holdings Ltd	32%	-	United Kingdom	Land developer and housebuilder
London Square (Bugsby Way) Ltd	32%	-	United Kingdom	Holding company
Square Roots Registered Provider Limited	32%	-	United Kingdom	Land developer and housebuilder
London Square (Hong Kong) Limited	32%	-	United Kingdom	Holding company
London Square PIC Partnership Ltd	32%	-	United Kingdom	Land developer and housebuilder
Charter Square Management Company Ltd	32%	-	United Kingdom	Property development management service provider
De Burgh, Tadworth Management Company Ltd	32%	-	United Kingdom	Holding company
Bassetts, Orpington Management Company Ltd	32%	-	United Kingdom	Holding company
Crimscott Street, Bermondsey Management Company Ltd	32%	-	United Kingdom	Holding company
Pewter N7 Management Company Ltd	32%	-	United Kingdom	Holding company
Amparo House, Greenwich London Management Company Ltd	32%	-	United Kingdom	Land developer and housebuilder
Albright Gardens, Walton on Thames Management Company Ltd	32%	-	United Kingdom	Holding company
425-455 St Albans Road, Watford Management Company Ltd	32%	-	United Kingdom	Land developer and housebuilder



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
London Square (St Michaels Croydon)(No. 1) Management Company Limited	32%	-	United Kingdom	Housing association real estate
St Michaels Croydon (Tower B) Management Company Ltd	32%	-	Hong Kong	Selling and marketing services
One Linear Place Management Company Ltd	32%	-	United Kingdom	Land developer and housebuilder
Aldar Development (LSQ) Limited	32%	-	United Kingdom	Residents' management company
LSQ Management Limited	32%	-	United Kingdom	Residents' management company
London Square (Crayford) Holdings Limited	32%	-	United Kingdom	Holding company
London Square (Crayford) Limited	32%	-	United Kingdom	Property developer
London Square (Springfield) Holdings Limited	32%	-	United Kingdom	Holding company
London Square (Springfield) Limited	32%	-	United Kingdom	Property developer
Plot F, Springfield Village Management Company Limited	32%	-	United Kingdom	Residents' Management Company
Plot G, Springfield Village Management Company Limited	32%	-	United Kingdom	Residents' Management Company
Plot P&Q, Springfield Village Management Company Limited	32%	-	United Kingdom	Residents' Management Company

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2023	2022		
Abu Dhabi Marine Dredging Co S.P.C.	<b>68%</b>	68%	Bahrain	Offshore reclamation, marine and excavation contracts
National Marine and Infrastructure India (Private) Limited	<b>68%</b>	68%	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Petroleum Construction Co. (Saudi) LTD.	<b>68%</b>	68%	Saudi Arabia	Engineering, construction and procurement
NPCC Engineering Limited	<b>68%</b>	68%	India	Engineering, construction and procurement
ANEWA Engineering Private Limited	<b>55%</b>	55%	India	Engineering, construction and procurement
Aldar Sukuk (No. 1) Ltd.	<b>28%</b>	32%	Cayman Island	Special purpose entity for sukuk issuance
Aldar Sukuk (No. 2) Ltd.	<b>28%</b>	32%	Cayman Island	Special purpose entity for sukuk issuance
Aldar Investment Properties Sukuk Limited (formerly "Aldar Sukuk (No. 3) Ltd."	<b>28%</b>	32%	Cayman Island	Special purpose entity for sukuk issuance
Six October for Development and Investment Co. S.A.E. (SODIC)	<b>19%</b>	19%	Egypt	Real estate development
W solar Investments Single Member Societe Anonyme	<b>100%</b>	75%	Greece	Renewable energy power plant installation and maintenance
Transcend Blocker, INC	<b>100%</b>	100%	USA	Investment holding

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

The Group includes the follow dormant subsidiaries, which had no operations in the current and prior year:

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Trojan Development LLC	100%	100%	Real estate investment
Trojan International RSC Ltd	100%	-	Investment holding
Reem Emirates General Contracting LLC- Dubai	100%	100%	Real estate investment
Ersa General Contracting LLC	100%	100%	Building projects contracting
Hi-Tech Line Building Construction LLC	100%	100%	Building projects contracting
Hi-Tech Emirates for General Contracting LLC	100%	100%	Building projects contracting
Murban BVI Holding Inc. (BVI)	100%	100%	Investment holding company
Sitax Investment Ltd (BVI)	100%	100%	Investment holding company
Sitax Holding Ltd (BVI)	100%	100%	Investment holding company
Lindere Villas (Seychelles) Limited	100%	100%	Investment holding company
Mawarid Centre for Research and Scientific Laboratories LLC	90%	90%	Environmental consultancy, studies and research
Mawarid International Development Company LLC	90%	90%	Real estate investment and management
Mawarid Nurseries LLC	90%	90%	Wholesale supply of plants
Mawarid International Investment LLC	90%	90%	Investment holding
Khattar Restaurant & Café - Sole Proprietorship LLC	90%	90%	Tourism and restaurant services
Desert Gate Restaurant - Sole Proprietorship LLC	90%	90%	Tourism and restaurant services
Desertology Spa - Sole Proprietorship LLC	90%	90%	Relaxation and wellness centre
Desertology - Sole Proprietorship LLC	90%	90%	Women's wellness and health club

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Barari International Limited Company	90%	90%	Land preparation, irrigation systems works and maintenance
Mawarid Security Services LLC.	90%	90%	Public security guarding services
Spark Security Services – Sole Proprietorship LLC	32%	32%	Security services
National Marine Dredging Company (Industrial)	68%	68%	Investment holding
NPCC Services Malaysia SDN	68%	68%	Engineering, procurement and construction
Abu Dhabi for Construction Projects	68%	68%	Engineering, procurement and construction

The Group has disposed the following companies during the year:

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
M Commodities - Sole Proprietorship LLC	-	100%	General commodity trading
Gulf Fire Nanotechnology LLC	-	90%	Firefighting and safety equipment trading
Aafaq Enterprise LLC	-	90%	Management services
Pure Health Holding LLC (“PHH”)	-	39%	Health care investments
Pure Lab LLC	-	39%	Healthcare services
One Health LLC	-	39%	Healthcare services
The Medical Office Facilities Management LLC	-	39%	Healthcare services
Rafed Healthcare Supplies L.L.C	-	39%	Wholesale storage and supply of medical equipment and medication
Union 71 Medical Facilities Management LLC	-	39%	Management of medical laboratories
Pure Health Medical Supplies LLC (“PHMS”)	-	39%	Healthcare services

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

The Group has derecognised as subsidiaries the following companies during the year:

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Tamouh Healthcare LLC	-	39%	Healthcare services
Yas Clinics Group Sole Proprietorship LLC	-	39%	Healthcare services
Abu Dhabi Stem Cells Center Sole Proprietorship LLC	-	39%	Healthcare research centers
National Health Insurance Company – PJSC (Daman)	-	39%	Health insurance provider
Abu Dhabi Health Services Company – PSC (SEHA)	-	39%	Healthcare services
The Life Corner LLC	-	39%	Pharmacy management services
Protect 7 Healthcare – Sole Proprietorship LLC	-	39%	Retail sale of medical equipment
Somerian Health LLC (formerly Medi Q Healthcare & Clinic LLC)	-	31%	Healthcare services
American Crescent Health Care Centre – Sole Proprietorship LLC	-	31%	Healthcare services
Genqore Drug Store L.L.C	-	28%	Pharmaceutical products trading
Yas Clinic Al Mushrif – Sole Proprietorship LLC	-	39%	Operation and management of medical complex
Yas Clinic Center – Al Ain Sole Proprietorship LLC	-	39%	Operation and management of medical complex
Yas Clinic Khalifa City – Sole Proprietorship LLC	-	39%	General hospital, management of medical facilities, pharmacy and ambulance services.
Yas Clinic One Day Surgery – Sole Proprietorship LLC	-	39%	Healthcare services
Medlife – Sole Proprietorship LLC	-	39%	Management of medical facilities
AIC Medical Center Sole Proprietorship LLC	-	39%	Operation and management of medical complex

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
ALD Medical Clinic Sole Proprietorship LLC	-	39%	Supply of general medicine
AMH Medical Clinic – Sole Proprietorship LLC	-	39%	Supply of general medicine
CHC Medical Clinic – Sole Proprietorship LLC	-	39%	Supply of general medicine
HHC Medical Clinic – Sole Proprietorship LLC	-	39%	Supply of general medicine
ILLC Medical Clinic – Sole Proprietorship LLC	-	39%	Supply of general medicine
AMC Medical Clinic – Sole Proprietorship LLC	-	39%	Supply of general medicine
Sehaty Medical Center – Sole Proprietorship LLC	-	39%	Operation and management of medical complex
Golden Health Medical Mobile – Sole Proprietorship LLC	-	39%	Mobile medical services
Al Haneen Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
Good Care Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
Healing Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
Med Care Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
YAS Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
YAS Pharmacy Ladies Club – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
Yas Clinic Hospital – Sole Proprietorship LLC	-	39%	Healthcare services
Yas City Pharmacy – Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
ADSCC Pharmacy Sole Proprietorship LLC	-	39%	Supply of pharmaceutical products
Independent Healthcare Information Technology Services L.L.C	-	39%	Information technology related services.
Plus International Medical Center – Sole Proprietorship L.L.C	-	39%	Natural and rehabilitation medical centre related services
Pure Investment LLC	-	39%	Healthcare services
Pure Health Capital LLC	-	39%	Healthcare services
Union Health Facilities Management LLC	-	39%	Healthcare services
Dawak Healthcare Supplies LLC	-	39%	Healthcare services
Telldoc Technology LLC	-	39%	Healthcare services
Medclaim Billing Services LLC	-	39%	Healthcare services
Pure Health Facilities Management LLC	-	39%	Healthcare services
Pure Care Facilities Management LLC	-	39%	Healthcare services
Pure Health Investment – Sole Proprietorship L.L.C	-	39%	Healthcare services
Society Travel L.L.C.	-	39%	Healthcare services
INOCHI Healthcare Sole Proprietorship LLC	-	39%	Healthcare services
Medi Q Healthcare LLC	-	20%	Healthcare services
Yas Clinic Saadiyat – Sole Proprietorship LLC	-	39%	Operation and management of medical complex
Yas Clinic Emirates – Sole Proprietorship LLC	-	39%	Healthcare services
Qemmat Al Shumookh Properties – Sole Proprietorship L.L.C	-	39%	Real estate investment
Daman Healthcare Solutions GmbH (Germany)	-	39%	Provision of services in international healthcare management.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

The following associates, joint ventures, and joint operations together with their ownership is detailed below, with their results reflected in these consolidated financial statements.

Name of associates	Percentage of ownership		Country of incorporation	Principal activities
	2023	2022		
Q Holding PJSC (“Q Holding”)	20%	20%	U.A.E.	Real estate and hospitality
Canal Sugar S.A.E. “Canal Sugar”	33%	33%	Egypt	Sugar farming and production
Yas Projects LLC	49%	-	U.A.E.	Construction project entity
Pure Health Holding PJSC	35%	-	U.A.E.	Health care investments
Response Plus Holding PrJSC (“RPM”)	36%	36%	U.A.E.	Emergency healthcare services
Century Real Estate Management LLC	13%	13%	U.A.E.	Management of labour camps and accommodation
Abu Dhabi Mountain Gate Property Investment LLC (under liquidation)	13%	13%	U.A.E.	Real estate investment
Safeen Survey and Subsea Services LLC	49%	49%	U.A.E.	Marine services related to oil industries
Al Jazira Technical Solutions and Consulting LLC	35%	35%	U.A.E.	Consulting in computer devices and equipment
Principia SAS	33%	33%	France	Engineering and consultancy
B G I for Commercial Investment LLC	30%	30%	Mozambique	Project management
Abu Dhabi Finance PJSC	32%	32%	U.A.E.	Real estate finance company
Al Sdeirah Real Estate Investment LLC	30%	30%	U.A.E.	Real estate investment
Iskandar Holdings Limited	19%	19%	Cayman Islands	Real estate investment
Royal Gardens for Investment Property Co.	20%	20%	Egypt	Real estate development
PAL 4 Solar Energy LLC (“PAL 4 Solar”)	20%	20%	U.A.E.	Maintenance of energy equipment



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of associates	Percentage of ownership		Country of incorporation	Principal activities
	2023	2022		
Gordon Technologies LLC ("Gordon")	25%	25%	U.S.A.	Sale of directional drilling equipment, technology and services to oil and gas drilling industries.
TA'ZIZ UAE Investment Company	25%	-	U.A.E.	Investment in chemical projects
NICC Infrastructure Construction Company LLC	49%	-	U.A.E.	Railway projects construction
WISY Holding Cyprus Ltd	44%	-	Cyprus	Investment holding
Nammos World SARL	44%	-	Monaco	Intellectual Property company
WISY Management Cyprus Ltd	44%	-	Cyprus	Intellectual Property company

Name of joint ventures	Percentage of ownership		Country of incorporation	Principal activities
	2023	2022		
China Railway Construction Corporation Abu Dhabi Branch ('CRCC') and National Projects Construction LLC ('NPC') Joint venture CRCC-NPC JV" ('CRCC-NPC')	49%	49%	U.A.E.	Construction project entity
The Challenge Egyptian Emirates Egypt Marine Dredging Company ("CEEMDC")	49%	49%	Egypt	Construction project entity
Ssangyong Engineering and Construction Co Ltd and Trojan General Contracting Joint venture	40%	40%	U.A.E.	Construction project entity
Trojan General Contracting and Six Construct Limited – Guggenheim Museum	50%	50%	U.A.E.	Construction project entity

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of joint ventures	Percentage of ownership		Country of incorporation	Principal activities
	2023	2022		
Trojan General Contracting and Six Construct Limited –Zayed National Museum	50%	50%	U.A.E.	Construction project entity
Royal House LLC	50%	50%	U.A.E.	Hotel operating company
Al Raha International Integrated Facilities Management LLC (under liquidation)	50%	50%	U.A.E.	Facilities management company
Galaxy Building Materials LLC	-	45%	U.A.E.	Building materials supply
Palmyra SODIC Real Estate Development	50%	50%	Syria	Real estate development
WIO Holding Restricted Limited (“WIO Holding”)	51%	51%	U.A.E.	Investment holding
MICAD Credit JV RSC Ltd	20%	20%	U.A.E.	Investment holding
Munich Health Daman Holding Limited (“Munich Health Daman”)	-	49%	U.A.E.	Healthcare services
MW Energy Limited (“MW Energy”)	50%	50%	U.A.E.	Renewable energy investment
Mawarid Desert Control L.L.C.	-	50%	U.A.E.	Land irrigation system installation and maintenance
South Development One DWC-LLC	50%	-	U.A.E.	General Warehousing
Richmond Hill Developments (Jersey) Limited	15%	-	U.S.A.	Real estate development
Vulcan Wharf Holdings LLP	50%	-	United Kingdom	Real estate development
VST JV	33%	-	U.A.E.	Construction
NPC-CCECC JV	75%	-	U.A.E.	Construction
Mawarid Intelligent Irrigation Technologies LLC	50%	-	U.A.E.	Agriculture enterprise investment
Avobar Restaurant - Sole Proprietorship L.L.C.	30%	-	U.A.E.	Restaurant
NT Energies LLC	51%	-	U.A.E.	Engineering and consulting

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Basis of consolidation (continued)**

Name of joint operations	Percentage of ownership		Principal activities
	2023	2022	
Saipem – NPCC – Hail and Grasha	50%	-	Construction project
Technicas – NPCC – Meeran	50%	-	Construction project
Technip – NPCC Satah Full Field	50%	50%	Construction project
NPCC – Technip UZ-750 (EPC-1)	40%	40%	Construction project
NPCC – Technip UL -2	50%	50%	Construction project
NPCC – Technip AGFA	50%	50%	Construction project
NPCC – Technip JV – US GAS CAP FEED	50%	50%	Construction project
NPC-ATC JV	50%	50%	Construction project
NPC-BCEG JV	50%	50%	Construction project

There are certain joint operations which are inoperative and have insignificant balances at year end.

**2.2 Summary of material accounting policies**

**Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except:

- Deferred tax assets or liabilities in accordance with IAS 12;
- Assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 19;
- Liabilities or equity instruments related to share-based payment arrangements measured in accordance with IFRS 2; and
- Assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Business combinations (continued)**

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), then the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognised in the consolidated statement of profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Business combinations under common control**

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Group are accounted for using the pooling of interest method at the date of transfer. Such transactions are presented without restatement of prior periods and are outside the scope of IFRS 3. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity at the transfer date. The components of equity of the acquired entities are added to the same components within Group equity, except those which are eliminated on consolidation. Any difference between the consideration paid and capital of the acquiree is recognised directly in merger reserve.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment is its purchase cost together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost of the property, plant and equipment using the straight-line method over their estimated useful lives as follows:

	<b>Years</b>
Buildings and base facilities	5-47
Dredgers, machinery and equipment	1-30
Barges, support vessels and vehicles	1-40
Furniture, equipment and leasehold improvements	2-20

Land is not depreciated.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Property, plant and equipment (continued)**

The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

**Capital work-in-progress**

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the asset including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for its intended use, the cost is transferred to the appropriate asset category and is depreciated in accordance with the Group's accounting policies.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised on a straight-line basis over the assets estimated useful lives as follows:

	<b>Years</b>
Software and license	3-10
Customer related intangibles	5-20
Trademarks	3-8
Brand	10

The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis. Customer related intangibles include customer relationships and customer contracts.

Intangible assets with indefinite useful lives i.e., brand that are acquired separately are tested for impairment and carried at cost less accumulated impairment losses, if any.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date.

Subsequent to initial recognition, they are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Intangible assets acquired separately (continued)**

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit or loss.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

**Biological assets**

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless / until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in the consolidated statement of profit or loss in the period in which it arises.

**Goodwill**

Goodwill is initially recognised and measured as mentioned in the business combination policy.

Goodwill is not amortised but is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Investment properties**

Investment property, which is property held to earn rental income and / or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs.

Depreciation is calculated using the straight-line method over their expected useful life which ranges from 15 to 47 years. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

**Leases***The Group as a lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Leases (continued)**

*The Group as a lessee (continued)*

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

*Right-of-use assets*

The value right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset. If a lease transfers ownership of the underlying asset or the cost of the asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Depreciation is charged so as to write off the cost of the assets using the straight-line method over their estimated useful lives or lease term, whichever is shorter, as follows:

	<b>Years</b>
Land	1-65
Buildings	1-50
Machinery	1-7

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Leases (continued)***Right-of-use assets (continued)*

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*The Group as a lessor*

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses ("ECL") on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e., after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Impairment of non-financial assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets including property, plant and equipment, investment property, right-of-use assets and intangible assets to determine whether there is any indication that those non-financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease with any excess impairment loss recognised in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

**Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Investments in associates and joint ventures (continued)**

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the consolidated statement of profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Investments in associates and joint ventures (continued)**

In addition, the Group accounts for all amounts previously recognised in the consolidated statement of comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in the consolidated statement of comprehensive income by that associate or joint venture would be reclassified to the consolidated statement of profit or loss on disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the consolidated statement of profit or loss (as a reclassification adjustment) at that time.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, it reclassifies to the consolidated statement of profit or loss the proportion of gain or loss previously recognised in the consolidated statement of comprehensive income relating to that reduction in ownership, if that gain or loss would be reclassified to the consolidated statement of profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from it are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which forms part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

**Interests in joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operations; and
- its expenses, including its share of any expenses incurred jointly.

## Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

### 2 Material accounting policies (continued)

#### 2.2 Summary of material accounting policies (continued)

##### Interests in joint operations (continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the applicable IFRSs. When a Group entity transacts with a joint operation in which a group entity is a joint operator (such a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operations, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation it does not recognise its share of the gains or losses.

##### Insurance contracts

###### *Classification*

The Group issues contracts that transfer insurance risk.

Contracts under which the Group accepts significant insurance risk from another party (*the policy holder*) by agreeing to compensate the policyholder if a specified uncertain future event (*the insured event*) adversely affects the policyholder are classified as insurance contracts. Insurance risk is significant if an insured event could cause the Group to pay significant additional benefits due to occurrence of the insured event as compared to non – occurrence. Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

###### *Premium and unearned premium reserve*

The contracts allow the Group's policy holders to obtain healthcare coverage and protect them against medical expenditures and related costs in accordance with an agreed medical plan. The healthcare coverage pays for medical and surgical expenses that are incurred by the insured customers. For all these insurance contracts, premiums are recognised as revenue (*earned premiums*) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium reserve.

###### *Claims*

Claims and loss adjustment expenses are charged to the consolidated statement of profit or loss as incurred based on the estimated liability for compensation owed to policy holders or third parties damaged by the policy holders. They include direct and indirect claims settlement costs i.e., unallocated loss adjustment expense (ULAE) and arise from events that have occurred up to the reporting date even if they have not yet been reported to the Group.

Taking into consideration the fact that significant time lags may exist between loss events and notification of the claims to the Group, incurred but not reported claims ("IBNR") are established on the basis of the Group's own estimates for claims that have already been incurred but not yet reported. These are guided by the principle of best estimate using actuarial methods. Such estimates are based upon both past experience and assessments of the future development.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Insurance contracts (continued)**

The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported (“IBNR”).

*Reinsurance contracts*

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Amounts due to and from reinsurers are accounted for in a manner consistent with the related insurance policies and in accordance with the relevant reinsurance contracts. Reinsurance premiums are deferred and expensed using the same basis as used to calculate unearned premium reserves for related insurance policies. The deferred portion of ceded reinsurance premiums is included in reinsurance assets.

Reinsurance assets are assessed for impairment at each consolidated statement of financial position date. A reinsurance asset is deemed impaired if there is an objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Impairment losses on reinsurance assets are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

*Liability adequacy test*

Where necessary, a provision is made when the expected value of claims and administrative expenses attributable to the unexpired periods of policies in force at the consolidated statement of financial position date exceeds the unearned premiums provision in relation to such policies.

The assessment of whether a provision is necessary is made separately considering each category of business accounted for annually, on the basis of information available as at the consolidated statement of financial position date, taking into account related expenses and attributable future investment return. Any deficiency is immediately charged to the consolidated statement of profit or loss by establishing a provision for losses arising from the liability adequacy tests.

*Deferred commission income and expense*

At the end of each reporting period, commission income and expenses as well as other income and expenses related to underwriting activities are deferred to cover for unexpired risks. The reserves are calculated on a time-proportion basis over the effective period of the policy.

## Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

### 2 Material accounting policies (continued)

#### 2.2 Summary of material accounting policies (continued)

##### Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

##### *Financial assets*

Purchases or sales of financial assets are recognised or derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Financial assets that meet the following conditions are measured subsequently at amortised cost:

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

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**(i) Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in the consolidated statement of profit or loss.

*Cash and short-term deposits*

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

*(ii) Debt instruments classified as at FVTOCI*

Debt instruments that meet the following conditions are measured subsequently at FVTOCI:

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

By default, all other financial assets are measured subsequently at FVTPL. For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

*(iii) Equity instruments designated as at FVTOCI*

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held-for-trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to the consolidated statement of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held-for-trading as at FVTOCI on initial recognition. A financial asset is held-for-trading if either:

- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

(iv) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held-for-trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above); and
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss includes any dividend or interest earned on the financial asset and is included in ‘Dividend income’. Fair value is determined in the manner described in Note 45.

*Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the consolidated statement of profit or loss in the foreign exchange gain;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in the consolidated statement of profit or loss in foreign exchange gain. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investment revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in the consolidated statement of profit or loss as foreign exchange gain; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in the consolidated statement of comprehensive income in the investment revaluation reserve.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets*

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables, contract assets, and other financial assets as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets, and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months from the reporting date.

*i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)**i) Significant increase in credit risk (continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

*Impairment of financial assets (continued)*

*i) Significant increase in credit risk (continued)*

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*ii) Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; and
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is past due for 365 days unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)**iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- The disappearance of an active market for that financial asset because of financial difficulties.

*iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

*v) Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)**v) Measurement and recognition of ECL (continued)*

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the consolidated statement of profit or loss but is transferred to retained earnings.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**2 Material accounting policies (continued)**

**2.2 Summary of material accounting policies (continued)**

**Financial instruments (continued)**

*Financial liabilities and equity*

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held-for-trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; and
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held-for-trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial liabilities (continued)**Financial liabilities at FVTPL (continued)*

- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in the consolidated statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in the consolidated statement of comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in the consolidated statement of profit or loss.

Fair value is determined in the manner described in Note 45.

*Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial liabilities (continued)**Sukuk*

Sukuks are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

*Financial guarantee contract liabilities*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

*Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, exchange gains and losses are recognised in the consolidated statement of comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in the consolidated statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Taxation (continued)***Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

*Current tax and deferred tax for the year*

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in the consolidated statement of comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Taxation (continued)***Value added tax (VAT)*

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in Note 45.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Inventories**

Inventories are stated at the lower of cost and NRV. Cost comprises direct materials and, where applicable, direct labour costs, cost of land and related infrastructure costs with respect to plots land and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. NRV represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**Development work-in-progress**

Development work in progress consists of property being developed principally for sale and is stated at the lower of cost or NRV. Cost comprises all direct costs attributable to the design and construction of the property including direct staff costs. NRV is the estimated selling price in the ordinary course of the business less estimated costs to complete and applicable variable selling expenses.

**For single**

development projects, the Group allocates the cost of land in proportionate basis of the Gross Floor Area (“GFA”) and for multi-segment development projects, the Group allocates the cost of land in proportionate basis of the residual value of each respective segment of the development project. The residual value of each segment is determined by the management of the Group using recognised valuation methods. These methods comprise the residual value method and the income capitalisation method. The residual value method requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer’s risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

In respect of consideration for plots of land which is variable and dependent on actual returns from the development projects, the Group recognises amounts actually paid as part of development work in progress. The costs of the plots of land are subsequently either increased or decreased based on actual payments made and returns on the development projects in line with the arrangement with third parties.

**Share-based payments**

The Group makes cash-settled share-based payments to eligible employees, for which a liability is recognised for the services acquired. The liability is initially measured at fair value at the grant date and at each reporting date up to and including the settlement date. Changes in fair value, net of any changes in investments held, are recognised in the consolidated statement of profit or loss. The Group does not have any equity-settled share-based payments.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continue****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Discontinued operations and non-current assets held-for-sale**

The Group classifies non-current assets and subsidiaries as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale.

Assets and liabilities classified as held-for-sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held-for-sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

**Employee benefits***Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Employee benefits (continued)***Defined contribution plan*

Monthly pension contributions are made in respect of UAE National employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Monthly pension contributions are made in respect of other GCC National employees, who are covered by the Circular no. 3 of 2007 issued by the General Authority of Pension and Social Security. The contribution made by the Group is charged to the consolidated statement of profit or loss. The pension contribution is made according to the laws of the respective GCC nation.

*Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group currently operates an unfunded scheme for defined benefits in accordance with the applicable provisions of the UAE Federal Labour Law and is based on periods of cumulative service and levels of employees' basic salaries at the end of their employment contract. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods discounted to determine present value. Any unrecognised past service costs are deducted.

The calculation of defined benefit obligation is performed periodically by an actuary using the projected unit credit method. When benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in the consolidated statement of profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss. The Group recognises all actuarial gains and losses arising from defined benefit plans in the consolidated statement of other comprehensive income and all expenses related to defined benefit plans within consolidated statement of profit or loss.

**Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Government grants (continued)**

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated statement of profit or loss in the period in which they become receivable. The benefit of a government loan at a concessional rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts.

**Derivative financial instruments**

The Group enters into derivative financial instruments to manage exposure to variable interest rate fluctuations. Further details of derivative financial instruments are disclosed in Note 29.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in consolidated statement of profit or loss depends on the nature of the hedging relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both a legally enforceable right and intention to offset. The impact of the master netting agreements on the Group's financial position is disclosed in Note 29. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

**Hedge accounting**

The Group designates derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Hedge accounting (continued)**

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

**Cash flow hedges**

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the consolidated statement of comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the consolidated statement of profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in the consolidated statement of comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the consolidated statement of profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

### 2 Material accounting policies (continued)

#### 2.2 Summary of material accounting policies (continued)

##### Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date.

At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with IFRS 15.

##### *Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

##### *Warranties*

Provisions for the expected cost of warranty obligations under the terms of the sale of goods are recognised at the date of sale of the relevant products, at the terms of the best estimate of the expenditure required to settle the Group's obligation.

##### Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

##### Current versus non-current classification

The Group presents assets and liabilities in the statement of consolidated financial position based on current / non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Current versus non-current classification (continued)**

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring to the customer.

The Group recognises revenue from the following major sources:

- Rendering of services i.e., construction contracts, industrial service, laboratory and other services, insurance premium, sale of properties, rental income, management fee income, insurance revenue and income from education services, which is recognised over period of time, and
- Sale of goods i.e., laboratory and hospital management services, revenue from hotel operations and investment income which is recognised at point of time.

*Revenue from construction, industrial and dredging contracts*

The Group provides construction and dredging activities and associated land reclamation works to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group has enforceable right to payment for work done. Revenue is therefore recognised over time on a cost-to-cost method based the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Revenue recognition (continued)***Revenue from construction, industrial and dredging contracts (continued)*

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract.

*Contract assets and liabilities*

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract costs represents costs incurred on projects for which the Group is required to meet specific contractual obligations such as joint inspections, milestone completion and customer acceptance/handover, prior to billing the customer. Those obligations are expected to progressively be met over time, resulting in a winding down of the balance throughout the remaining contractual period.

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

*Sale of properties and provision of services*

Under the terms of the contracts in the UAE and England and Wales, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE and England and Wales is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

In respect of the Group's contracts for development of certain residential properties in Egypt, the Group has assessed that transfer of control happens only at the time of handover of completed units to customers and accordingly the related revenue is recognised at that time.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Revenue recognition (continued)***Laboratory diagnostics distribution*

The Group sells medical equipment and consumables to end-user laboratories across the UAE. Revenue is recognised when control of the goods has transferred, being when goods have been delivered to end-user laboratories location. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

*Laboratory and hospital management services*

The Group provides certain specialized services like laboratory management services, hospital management services, manpower supply and other maintenance and operational support services. Revenue from such services are recognised as a performance obligation satisfied at a point in time or over the contract period or period of service, as applicable in accordance with the requirements of IFRS 15.

*Insurance contracts revenue and insurance commission income*

Premiums are recognised as revenue (earned premium) on time-proportion basis over the effective period of policy coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the end of the reporting period is reported as the unearned premium liability.

Insurance commission income is recognised when the policies are written based on the terms and percentages agreed with the reinsurers.

*Revenue from hotel operations*

Hotel operations represents the sale of hotel rooms, food and beverages, catering and other ancillary services. These are invoiced upon provision of the service or delivery of goods. Revenue is stated net of allowances and rebates.

*Management fee income*

The Group manages construction of properties under long term contracts with customers, for which it earns a management fee. Such management fee income is recognised over time using the input method to recognise revenue upon the satisfaction of performance obligations. Where the outcome of a contract cannot be estimated reliably, revenue is recognised based on the consideration to which the Group expects to be contractually entitled based on its performance obligations completed up to the reporting date.

*Service charges and expenses recoverable from tenants*

For investment properties held primarily to earn rental income, the Group enters into lease agreements that fall within the scope of IFRS 16. Such lease agreements generally include common area services (security, maintenance, utilities, health and safety etc.) as well as management and customer care services. The Group has determined that these services constitute distinct non-lease components (distinct from the right-to-use the underlying asset) and are within the scope of IFRS 15.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Revenue recognition (continued)***Service charges and expenses recoverable from tenants (continued)*

The consideration charged to tenants for these services are separately specified in the lease agreements and invoiced accordingly. The Group applies the time elapsed method to recognise revenue over time for such services. Income arising from cost recharged to tenants is recognised in the period in which the cost can be contractually recovered. The Group records revenue on a gross basis, being the principal controlling the services before transferring them to the customer.

*Rental income*

Rental income is recognised on a straight-line basis over the term of the lease rental agreement. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

*Income from education services*

Registration fee is recognised as income when it is received. Tuition fee income is recognised over the period of time over which tuition services are rendered. Tuition fees received in advance are recorded as deferred revenue.

*Sale of goods*

Revenue from sale of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery) or at the point the customer purchases the goods at the warehouse or outlet. Following delivery, the customer has full discretion over the manner of distribution and/or utilization and price to sell the goods and has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

*Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis by reference to the principal outstanding and at the interest rate applicable.

*Dividend income*

Dividend income from investments is recognised when the right to receive payment has been established.



## Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

### 2 Material accounting policies (continued)

#### 2.2 Summary of material accounting policies (continued)

##### Foreign currencies

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in consolidated statement of profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in consolidated statement of comprehensive income.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

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

**3.1 New and revised IFRSs applied with no material effect on the consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

*IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)*

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Group adopted IFRS 17 retrospectively from 1 January 2023. During the transition on 1 January 2023, the Group identified, recognised, and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied. Existing balances that would not exist under IFRS 17 were derecognised. The measurement categories under IFRS 4 and the new measurement categories under IFRS 17 for each class of the IFRS 17-line item as of 1 January 2023 were not presented separately as they are not material.

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies*

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**3 Application of new and revised International Financial Reporting Standards (IFRS)  
(continued)**

**3.1 New and revised IFRSs applied with no material effect on the consolidated financial  
statements (continued)**

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

*Amendments to IAS 12  
- Deferred Tax related  
to Assets and  
Liabilities arising from  
a Single Transaction*

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

*Amendments to IAS 12  
Income Taxes -  
International Tax  
Reform - Pillar Two  
Model Rules*

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

*Amendments to IAS 8  
Accounting Policies,  
Changes in  
Accounting Estimates  
and Errors -  
Definition of  
Accounting Estimates*

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

## Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

### 3 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

#### 3.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 1 *Presentation of Financial Statements—Non-current Liabilities with Covenants* (effective from 1 January 2024);
- Amendments to IAS 7 *Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements* (effective from 1 January 2024);
- Amendment to IFRS 16 *Leases—Lease Liability in a Sale and Leaseback* (effective from 1 January 2024);
- Amendments to IAS 1 *Presentation of Financial Statements—Classification of Liabilities as Current or Non-current* (effective from 1 January 2024);
- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (effective from 1 January 2024, subject to adoption by the jurisdiction);
- IFRS S2 *Climate-related Disclosures* (effective from 1 January 2024, subject to adoption by the jurisdiction);
- Amendment to IAS 21—*Lack of Exchangeability* (effective from 1 January 2025);
- Amendments to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Effective date not yet decided)

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

### 4 Critical accounting judgments and key sources of estimation of uncertainty

While applying the accounting policies as stated in Note 2, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period that the revision is made, if the revision affects only that period, or in the period of the revision and future periods if it affects both current and future periods.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies**

The following critical judgments, apart from those involving estimations in Note 4.2 below, have been made in the process of applying the Group's accounting policies.

*Determination of performance obligations*

With respect to the sale of property, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

*Timing of satisfaction of performance obligations*

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. Accordingly, the Group has evaluated the timing of revenue recognition on the sale of properties based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's legal counsel.

The majority of the Group's contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

For contracts relating to the sale of property under development in the UAE and England, the Group has generally concluded that the overtime criteria are met and, therefore, recognises revenue over time. These are contracts either for property sold to one customer for the entire land and building or for a multi-unit property. The Group has considered the factors contained in the contracts for the sale of property and concluded that the control of the above-mentioned property(s) is transferred to the customer over time because:

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the Group has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies (continued)***Timing of satisfaction of performance obligations (continued)*

- The Group's performance does not create an asset with alternative use. Furthermore, the Group has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is, at all times, entitled to an amount that at least compensates it for performances for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

For contracts relating to the sale of property under development in Egypt, the Group has generally concluded that the overtime criteria are not met and, therefore, recognises revenue at a point in time.

Where contracts are entered into for construction (to construct an asset for the customer), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Where contracts are entered into to provide services (property management and facility management), the Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

*Significant increase in credit risk*

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased since initial recognition. IFRS 9 does not define what constitutes an increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies (continued)***Classification of properties*

In the process of classifying properties, the Group makes judgments. Judgment is needed to determine whether a property qualifies as an investment property, property plant and equipment and / or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of those asset categories. In making its judgment, the Group considers the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property at the reporting date.

*Classification and measurement of financial assets (Business model assessment)*

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objectives of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if not, whether a prospective change to the classification of those assets is needed.

*Determining whether unsigned (verbal) agreements meet the definition of contract under IFRS 15*

Certain projects in the UAE or overseas, are executed on the basis of verbally agreed terms (including estimates of total project cost and timelines) in line with the Group's historical business practice. Such unsigned verbal agreements may meet the definition of a 'contract with customer' under IFRS 15 on the basis of external legal opinions. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997 a contract can be oral or written and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties.

Contract assets represent amounts relating to work performed which is yet to be billed to customers for signed and unsigned contracts. Judgement is applied to determine the amounts of revenue and contract assets recognised and recoverability related to unsigned contracts. These judgments are reviewed periodically, and adjustments are made accordingly any changes thereon may have an impact on the amount of revenue and contract assets recognized in these consolidated financial statements. Contract assets for unsigned contracts as at 31 December 2023 are AED 822 million (2022: AED 621 million).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies (continued)***The ultimate liability arising from claims made under insurance contracts*

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date but not approved and for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty.

The ultimate cost of claims incurred but not reported and claims reported but not approved (together referred to as “outstanding claims”) is estimated by a related party and reviewed by an independent qualified consultant using the chain ladder actuarial techniques. The main assumption underlying those techniques are that the Group’s past claims development experience which can be used to project future claims development and hence ultimate claims cost.

The carrying value at the reporting date of claims incurred but not reported and claims reported but not approved (net of related reinsurance receivable) is AED Nil (2022: AED 1,019,789 thousand).

*Determining the lease term*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

*Joint arrangements*

For assessing joint control, the Group considers the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group considers whether it has joint rights to the net assets of the arrangement, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

*Hybrid equity instruments*

Judgment is applied to determine whether a financial instrument, or its component parts, on initial recognition should be classified as a financial liability, a financial asset or an equity instrument in accordance with their respective definitions and the substance of the contractual arrangement based on guidance as set out in IAS 32. Based on the criteria, the Group concluded that certain hybrid equity instruments are a part of equity.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies (continued)***Control over Aldar Properties PJSC (“Aldar”)*

Note 42 explains that the Group has attained control of Aldar through a business combination and classified it as a subsidiary of the Group, notwithstanding its ownership of less than half of the outstanding share capital. The Group determined that it controls Aldar based on the following criteria:

- a) the Group has appointed four out of the total seven members of Aldar’s board (“Board”) with effect from 11 April 2022;
- b) resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- c) in accordance with Aldar’s articles of association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Aldar's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Aldar’s senior management; and
- d) the Group is the single largest shareholder of Aldar with almost 32% of the outstanding share capital.

In making this judgement, the Group considered the absolute size of its holding in Aldar, ability of other shareholders to limit its nominations to the Board, and the Group’s majority representation on the Board. Therefore, based on the above factors, the Group has clearly established control over Aldar and accordingly its results have been included in these consolidated financial statements.

*Assessment of significant influence over OCI Clean Fuel Limited (‘OCI’)*

The Group holds only 11% in OCI but has right to appoint one out of seven directors to the board of directors of OCI. To assess whether or not the Group exercises significant influence over OCI, the Group considered the absolute size of the holding in OCI, business objectives and the ability of the Group’s representative to exercise significant influence. Presently, the Group concluded its ability to exercise influence over the investee is not significant and accordingly is classified as an investment at fair value through other comprehensive income.

*Principal versus agent consideration*

The Group’s performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services on behalf of another party. The Group does not control the specified goods or services provided by another party until those goods or services are transferred to the party. When the Group satisfies a performance obligation, the Group recognises revenue to the extent of management fee in exchange for arranging for the specified goods or services.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.1 Critical judgment in applying accounting policies (continued)***Principal versus agent consideration (continued)*

The Group's primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts; and
- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group.

*Judgment related to derecognition of Pure Health Holding ('PHH')*

As disclosed in Note 43, on the loss of control over PHH, the Group derecognised its carrying value of assets and liabilities. The results of the operations of PHH were not segregated on the face of the consolidated statement of profit or loss, considering there is no disposal of shares of PHH and absolute holding remains the same before and after the loss of control, and the Group will be able to recover investment principally through continuing use. Accordingly, the transaction was not considered as a discontinued operation under IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

**4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are explained below:

*Fair valuation of retained interest on loss of control*

As disclosed in Note 43, the Group fair valued its retained interest and recognised it as an investment in a joint venture and derecognised its investment as a subsidiary on the loss of control of PHH. In estimating the fair value, the Group engaged a third-party valuation expert to perform the valuation. The underlying assumptions and estimates in assessing the fair value of retained interest are mentioned in Note 43.

*Discount rate used for initial measurement of lease liability*

The Group, as a lessee, measures a lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not on initial recognition of the lease, the Group uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.2 Key sources of estimation uncertainty (continued)***Percentage-of-completion*

The Group uses the input method to recognise revenue for the efforts or inputs towards satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate the stage of completion and costs necessary to complete its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting outstanding contractual obligations to customers. Effects of any revision to these estimates are reflected when the estimates are revised. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, changes in labour and other costs, are included in the expected construction cost estimates.

*Useful lives and residual values of property, plant and equipment, intangible assets, and investment properties*

Management reviews the estimated useful lives and residual values of property and equipment, intangible asset and investment properties at the end of each annual reporting period in accordance with *IAS 16 Property, Plant and Equipment*, *IAS 38 Intangible Assets* *IAS 40 Investment properties*. Management determined that current year expectations do not differ from previous estimates based on its review.

*Impairment of investment in associates and joint ventures*

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.

*Fair value measurements and valuation processes*

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group either engage third party qualified valuers to perform the valuation or use internal specialist to fair value the assets and liabilities. The valuations of private equity investments, contingent consideration in business combinations and nonderivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in Note 45.

*Derivative financial instruments*

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.2 Key sources of estimation uncertainty (continued)***Calculation of ECL*

When measuring ECL the Group uses reasonable and supportable forward-looking information and estimates, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL and is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

*Estimation of NRV for inventories and development work-in-progress*

Properties classified as development work-in-progress are stated at the lower of cost or NRV. NRV is assessed with reference to sales prices, costs of completion, development plans and market conditions existing at the end of the reporting period. For certain properties, NRV is determined by the Group having taken suitable external advice and in the light of recent market transactions, where available.

The determination of NRV of plots of land held-for-sale is based on external valuations using various valuation methodologies and techniques that take into account property-specific information such as forecast selling prices, site planning (including planning consent), build costs, cost recoveries, sales rates (per square meter) and discount rates etc., all of which contain an element of judgement and uncertainty.

Forecasted selling prices have inherent uncertainty due to changes in market conditions. Forecasted building costs can vary with market conditions and may also be incorrectly estimated due to changes in site planning, style of build or unforeseen circumstances arising during construction.

NRV for completed properties is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions in the same market segment.

NRV in respect of development work-in-progress is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money.

*Allowance for slow moving and obsolete inventories*

When inventories become old or obsolete, an estimate is made of their NRV. Inventory items are categorised based on their movements during the year, their physical condition and their expected future use, and accordingly an allowance for impairment is estimated. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from earlier estimates.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.2 Key sources of estimation uncertainty (continued)***Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

The Group has conducted a sensitivity analysis of the impairment test by changing key assumptions used to determine the recoverable amount of cash-generating units to which goodwill is allocated. It concluded that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units.

*Impairment of non-financial assets*

Property, plant and equipment, right of use assets, biological assets and investment property are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment.

*Legal claims and contingencies*

When assessing the possible outcomes of legal claims and contingencies, the Group gathers all available facts, and seeks to ascertain the likely outcome using opinions of legal counsel where appropriate. The opinion of legal counsel is based on their professional judgment, interpretation of facts, current stage of proceedings and legal experience accumulated with respect to similar matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from the Group's estimates.

*Uncertain tax positions*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences may arise between the actual results and adjustments to tax income and expense already recorded. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**4 Critical accounting judgments and key sources of estimation of uncertainty (continued)**

**4.2 Key sources of estimation uncertainty (continued)**

*Employee end of service benefits*

The cost and the present value of the defined benefit plans obligation are generally determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and voluntary termination rate. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All significant assumptions and assets are reviewed at each reporting date.

*Fair value of identifiable assets and liabilities*

As stated in Note 42, the identifiable assets acquired, and the liabilities assumed in business combination are recognised at their fair value. In estimating the fair value of an asset or a liability, the Group engaged third party valuation specialists to perform the valuation. The underlying assumptions and estimates in assessing the fair values are as detailed within Note 6 and 7.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**5 Property, plant and equipment**

	Land AED '000	Buildings and base facilities AED '000	Dredgers, machinery and equipment AED '000	Barges, support vessels and vehicles AED '000	Furniture, equipment and leasehold improvements AED '000	Capital work- in-progress AED '000	Total AED '000
<b>Cost</b>							
At 1 January 2022	225,234	1,872,385	2,655,731	6,905,029	611,971	559,383	12,829,733
Additions	-	1,757,439	152,771	131,817	251,542	1,006,325	3,299,894
Acquired in common control business combinations (Note 41)	-	278,805	89,224	1,956	71,258	30,312	471,555
Assets arising on acquisition of subsidiaries (Note 42)	-	9,226,356	2,905,279	86,581	2,949,565	407,452	15,575,233
Transfers	-	460,598	634,993	85,365	(307,837)	(873,119)	-
Transfer to investment properties (Note 8)	-	(453,796)	-	-	-	(10,262)	(464,058)
Transfer to investment in an associate (Note 10)	-	(2,303)	-	(83,546)	(237)	-	(86,086)
Transfer to inventories	-	-	(6,009)	-	-	-	(6,009)
Eliminated on disposal of subsidiaries (Note 38)	-	-	-	(619)	(7,590)	-	(8,209)
Write-off	-	(4,961)	(22,755)	-	(1,031)	(2,871)	(31,618)
Disposals	-	(10,040)	(287,520)	(563,854)	(122,688)	(1,469)	(985,571)
Foreign currency translation differences	-	(39,341)	(4,538)	(8,148)	(14,930)	(7,455)	(74,412)
At 31 December 2022	225,234	13,085,142	6,117,176	6,554,581	3,430,023	1,108,296	30,520,452
Additions	40,290	115,333	221,437	527,311	160,449	1,514,264	2,579,084
Assets arising on acquisition of subsidiaries (Note 42)	5,329	149,655	32,304	3,799	55,319	100,791	347,197
Transfers	-	106,405	30,582	412,746	199,875	(749,608)	-
Transfer to investment properties (Note 8)	-	26,477	-	-	-	-	26,477
Transfer to intangible assets (Note 6)	-	-	-	-	-	(1,090)	(1,090)
Eliminated on derecognition of a subsidiary (Note 43)	-	(827,326)	(2,852,706)	(60,585)	(1,833,411)	(118,323)	(5,692,351)
Write-off	-	(206)	-	(714)	-	-	(920)
Disposals	-	(30,318)	(35,315)	(34,055)	(23,037)	-	(122,725)
Foreign currency translation differences	28	(17,018)	(1,909)	(2,664)	(3,182)	(1,221)	(25,966)
<b>At 31 December 2023</b>	<b>270,881</b>	<b>12,608,144</b>	<b>3,511,569</b>	<b>7,400,419</b>	<b>1,986,036</b>	<b>1,853,109</b>	<b>27,630,158</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**5 Property, plant and equipment (continued)**

	Land AED '000	Buildings and base facilities AED '000	Dredgers, machinery and equipment AED '000	Barges, support vessels and vehicles AED '000	Furniture, equipment and leasehold improvements AED '000	Capital work- in-progress AED '000	Total AED '000
<b>Accumulated depreciation</b>							
At 1 January 2022	-	869,825	1,101,945	4,026,955	465,798	-	6,464,523
Charge for the year	-	273,946	347,763	339,944	194,397	-	1,156,050
Charge for the year for assets of disposal group	-	735	102	57	916	-	1,810
Acquired in common control business combinations (Note 41)	-	214	14,681	171	14,730	-	29,796
Assets arising on acquisition of subsidiaries (Note 42)	-	5,462,001	2,264,214	63,460	2,414,577	11,060	10,215,312
Transfer	-	304,140	92,593	50,659	(447,392)	-	-
Transfer to investment properties (Note 8)	-	(354,478)	-	-	-	-	(354,478)
Transfer to investment in an associate (Note 10)	-	(1,245)	-	(61,018)	(186)	-	(62,449)
Eliminated on disposal of subsidiaries (Note 38)	-	-	-	(537)	(4,578)	-	(5,115)
Write-off	-	-	(7,793)	-	(393)	-	(8,186)
Disposals	-	(4,129)	(283,747)	(527,146)	(121,287)	-	(936,309)
Impairment (reversal) / charge for the year	-	(300,219)	-	-	284	-	(299,935)
Foreign currency translation differences	-	(8,805)	(2,547)	(2,439)	(9,767)	-	(23,558)
	-	6,241,985	3,527,211	3,890,106	2,507,099	11,060	16,177,461
At 31 December 2022	-	6,241,985	3,527,211	3,890,106	2,507,099	11,060	16,177,461
Charge for the year	-	349,863	326,542	293,975	228,231	-	1,198,611
Assets arising on acquisition of subsidiaries (Note 42)	-	866	8,703	1,431	16,741	-	27,741
Transfer	-	5	105	(144,244)	144,134	-	-
Eliminated on derecognition of a subsidiary (Note 43)	-	(411,967)	(2,124,767)	(51,365)	(1,324,255)	-	(3,912,354)
Write-off	-	(51)	-	(714)	-	-	(765)
Disposals	-	(17,289)	(33,731)	(32,211)	(18,324)	-	(101,555)
Foreign currency translation differences	-	(1,498)	(833)	(495)	(685)	-	(3,511)
	-	6,161,914	1,703,230	3,956,483	1,552,941	11,060	13,385,628
<b>At 31 December 2023</b>	-	<b>6,161,914</b>	<b>1,703,230</b>	<b>3,956,483</b>	<b>1,552,941</b>	<b>11,060</b>	<b>13,385,628</b>
<b>Carrying amount</b>							
At 31 December 2023	<b>270,881</b>	<b>6,446,230</b>	<b>1,808,339</b>	<b>3,443,936</b>	<b>433,095</b>	<b>1,842,049</b>	<b>14,244,530</b>
At 31 December 2022	225,234	6,843,157	2,589,965	2,664,475	922,924	1,097,236	14,342,991



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**5 Property, plant and equipment (continued)**

The Group owns plots of land in the UAE and overseas on which assets are being constructed and / or operated.

Capital work-in-progress includes the costs incurred on construction of labour camps, buildings and other major assets, which will be capitalised to the respective asset categories on completion.

During the year, the Group carried out a review of the recoverable amount of its hotel properties due to changes in the estimates used to determine the hotel properties' recoverable amount. There was no reversal of impairment loss which has been recorded in the consolidated statement of profit or loss (2022: AED (312,362 thousand)).

Depreciation for the year has been allocated as follows:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Direct costs (Note 33)	<b>739,065</b>	786,388
General, administrative and selling expenses (Note 34)	<b>459,546</b>	369,662
	<b>1,198,611</b>	1,156,050

**Assets pledged as security**

Freehold land, buildings, vehicles, vessels and dredgers with a carrying amount of AED 2,771 million (2022: AED 5,825 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**6 Intangible assets**

	Software and licenses AED '000	Customer related intangibles AED '000	Brand and trademark AED '000	Intangible assets under development AED '000	Total AED '000
<b>Cost</b>					
At 1 January 2022	33,352	1,286,100	736	-	1,320,188
Additions	61,539	96	384	8,881	70,900
Acquired in common control business combinations (Note 41)	6,536	-	964	-	7,500
Assets arising on acquisition of subsidiaries (Note 42)	1,118,526	2,347,619	3,090,826	23,318	6,580,289
Eliminated on disposal of subsidiaries	(13)	-	-	-	(13)
Transfer	16,481	-	-	(16,481)	-
Settlement of a pre-existing relationship (Note 42)	-	(1,095,198)	-	-	(1,095,198)
Disposals	-	(44,602)	-	-	(44,602)
Impairment	-	-	(569)	-	(569)
Write-off	(13,106)	-	-	-	(13,106)
Foreign currency translation differences	(286)	(6,832)	-	-	(7,118)
<b>At 31 December 2022</b>	<b>1,223,029</b>	<b>2,487,183</b>	<b>3,092,341</b>	<b>15,718</b>	<b>6,818,271</b>
Additions	86,180	-	6,620	2,625	95,425
Assets arising on acquisition of subsidiaries (Note 42)	8,965	464,741	-	-	473,706
Eliminated on derecognition of a subsidiary (Note 43)	(1,042,377)	(1,741,628)	(1,359,505)	(15,364)	(4,158,874)
Transfers	2,051	-	-	(2,051)	-
Transfer from property, plant and equipment (Note 5)	1,090	-	-	-	1,090
Write-off	(2,738)	-	-	-	(2,738)
Impairment	(11,054)	-	-	-	(11,054)
Foreign currency translation differences	(318)	(3,845)	-	-	(4,163)
<b>At 31 December 2023</b>	<b>264,828</b>	<b>1,206,451</b>	<b>1,739,456</b>	<b>928</b>	<b>3,211,663</b>
<b>Accumulated amortization</b>					
At 1 January 2022	18,452	90,100	443	-	108,995
Charge for the year	34,065	189,178	13,743	-	236,986
Acquired in common control business combinations (Note 41)	667	-	210	-	877
Assets arising on acquisition of subsidiaries (Note 42)	1,013,792	14	-	-	1,013,806
Eliminated on disposal of subsidiaries	(13)	-	-	-	(13)
Settlement of a pre-existing relationship (Note 42)	-	(54,760)	-	-	(54,760)
Write-off	(6,665)	-	-	-	(6,665)
Foreign currency translation differences	(430)	(37)	-	-	(467)
<b>At 31 December 2022</b>	<b>1,059,868</b>	<b>224,495</b>	<b>14,396</b>	<b>-</b>	<b>1,298,759</b>
Charge for the year	41,632	142,449	18,309	-	202,390
Assets arising on acquisition of subsidiaries (Note 42)	58	-	-	-	58
Eliminated on derecognition of a subsidiary (Note 43)	(946,857)	(74,695)	(2,882)	-	(1,024,434)
Write-off	(1,860)	-	-	-	(1,860)
Foreign currency translation differences	(342)	(1,158)	-	-	(1,500)
<b>At 31 December 2023</b>	<b>152,499</b>	<b>291,091</b>	<b>29,823</b>	<b>-</b>	<b>473,413</b>
<b>Carrying amount</b>					
<b>At 31 December 2023</b>	<b>112,329</b>	<b>915,360</b>	<b>1,709,633</b>	<b>928</b>	<b>2,738,250</b>
At 31 December 2022	163,161	2,262,688	3,077,945	15,718	5,519,512

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**6 Intangible assets (continued)**

Customer related intangibles and brand include intangible assets acquired through business combinations. The customer related intangibles have useful life of 2 to 20 years. The major assumptions used in the calculation include discount rate in the range of 5.8% to 20% and growth rate of up to 1.9%.

Amortisation for the year has been allocated as follows:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Direct costs (Note 33)	<b>102,089</b>	105,465
General, administrative and selling expenses (Note 34)	<b>100,301</b>	131,521
	<b>202,390</b>	236,986

**7 Goodwill**

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
At 1 January	<b>4,007,444</b>	451,672
Assets arising on acquisition of subsidiaries (Note 42)	<b>1,373,751</b>	3,573,733
Eliminated on derecognition of a subsidiary (Note 43)	<b>(1,342,106)</b>	-
Foreign currency translation differences	<b>(10,231)</b>	(17,696)
Other movements	<b>(2,867)</b>	(265)
<b>At 31 December</b>	<b>4,025,991</b>	4,007,444

For impairment testing goodwill acquired through business combination is allocated to cash generating units ('CGU') as follows:

	<u>Real estate</u>	<u>Healthcare</u>	<u>Hospitality</u>	<u>Others</u>	<u>Total</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
<b>At 31 December 2023</b>					
Goodwill	<b>2,149,367</b>	-	<b>760,792</b>	<b>1,115,832</b>	<b>4,025,991</b>
<b>At 31 December 2022</b>					
Goodwill	2,159,598	1,341,841	451,672	54,333	4,007,444

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a 5–10-year period plus a terminal value thereafter. The methodology used for the estimation of fair value was discounted cash flows.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**7 Goodwill (continued)**

The following key assumptions were used in the discounted cash flow model:

	Real estate		Healthcare		Hospitality		Others	
	2023	2022	2023	2022	2023	2022	2023	2022
Terminal growth rate	2%	2%	-	1.1 - 2%	2 - 3%	-	2 - 4.2%	2 - 3%
Discount rate	14%	15%	-	9.7 - 10.8%	7.6 - 16.7%	-	9.7 - 27.5%	10%

**8 Investment properties**

	Land AED '000	Completed properties AED '000	Property under construction AED '000	Total AED '000
<b>Cost</b>				
At 1 January 2022	62,475	482,709	-	545,184
Additions	-	4,939,630	157,328	5,096,958
Assets arising on acquisition of subsidiaries (Note 42)	561,240	17,231,338	832,945	18,625,523
Transfer	-	393,247	(393,247)	-
Transfer from property, plant, and equipment (Note 5)	-	109,580	-	109,580
Transfer to development work-in- progress (Note 17)	-	-	(416,450)	(416,450)
Transfer to inventories	-	(10,544)	(17,122)	(27,666)
Disposals	-	(156,916)	-	(156,916)
Foreign currency translation differences	-	(66,093)	(48,691)	(114,784)
At 31 December 2022	623,715	22,922,951	114,763	23,661,429
Additions	769,662	528,952	402,868	1,701,482
Transfer	-	34,068	(34,068)	-
Transfer from property, plant, and equipment (Note 5)	-	(26,477)	-	(26,477)
Transfer from development work-in- progress (Note 17)	-	-	316,531	316,531
Disposals	-	(147,043)	-	(147,043)
Impairment	-	(118,021)	-	(118,021)
Eliminated on derecognition of a subsidiary (Note 43)	-	(6,240)	-	(6,240)
Foreign currency translation differences	-	(38,314)	(32,187)	(70,501)
<b>At 31 December 2023</b>	<b>1,393,377</b>	<b>23,149,876</b>	<b>767,907</b>	<b>25,311,160</b>

Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)

8 Investment properties (continued)

	Land AED '000	Completed properties AED '000	Property under construction AED '000	Total AED '000
<b>Accumulated depreciation</b>				
At 1 January 2022	-	110,471	-	110,471
Charge for the year	-	488,103	-	488,103
Assets arising on acquisition of subsidiaries (Note 42)	-	2,796	-	2,796
Disposals	-	(2,424)	-	(2,424)
At 31 December 2022	-	598,946	-	598,946
Charge for the year	-	684,085	-	684,085
Eliminated on derecognition of a subsidiary (Note 43)	-	(3,095)	-	(3,095)
Disposals	-	(4,826)	-	(4,826)
<b>At 31 December 2023</b>	<b>-</b>	<b>1,275,110</b>	<b>-</b>	<b>1,275,110</b>
<b>Carrying amount</b>				
<b>At 31 December 2023</b>	<b>1,393,377</b>	<b>21,874,766</b>	<b>767,907</b>	<b>24,036,050</b>
At 31 December 2022	623,715	22,324,005	114,763	23,062,483

Depreciation for the year has been allocated as follows:

	2023 AED'000	2022 AED'000
Direct costs (Note 33)	683,935	487,954
General, administrative and selling expenses (Note 34)	150	149
	<b>684,085</b>	488,103

Investment properties includes plots of land as well as commercial and residential properties in the United Arab Emirates, Iraq, Egypt, and Seychelles.

During the year, the Group acquired certain properties through business combinations, which were accounted for as asset acquisitions since substantially all assets were concentrated in a single identifiable asset.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**8 Investment properties (continued)**

A description of the valuation techniques used and key inputs to the valuations of investment properties as at 31 December 2023 and 2022 is as follows:

<b>Property</b>	<b>Valuation technique</b>	<b>Significant inputs</b>	<b>Sensitivity</b>
Plots of land	Residual method	Sales rate and discount rate	Changes in micro and macro-economic conditions would cause a significant impact.
Completed properties	Income capitalisation method, discounted cashflow	Capitalisation approach, annual market rent, discount rate	Changes in multiple inputs could result in a significant impact on the value.
Property under construction	Income capitalisation method, discounted cashflow	Capitalisation of construction costs incurred	Changes in multiple inputs could result in a significant impact on the value.

Details of rental income relating to investment properties are as follows:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Rental income	<b>2,180,487</b>	1,527,938
Direct operating costs	<b>833,568</b>	510,822

**Assets pledged as security**

Investment properties with a carrying amount of AED 1,333 million (2022: AED 3,102 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**9 Right-of-use assets and lease liabilities**

Right-of-use assets

The Group leases several assets, with approximate lease terms ranging from 2 - 50 years (2022: 2 to 50 years).

Set out below are the carrying amounts and movement of right-of-use assets:

	<b>Land AED '000</b>	<b>Building AED '000</b>	<b>Machinery AED '000</b>	<b>Total AED '000</b>
<b>Cost</b>				
At 1 January 2022	472,319	199,776	-	672,095
Additions	49,639	1,391,289	12,549	1,453,477
Acquired in common control business combinations (Note 41)	-	23,559	-	23,559
Assets arising on acquisition of subsidiaries (Note 42)	345,238	370,658	115,163	831,059
Lease modifications and cancellations for the year	(9,499)	(4,866)	(16,208)	(30,573)
Eliminations on disposal of a subsidiary (Note 38)	-	(1,241)	-	(1,241)
Eliminations arising on business combinations	-	(179,990)	-	(179,990)
Foreign currency translation differences	-	(4,166)	-	(4,166)
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At 31 December 2022	857,697	1,795,019	111,504	2,764,220
Additions*	101,919	89,585	-	191,504
Assets arising on acquisition of subsidiaries (Note 42)	-	526,046	-	526,046
Lease modifications and cancellations for the year	(5,862)	(86,449)	(3,826)	(96,137)
Eliminated on derecognition of a subsidiary (Note 43)**	-	(1,499,227)	(94,934)	(1,594,161)
Foreign currency translation differences	702	(1,651)	-	(949)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	<b>954,456</b>	<b>823,323</b>	<b>12,744</b>	<b>1,790,523</b>
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**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**9 Right-of-use assets and lease liabilities (continued)**

	<b>Land AED '000</b>	<b>Building AED '000</b>	<b>Machinery AED '000</b>	<b>Total AED '000</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	42,588	40,865	-	83,453
Charge for the year	47,851	75,936	5,007	128,794
Charge for the year for assets of disposal group	-	98	-	98
Acquired in common control business combinations (Note 41)	-	4,233	-	4,233
Assets arising on acquisition of subsidiaries (Note 42)	-	153,169	103,756	256,925
Lease modifications and cancellations for the year	(10,934)	(4,065)	(16,207)	(31,206)
Eliminations on disposal of a subsidiary (Note 38)	-	(171)	-	(171)
Eliminations arising on business combinations	-	(105,001)	-	(105,001)
Foreign currency translation differences	-	(2,235)	-	(2,235)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	79,505	162,829	92,556	334,890
Charge for the year	57,417	91,500	4,913	153,830
Assets arising on acquisition of subsidiaries (Note 42)	-	29,204	-	29,204
Lease modifications and cancellations for the year	-	(6,424)	(3,826)	(10,250)
Eliminated on derecognition of a subsidiary (Note 43)**	-	(136,355)	(89,166)	(225,521)
Foreign currency translation differences	(16)	(1,130)	-	(1,146)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	<b>136,906</b>	<b>139,624</b>	<b>4,477</b>	<b>281,007</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Carrying amount</b>				
<b>At 31 December 2023</b>	<b>817,550</b>	<b>683,699</b>	<b>8,267</b>	<b>1,509,516</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	778,192	1,632,190	18,948	2,429,330
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**9 Right-of-use assets and lease liabilities (continued)**

*Right-of-use assets (continued)*

Amounts recognised in relation to right-of-use assets in the consolidated statement of profit or loss during the year is as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Depreciation	<b>153,830</b>	128,794
Expense relating to short-term lease and low value assets	<b>307,671</b>	296,134
Depreciation for assets of disposal group	-	98
(Gain) / loss on lease cancellations and modifications	<b>(12,852)</b>	2,046
Finance costs (Note 37)	<b>66,281</b>	61,172
	<b>514,930</b>	488,244

Depreciation for the year has been allocated as follows:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Direct costs (Note 33)	<b>6,975</b>	4,178
General, administrative and selling expenses (Note 34)	<b>146,855</b>	124,616
	<b>153,830</b>	128,794

**Assets pledged as security**

Right-of-use-assets amounting to AED 51 million (2022: 54 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**9 Right-of-use assets and lease liabilities (continued)**

Lease liabilities

Set below are the carrying amount of lease liabilities and movements during the year:

	2023 AED '000	2022 AED '000
At 1 January	2,507,887	587,439
Acquired in common control business combinations (Note 41)	-	20,337
Liabilities arising on acquisition of subsidiaries (Note 42)	495,605	591,603
Additions	164,257	1,456,450
Finance costs (Note 37)	66,281	61,172
Lease modifications and cancellations	(98,739)	2,679
Eliminations arising on business combinations	-	(83,348)
Eliminated on derecognition of a subsidiary (Note 43)**	(1,469,222)	-
Eliminated on disposal of subsidiaries (Note 38)	-	(1,133)
Foreign currency translation differences	272	(938)
Payment of lease liabilities	(135,975)	(126,374)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>1,530,366</b>	<b>2,507,887</b>
	<hr/> <hr/>	<hr/> <hr/>

\*Effective 2 May 2023, ADMO, a subsidiary of the Group acquired a 95% equity interest in Monterock Investments Nedafushi Maldives Private Limited (“MNIM”), for a consideration of AED 26.35 million. MNIM is a limited liability company, registered and incorporated in Maldives and is engaged in hotel and restaurant management. The Group has control over MNIM and accordingly it has been consolidated. The acquisition also resulted in recognition of AED 1,387 thousand of non-controlling interest and recognition of AED 56,947 thousand of right-of-use assets. In accordance with the requirements of IFRS 3 Business Combinations, it was accounted for as an asset acquisition since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset.

\*\*Numbers are presented net of elimination at the group level.

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023 AED '000	2022 AED '000
Amounts due for settlement within 12 months	102,679	141,989
Amounts due for settlement after 12 months	1,427,687	2,365,898
	<hr/>	<hr/>
	<b>1,530,366</b>	<b>2,507,887</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures**

Investment in associates and joint ventures are classified in the consolidated statement of financial position as follows:

	2023 AED '000	2022 AED '000
Investment in associates	17,103,990	3,942,867
Investment in joint ventures	1,060,165	771,409
	<u>18,164,155</u>	<u>4,714,276</u>

Share of results of associates and joint ventures are classified in consolidated statement of profit or loss:

	2023 AED '000	2022 AED '000
Investment in associates	71,347	(176,114)
Investment in joint ventures	188,646	(191,797)
	<u>259,993</u>	<u>(367,911)</u>

The movement in investment in associates is as follows:

	2023 AED '000	2022 AED '000
At 1 January	3,942,867	11,617,762
Additions	1,137,099	868,585
Assets arising on acquisition of subsidiaries (Note 42)	309,569	69,365
Transfers from property, plant, and equipment (Note 5)	-	23,637
Dividends received	(43,505)	(22,324)
Share of other comprehensive loss	70	(24,579)
Foreign exchange translation difference	2,552	(105,323)
Share of results	71,347	(176,114)
Share of results for the year from asset of the group held-for-sale	46,879	10,356
Partial disposal during the year	(15,914)	(381,393)
Asset of the group classified as held-for-sale (Note 38)	(626,061)	-
Transfer of an investment on loss of joint control	12,184,858	-
Increase in fair value of an associate on acquisition (a)	100,080	-
Derecognition of investment in an associate (b)	-	(9,483,875)
Increase in equity (c)	-	1,598,346
Gain arising on remeasurement (d) and (Note 10)	-	116,430
Reduction in investment in an associate (e)	-	(32,000)
Other movements (f)	(5,851)	(136,006)
	<u>17,103,990</u>	<u>3,942,867</u>
<b>At 31 December</b>	<b>17,103,990</b>	<b>3,942,867</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures (continued)**

- a) During the year, the Group acquired 36.39% of National Corporation for Tourism and Hotels ('NCTH') for a purchase consideration of AED 730 million which resulted in a gain of AED 100 million recorded in the consolidated financial statements on acquisition based on the finalisation of purchase price allocation ('PPA') exercise.

NCTH shares are listed on ADX with its fair value based on the quoted price as at 31 December 2023 being AED 772 million (2022: Nil).

- b) Note 42 explains how the Group's interest in Aldar previously treated as an investment in an associate was de-recognised and instead was consolidated in 2022 as a subsidiary under IFRS 10. The gain on derecognition of this investment is recognised in the consolidated statement of profit or loss as at 31 December 2022 as follows:

		2022 AED '000
Fair value of the investment on derecognition		12,104,510
Carrying value of the investment		(9,483,875)
		<hr/>
Gain on derecognition	A	2,620,635
		<hr/> <hr/>

- c) In 2022, Q Holding PSC ("Q Holding") acquired Reem Investments PJSC ("Reem") and issued new shares to the shareholders of Reem at a premium. This resulted in an increase in the Group's share of equity of Q Holding and diluted the Group's ownership interest in Q Holding from 25.24% to 20.61% but remained an associate. The gain on the partial disposal of investment in Q Holding on dilution of ownership interest is recognised on the consolidated statement of profit or loss as at 31 December 2022 as follows:

		2022 AED '000
Increase in Q Holding's equity		1,598,346
Carrying value of the investment on dilution		(339,081)
		<hr/>
Gain on disposal	B	1,259,265
		<hr/> <hr/>
	A+B	3,879,900
		<hr/> <hr/>

Q Holding shares are listed on ADX with its fair value based on the quoted price as at 31 December 2023 being AED 4,374 million (2022: AED 5,701 million).

- d) The Group has incorporated an entity which involved an in-kind contribution of some of its property, plant and equipment, employees and revenue contracts. The Group disposed 51% of its interest in the entity resulting in a gain of AED 237.6 million recognised in the consolidated statement of profit and loss. The Group retained a 49% interest in the entity, which is classified as an associate and was initially recognised at a cost of AED 23.6 million. Subsequently, the interest was remeasured at fair value, resulting in a gain of AED 116.4 million for the year ended 31 December 2023.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures (continued)**

- e) In 2023, the share capital of an associate was reduced, consequently, the Group received AED 32 million which was recognised as reduction the Group's interest in the associate.
- f) In 2022, the Group performed an impairment review of an associate and recorded an impairment of AED 136 million.

The latest available financial information in respect of the Group's associates is summarised below:

	Purehealth	Q Holding	PAL 4 Solar	Wisy Holding	Others*	Total	Total 2022
	-----2023-----						2022
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Non-current assets	8,363,592	8,956,267	2,697,975	169,594	3,395,103	23,582,531	13,342,068
Current assets	18,584,268	11,441,066	34,212	102,424	2,081,820	32,243,790	11,600,534
Non-current liabilities	(3,891,508)	(2,075,730)	-	(87,510)	(400,315)	(6,455,063)	(3,479,015)
Current liabilities	(8,183,287)	(4,316,687)	(631,836)	(52,656)	(1,490,317)	(14,674,783)	(5,010,741)
<b>Total net equity</b>	<b>14,873,065</b>	<b>14,004,916</b>	<b>2,100,351</b>	<b>131,852</b>	<b>3,586,291</b>	<b>34,696,475</b>	16,452,846
Attributable to:							
Owners of the entity	14,868,892	12,855,350	2,085,511	96,537	3,586,291	33,492,581	15,497,591
Non-controlling interests	4,173	1,149,566	14,840	35,315	-	1,203,894	955,255
<b>Total net equity</b>	<b>14,873,065</b>	<b>14,004,916</b>	<b>2,100,351</b>	<b>131,852</b>	<b>3,586,291</b>	<b>34,696,475</b>	16,452,846
Group's share of net assets	5,213,957	2,620,605	417,102	78,171	1,318,315	9,648,150	3,355,969
Intangible assets	2,041,209	-	-	-	44,987	2,086,196	296,961
Goodwill	4,933,870	16,310	-	249,213	167,038	5,366,431	433,453
Other adjustments	-	-	3,213	-	-	3,213	(143,516)
<b>At 31 December</b>	<b>12,189,036</b>	<b>2,636,915</b>	<b>420,315</b>	<b>327,384</b>	<b>1,530,340</b>	<b>17,103,990</b>	3,942,867

\*Response Plus Holding PrJSC ("RPM") shares are listed on ADX with the fair value based on the quoted price of RPM as at 31 December 2023 being AED 330 million (2022: 416 million).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures (continued)**

The share of results of associates recognised during the year are as follows:

	<u>Purehealth</u>	<u>Q Holding</u>	<u>PAL 4 Solar</u>	<u>Wisy Holding</u>	<u>Others</u>	<u>Total</u>	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Revenue	540,165	882,396	-	130,329	2,172,702	3,725,592	1,310,084
(Loss)/ profit for the year	(4,228)	(303,635)	256,270	37,680	330,688	316,775	858,199
Group's share of (loss) / profit for the year	(1,482)	(61,896)	51,254	16,730	113,620	118,226	(165,758)
Other comprehensive income / (loss)	5,458	15,229	(1,715)	325	(13,031)	6,266	(98,112)
Group's share of other comprehensive income / (loss)	1,913	3,104	(343)	144	(4,748)	70	(24,579)
Dividend	-	-	-	-	(43,505)	(43,505)	(18,000)

**Contingencies and commitments:**

The Group's share in material contingencies and commitments of associates are as follows:

	2023 AED '000	2022 AED '000
Capital commitments	3,499,116	112,644
Letters of guarantee	125,149	52,710
Contingencies	-	82,000

The movement in the Group's investment in joint ventures are as follows:

	2023 AED '000	2022 AED '000
At 1 January	771,409	70,886
Additions	165,354	854,072
Recognition of an investment on loss of control (Note 43)	11,957,944	-
Assets arising on acquisition of subsidiaries (Note 42)	107,232	46,205
Foreign exchange translation differences	(9,931)	(7,957)
Share of results	188,646	(191,797)
Share of other comprehensive loss	46,587	-
Increase in equity (a)	55,707	-
Eliminated on derecognition of a subsidiary (Note 43)	(46,273)	-
Transfer of an investment on loss of joint control	(12,184,858)	-
Others	8,348	-
<b>At 31 December</b>	<b>1,060,165</b>	<b>771,409</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures (continued)**

- a) On 26 October 2023, the shareholders of Pure Health Holding PJSC ('Purehealth') approved to change the legal status of Purehealth from limited liability company to public joint stock company. On 20 December 2023, the Purehealth shares were listed on Abu Dhabi Exchange ('ADX'), as a result the conditions for maintaining joint control, as originally stipulated in shareholders' agreement are no longer applicable. The Group has reassessed its investment based on its active participation on the board of directors and concluded that it possesses significant influence and accordingly reclassified its investment from investment in a joint venture to investment in an associate on 20 December 2023.

On listing on ADX, Purehealth has issued new shares, which resulted in increase in the equity of Purehealth and diluted the Group's ownership interest in Purehealth from 38.95% to 35.06%. The gain on the partial disposal of investment in Purehealth on dilution of ownership interest is recognized on the consolidated statement of profit or loss as at 31 December 2023 as follows:

	<b>2023</b> <b>AED '000</b>
Increase in Purehealth's equity	<b>1,268,622</b>
Carrying value of the investment on dilution	<b>(1,212,915)</b>
	<hr/>
Gain on disposal	<b>55,707</b>
	<hr/> <hr/>

Purehealth shares are listed on ADX with its fair value based on the quoted price as at 31 December 2023 being AED 22,222 million (2022: Nil).

The financial information in respect of the Group's interest in joint ventures are summarised below:

	----- 2023 -----					2022
	WIO Holding	Micad	Purehealth	Others	Total	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Non-current assets	7,615	-	-	7,576	15,191	124,341
Current assets	13,488,898	1,529,116	-	3,518,554	18,536,568	3,875,351
Non-current liabilities	-	(733,294)	-	(5,056)	(738,350)	-
Current liabilities	(11,648,618)	(4,880)	-	(3,085,843)	(14,739,341)	(2,001,190)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net equity	<b>1,847,895</b>	<b>790,942</b>	<b>-</b>	<b>435,231</b>	<b>3,074,068</b>	1,998,502
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Attributable to:						
Owners of the entity	1,201,132	790,942	-	435,231	2,427,305	1,352,410
Non-controlling interests	646,763	-	-	-	646,763	646,092
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net equity	<b>1,847,895</b>	<b>790,942</b>	<b>-</b>	<b>435,231</b>	<b>3,074,068</b>	1,998,502
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Group's share of net assets	612,577	158,188	-	204,683	975,448	686,692
Goodwill	84,717	-	-	-	84,717	84,717
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December</b>	<b>697,294</b>	<b>158,188</b>	<b>-</b>	<b>204,683</b>	<b>1,060,165</b>	771,409
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Current assets includes cash and cash equivalents amounting to AED 700 million.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**10 Investment in associates and joint ventures (continued)**

The share in profit of joint ventures has been recognised as follows:

	2023					2022
	WIO Holding AED '000	Micad AED '000	Purehealth AED '000	Others AED '000	Total AED '000	Total AED '000
Revenue	266,428	-	11,838,623	2,204,071	14,309,122	1,510,761
Profit / (loss) for the year	1,247	19,349	319,942	129,064	469,602	(379,097)
Group's share of profit / (loss) for the year	636	3,869	124,621	59,520	188,646	(191,797)
Other comprehensive income	-	-	119,603	-	119,603	-
Group's share of other comprehensive income	-	-	46,587	-	46,587	-

**11 Joint operations**

These consolidated financial statements include the Group's proportionate share of jointly controlled operations, details of which are provided below:

	2023 AED '000	2022 AED '000
Current assets	1,582,691	65,626
Current liabilities	(1,543,700)	(63,110)
Net assets	38,991	2,516



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**12 Investment in financial assets**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
<b><u>Quoted securities</u></b>		
<b><i>FVTPL investments</i></b>		
At 1 January	<b>2,197,977</b>	823,267
Additions during the year	<b>230,536</b>	786,244
Assets arising on acquisition of subsidiaries (Note 42)	-	341,778
Unrealised fair value gain	<b>121,634</b>	263,803
Foreign exchange gain	<b>17</b>	77
Eliminated on derecognition of a subsidiary (Note 43)	<b>(340,190)</b>	-
Write-off	-	(57)
Disposals during the year	<b>(95,641)</b>	(17,135)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>2,114,333</b>	2,197,977
	<hr/> <hr/>	<hr/> <hr/>
<b><i>FVTOCI investments</i></b>		
At 1 January	<b>244,235</b>	1,587
Assets arising on acquisition of subsidiaries (Note 42)	-	228,691
Unrealised fair value gain	<b>(7,862)</b>	86,194
Additions during the year	<b>5,795</b>	8,891
Foreign exchange gain	-	60
Eliminated on derecognition of a subsidiary (Note 43)	<b>(238,433)</b>	-
Disposal during the year	<b>(3,735)</b>	(81,188)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>-</b>	244,235
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Unquoted securities</u></b>		
<b><i>FVTPL investments</i></b>		
At 1 January	<b>3,132,773</b>	177,157
Additions during the year	<b>2,196,198</b>	3,396,520
Assets arising on acquisition of subsidiaries (Note 42)	-	27,894
Foreign exchange gain	<b>5,253</b>	726
Eliminated on derecognition of a subsidiary (Note 43)	<b>(2,895)</b>	-
Disposal during the year	-	(7,616)
Unrealised fair value loss	<b>(107,638)</b>	(461,908)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>5,223,691</b>	3,132,773
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**12 Investment in financial assets (continued)**

	2023 AED '000	2022 AED '000
<i><b>FVTOCI investments</b></i>		
At 1 January	<b>851,734</b>	63
Additions during the year	-	1,010,582
Disposal during the year	-	(63)
Foreign exchange loss	-	(644)
Unrealised fair value loss	<b>(565,669)</b>	(158,204)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>286,065</b>	851,734
	<hr/> <hr/>	<hr/> <hr/>
<i><b>Debt instruments at amortised cost</b></i>		
At 1 January	<b>167,941</b>	-
Additions during the year	<b>557,532</b>	442,038
Assets arising on acquisition of subsidiaries (Note 42)	-	142,800
Foreign exchange loss	<b>(39,003)</b>	(41,334)
Disposal during the year	<b>(635,449)</b>	(375,563)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>51,021</b>	167,941
	<hr/> <hr/>	<hr/> <hr/>
Less: loss allowance (Note 41)	<b>(396)</b>	(23)
	<hr/>	<hr/>
<b>Total</b>	<b>7,674,714</b>	6,594,637
	<hr/> <hr/>	<hr/> <hr/>

Financial assets carried at FVTPL and at FVTOCI are as follows:

	2023			2022
	Quoted AED '000	Unquoted AED '000	Total AED '000	Total AED '000
<i><b>Financial assets carried at FVTPL</b></i>				
Equity instruments	2,114,333	104,898	<b>2,219,231</b>	2,304,953
Investment in funds	-	5,118,793	<b>5,118,793</b>	3,025,797
	<hr/>	<hr/>	<hr/>	<hr/>
	2,114,333	5,223,691	<b>7,338,024</b>	5,330,750
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)

12 Investment in financial assets (continued)

	2023			2022
	Quoted AED '000	Unquoted AED '000	Total AED '000	Total AED '000
<i>Financial assets carried at FVTOCI</i>				
Equity instruments	-	286,065	<b>286,065</b>	1,006,828
Debt instruments	-	-	-	89,141
	-	286,065	<b>286,065</b>	1,095,969
<i>Debt instruments at amortised cost</i>				
Treasury bills	-	51,021	<b>51,021</b>	167,941
Allowance for ECL	-	(396)	<b>(396)</b>	(23)
	-	50,625	<b>50,625</b>	167,918
<b>Total</b>	2,114,333	5,560,381	<b>7,674,714</b>	6,594,637

All financial assets carried at FVTPL are classified as current, whereas those carried at FVTOCI are classified as non-current.

	2023 AED '000	2022 AED '000
Non-current	<b>1,050,521</b>	1,209,831
Current	<b>6,624,193</b>	5,384,806
<b>Total</b>	<b>7,674,714</b>	6,594,637
	2023 AED '000	2022 AED '000
<b>Geographical markets:</b>		
UAE	<b>2,212,617</b>	2,218,879
Outside the UAE	<b>5,462,097</b>	4,375,758
	<b>7,674,714</b>	6,594,637

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**13 Contract assets**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
<i>Contract assets</i>		
Amounts due from customer – third parties	<b>7,678,445</b>	4,267,962
Amounts due from customers – related parties (Note 18)	<b>425,859</b>	953,512
Less: allowance for ECL	<b>(152,062)</b>	(81,873)
	<hr/>	<hr/>
	<b>7,952,242</b>	5,139,601
Contract costs	<b>983,903</b>	1,652,591
Reinsurance contract assets (Note 30)	-	394,127
	<hr/>	<hr/>
<b>At 31 December</b>	<b>8,936,145</b>	7,186,319
	<hr/> <hr/>	<hr/> <hr/>

At 31 December, allocation of total contract assets into current and non-current as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Current	<b>8,936,145</b>	7,186,319
	<hr/> <hr/>	<hr/> <hr/>

The Group measures the ECL allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the respective industries.

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January 2021	<b>81,873</b>	96,336
Assets arising on acquisition of subsidiaries (Note 42)	<b>2,000</b>	-
Charge / (reversal) during the year	<b>68,189</b>	(14,463)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>152,062</b>	81,873
	<hr/> <hr/>	<hr/> <hr/>

There has not been any significant change in the gross amounts of contract assets that has affected the estimation of ECL.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**13 Contract assets (continued)**

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	2023	2022
<b>31 December</b>		
ECL rate	<b>1.88%</b>	1.57%
Estimated total gross carrying amount at default – AED '000	<b>8,104,304</b>	5,221,474
Lifetime ECL – AED '000	<b>152,062</b>	81,873

**14 Taxation**

	2023 AED '000	2022 AED '000
<b>Income tax</b>		
Current year	<b>118,574</b>	116,937
Reversal of prior year provisions relating to foreign operations	<b>(11,397)</b>	(10,027)
	<b>107,177</b>	106,910
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>523,686</b>	(38,378)
	<b>630,863</b>	68,532

The average rate of income tax applied on taxable profit ranges from 10% to 33%. The charge for the year reconciled to profit before tax is as follows:

	2023 AED '000	2022 AED '000
<b>Profit before tax</b>	<b>13,912,113</b>	10,675,906
Profit not subject to tax	<b>(13,150,434)</b>	(10,131,769)
Expenses not deductible for tax purposes	<b>93,051</b>	21,591
Profit subject to tax	<b>854,730</b>	565,728
Income tax	<b>118,574</b>	116,937
Deferred tax	<b>523,686</b>	(38,378)
Prior year adjustments	<b>(11,397)</b>	(10,027)
<b>Tax expense for the year</b>	<b>630,863</b>	68,532

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**14 Taxation (continued)**

Net deferred tax presented in the consolidated statement of financial position is as under:

	<b>2023</b> <b>AED '000</b>	2022 AED '000
Deferred tax assets (Note 15)	<b>114,300</b>	75,590
Deferred tax liabilities	<b>(580,112)</b>	(88)
	<hr/> <b>(465,812)</b> <hr/>	<hr/> 75,502 <hr/>

The net deferred tax liability position comprises of the following temporary differences:

	<b>2023</b> <b>AED '000</b>	2022 AED '000
Goodwill	<b>193,973</b>	-
Intangible assets	<b>227,174</b>	-
Others	<b>158,965</b>	88
	<hr/> <b>580,112</b> <hr/>	<hr/> 88 <hr/>

*Corporate Income Tax*

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

As per Cabinet of Ministers Decision No. 116 of 2022 UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

Furthermore, the UAE as a member of the OECD BEPS Inclusive Framework is committed to adopt Pillar Two rules (OECD Model Rules) in domestic legislation. OECD Pillar Two rules will apply to Multinational Enterprises (MNEs) such as the Group with consolidated revenues above EUR 750 million. The Pillar Two rules have not been yet adopted in the UAE or any foreign jurisdiction where the Group has presence.

Due to the uncertainties and on-going developments, the Group is not able to provide a reasonable estimation at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**15 Trade and other receivables**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Trade receivables	<b>9,884,754</b>	9,135,123
Due from policy holders	-	1,046,248
Less: allowance for ECL	<b>(455,158)</b>	(603,501)
	<hr/>	<hr/>
Net trade receivables	<b>9,429,596</b>	9,577,870
Retention receivables	<b>1,185,311</b>	730,245
Less: allowance for ECL	<b>(68,193)</b>	(48,406)
	<hr/>	<hr/>
Net retention receivables	<b>1,117,118</b>	681,839
Advances to suppliers	<b>3,777,340</b>	3,825,218
Less: allowance for ECL	<b>(1,798)</b>	(1,798)
	<hr/>	<hr/>
Net advances to suppliers	<b>3,775,542</b>	3,823,420
Other receivables	<b>2,966,124</b>	3,553,658
Less: allowance for ECL	<b>(15,864)</b>	(226,101)
	<hr/>	<hr/>
Net other receivables	<b>2,950,260</b>	3,327,557
Subsidy receivable from Government	-	961,380
Government funded programs receivables	-	1,740,078
Prepayments and deposits	<b>1,106,017</b>	1,063,544
Derivative financial instruments (Note 29)	<b>32,913</b>	248,792
Deferred tax assets (Note 14)	<b>114,300</b>	75,590
	<hr/>	<hr/>
	<b>18,525,746</b>	21,500,070
	<hr/> <hr/>	<hr/> <hr/>

Allocation of total trade and other receivables into current and non-current is as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Non-current	<b>1,083,539</b>	832,929
Current	<b>17,442,207</b>	20,667,141
	<hr/>	<hr/>
	<b>18,525,746</b>	21,500,070
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**15 Trade and other receivables (continued)**

The average credit period on sale of goods and rendering of services is 30 to 90 days. Before accepting new customers, the Group generally assesses their credit quality.

Out of the trade receivables balance at the end of the reporting year, AED 2,284 million (2022: AED 2,244 million) representing 12 % (2022: 23%) of trade receivables are amounts due from five (2022: five) major customers of the Group.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables, retention receivables and advances to suppliers in accordance with the simplified approach set out in IFRS 9.

	<b>Collectively assessed AED '000</b>	<b>Individually assessed AED '000</b>	<b>Total AED '000</b>
<b><i>Trade receivables</i></b>			
At 1 January 2022	123,452	92,587	216,039
Acquired in common control business combinations	260,487	-	260,487
Net re-measurement of ECL	(23,964)	70,446	46,482
Written off	(78,879)	(16,623)	(95,502)
Additions due to acquisition of subsidiaries	-	175,995	175,995
	<hr/>	<hr/>	<hr/>
At 31 December 2022	281,096	322,405	603,501
Additions due to acquisition of subsidiaries	-	2,135	2,135
Net re-measurement of ECL	(20,818)	64,748	43,930
Written off	(36,168)	(20,307)	(56,475)
Other adjustments	-	3,661	3,661
Eliminated on derecognition of a subsidiary	(141,594)	-	(141,594)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	<b>82,516</b>	<b>372,642</b>	<b>455,158</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><i>Retention receivables</i></b>			
At 1 January 2022	37,464	8,029	45,493
Net re-measurement of ECL	(685)	3,598	2,913
	<hr/>	<hr/>	<hr/>
At 31 December 2022	36,779	11,627	48,406
Additions due to acquisition of subsidiaries	-	2,922	2,922
Net re-measurement of ECL	5,504	13,400	18,904
Other adjustments	2,477	(4,516)	(2,039)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	<b>44,760</b>	<b>23,433</b>	<b>68,193</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)

15 Trade and other receivables (continued)

	Collectively assessed AED '000	Individually assessed AED '000	Total AED '000
<i>Advances to suppliers</i>			
At 1 January 2022 and 2023	-	1,798	1,798
Net re-measurement of ECL	-	-	-
<b>At 31 December 2023</b>	<b>-</b>	<b>1,798</b>	<b>1,798</b>
<i>Other receivables</i>			
At 1 January 2022	-	-	-
Additions due to acquisition of subsidiaries	-	226,101	226,101
At 31 December 2022	-	226,101	226,101
Net re-measurement of ECL	-	34,507	34,507
Additions due to acquisition of subsidiaries	-	(244,744)	(244,744)
<b>At 31 December 2023</b>	<b>-</b>	<b>15,864</b>	<b>15,864</b>

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Collective and individual assessment					Total
	Not past due	31-60 days	61-90 days	91-120 days	> 120 days	
<b>31 December 2023</b>						
ECL rate	0.4%	2%	1%	2%	25%	5%
Estimated total gross carrying amount at default (AED '000)	6,294,180	1,104,643	633,576	286,720	1,565,635	9,884,754
<b>Lifetime ECL (AED '000)</b>	<b>27,909</b>	<b>25,543</b>	<b>6,755</b>	<b>6,712</b>	<b>388,239</b>	<b>455,158</b>
<b>31 December 2022</b>						
ECL rate	0.6%	1%	5%	5%	20%	6%
Estimated total gross carrying amount at default (AED '000)	5,792,429	712,858	542,074	600,113	2,533,897	10,181,371
<b>Lifetime ECL (AED '000)</b>	<b>32,408</b>	<b>9,962</b>	<b>28,029</b>	<b>30,409</b>	<b>502,693</b>	<b>603,501</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**16 Inventories**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Land plots held-for-sale	<b>10,760,105</b>	8,115,029
Completed properties	<b>548,714</b>	940,240
Goods held-for-trading and finished goods	<b>35,002</b>	1,002,106
Materials, parts, and consumables	<b>1,014,320</b>	774,721
	<b>12,358,141</b>	10,832,096
Less: allowance for obsolescence	<b>(67,226)</b>	(454,371)
	<b>12,290,915</b>	10,377,725

During 2023, AED 8,721 million (2022: AED 7,293 million) was recognised as an expense for inventories carried at net realisable value ('NRV'). This is recognised in cost of sales.

Land plots held-for-sale with a carrying amount of AED Nil (2022: AED 538 million) have been pledged to secure bank borrowings of the Group (Note 27).

The determination of NRV of plots of land held-for-sale is based on external valuations using various valuation methodologies and techniques. Plots of land held-for-sale are located in United Arab Emirates.

During 2023, borrowing costs included in the cost of land held-for-sale amounted to AED 145 million which arose on the unwinding of liability calculated by applying a capitalisation rate of 5.50% to expenditure on such assets.

The movement in the allowance for inventories obsolescence is as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January	<b>454,371</b>	62,747
Acquired in common control business combinations	-	400,303
Charge for the year, net of reversals (Note 34)	<b>50,048</b>	6,168
Eliminated on derecognition of a subsidiary	<b>(395,596)</b>	-
Write-off	<b>(41,597)</b>	(14,847)
	<b>67,226</b>	454,371

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**16 Inventories (continued)**

Charge for the year has been allocated as follows:

	<b>2023</b> <b>AED'000</b>	2022 AED'000
Direct costs (Note 33)	<b>264</b>	-
General, administrative and selling expenses (Note 34)	<b>49,784</b>	6,168
	<b>50,048</b>	6,168

**17 Development work-in-progress**

Development work-in-progress includes lands in the United Arab Emirates which the Group intends to develop, disaggregate and sell as individual smaller properties. Movement during the year is as follows:

	<b>2023</b> <b>AED '000</b>	2022 AED '000
At 1 January	<b>4,139,938</b>	147,012
Assets arising on acquisition of subsidiaries (Note 42)	<b>1,152,558</b>	3,673,726
Additions	<b>4,851,176</b>	2,419,362
Transfer from investment properties (Note 8)	-	416,450
Transfer to investment properties (Note 8)	<b>(316,531)</b>	-
Transferred from inventories	<b>837,672</b>	220,341
Write-down	<b>(133,216)</b>	(37,714)
Impairment	<b>(480)</b>	(73,333)
Foreign exchange translation differences	<b>(443,680)</b>	(824,046)
Recognised in direct costs of properties sold	<b>(3,472,466)</b>	(1,801,860)
<b>At 31 December</b>	<b>6,614,971</b>	4,139,938

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**18 Related party balances and transactions**

Related parties are the shareholders, key management and the entities in which the shareholders have the ability to control or exercise significant influence in operating and financial decisions. The Group maintains balances with related parties as follows that arise from transactions at rates agreed between the parties.

	2023 AED '000	2022 AED '000
<b>Due from related parties:</b>		
Entities managed by key management personnel	401,489	1,149,482
Entities under common control	232,733	413,550
Joint ventures	498,087	411,798
Associates	197,467	20,176
Others	39,531	43,178
	<u>1,369,307</u>	<u>2,038,184</u>
Less: allowance for ECL	(643,550)	(398,791)
	<u>725,757</u>	<u>1,639,393</u>
	<u><u>725,757</u></u>	<u><u>1,639,393</u></u>
 Due from related parties are classified as follows:		
Non-current (classified under trade and other receivables)	1,207	-
Current	724,550	1,639,393
	<u>725,757</u>	<u>1,639,393</u>
	<u><u>725,757</u></u>	<u><u>1,639,393</u></u>
 <b>Due to related parties:</b>		
Entities managed by key management personnel	6,570	845,061
Entities under common control	786,872	480,053
Key management personnel	-	523,118
Associates	231	2,894
Joint ventures	20,702	12,971
Others	155,108	155,108
	<u>969,483</u>	<u>2,019,205</u>
	<u><u>969,483</u></u>	<u><u>2,019,205</u></u>
 <b>Loan from a related party</b> (classified under trade and other payables)	13,300	13,300
	<u>13,300</u>	<u>13,300</u>
 <b>Contract assets (Note 13)</b>	425,859	953,512
	<u>425,859</u>	<u>953,512</u>
 <b>Contract liabilities</b>	18,749	23,892
	<u>18,749</u>	<u>23,892</u>
	<u><u>18,749</u></u>	<u><u>23,892</u></u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**18 Related party balances and transactions (continued)**

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the simplified approach set out in IFRS 9.

	<b>Collectively assessed AED '000</b>	<b>Individually assessed AED '000</b>	<b>Total AED '000</b>
At 1 January 2022	8,279	34,575	42,854
Provision arising on acquisition of subsidiaries	-	184,356	184,356
Net re-measurement of ECL	-	155,926	155,926
Reclassification	15,655	-	15,655
	<hr/>	<hr/>	<hr/>
At 31 December 2022	23,934	374,857	398,791
Eliminated on derecognition of a subsidiary	-	(3,914)	(3,914)
Net re-measurement of ECL	325	265,073	265,398
Reclassification	6,357	(23,082)	(16,725)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	<b>30,616</b>	<b>612,934</b>	<b>643,550</b>

Remuneration of key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24.

	<b>2023 AED '000</b>	2022 AED '000
Employee benefits	<b>77,052</b>	151,111
	<hr/>	<hr/>
Transactions and balances with a financial institution:		
	<b>2023 AED '000</b>	2022 AED '000
Balances with a financial institution	<b>9,283,587</b>	7,125,780
	<hr/>	<hr/>
Borrowings	<b>8,980,439</b>	6,154,521
	<hr/>	<hr/>
Finance costs	<b>366,458</b>	146,391
	<hr/>	<hr/>
Interest income	<b>152,357</b>	31,004
	<hr/>	<hr/>
Drawdowns	<b>3,397,470</b>	3,739,424
	<hr/>	<hr/>
Repayment of borrowings	<b>201,996</b>	900,638
	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**18 Related party balances and transactions (continued)**

Significant transactions with related parties include:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Capital contribution arising from common control transaction (Note 41)	-	741,360
Acquisition of assets from entities under common control	<b>79,650</b>	754,820
Consideration for acquisition of non-controlling interests (Note 43)	-	800,000
<b>Revenue from contracts</b>		
- Entities under common control	<b>798,684</b>	772,076
- Joint ventures	<b>28,404</b>	6,822
- Associates	<b>428</b>	1,382
<b>Subcontracting costs / expenses</b>		
- Entities under common control	<b>260,365</b>	721,708
- Associates	<b>14,936</b>	4,244
- Joint Ventures	<b>13,260</b>	3,759
General, administrative and selling expenses / staff costs	<b>7,877</b>	17,085

Revenue generated from related parties and purchases of goods and services are based on terms and conditions as mutually agreed between the parties.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**19 Cash and cash equivalents**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Cash in hand and bank	<b>12,956,933</b>	15,219,324
Short term deposits and treasury bills	<b>6,844,651</b>	10,075,863
Wakala deposits	<b>412,936</b>	223,816
	<b>20,214,520</b>	25,519,003
Less: impairment loss allowance	<b>(30,905)</b>	(30,905)
Cash and bank balances	<b>20,183,615</b>	25,488,098
Less:		
Bank overdrafts (Note 27)	<b>(11,879)</b>	(20,520)
Restricted cash	<b>(7,023,466)</b>	(5,540,613)
Short term deposit having maturity more than three months	<b>(1,152,938)</b>	(3,012,688)
Add:		
Cash at banks and short-term deposits attributable to disposal group held-for-sale (Note 38)	<b>34,346</b>	-
Allowance for ECL	<b>30,905</b>	30,905
<b>Cash and cash equivalents</b>	<b>12,060,583</b>	16,945,182

Interest earned on short-term deposits and wakala deposits are at market rates.

Bank overdraft facilities were availed from various banks. Bank overdraft facilities were obtained from local banks which were secured by customers approved payment certificates. Bank overdrafts are repayable on demand.

As at 31 December 2023, restricted cash mainly includes cash at banks amounting to AED 270,255 thousand (2022: AED 243,456 thousand) held by the Group on behalf of third parties and AED 5,627,422 thousand (2022: AED 2,701,012 thousand) deposited into escrow accounts representing cash received from customers against sale of development properties.

The expected credit loss on 31 December 2023 and 2022 is AED 30,905 thousand.

Balances with banks are assessed to have low credit risk since they are highly regulated by the central banks of the respective countries. Accordingly, the Group estimates the loss allowance on balances with banks at an amount equal to 12-month ECL. None of the balances with banks are past due and taking into account the historical default experience and the current credit ratings of the bank. Impairment loss allowances of AED 30,905 thousand is considered sufficient.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**20 Share capital**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Authorised, issued and fully paid 10,000 million shares of AED 1 each (31 December 2022: 10,000 million shares of AED 1 each)	<b>10,000,000</b>	10,000,000

**21 Statutory reserve**

In accordance with the U.A.E. Federal Decree Law No. (32) of 2021, and the Articles of Association, the Company has established a statutory reserve by appropriation of 5% of its net profits. Such transfers have to be made until the reserve equals 50% of the share capital. This reserve is not available for distribution except in the circumstances stipulated by law.

**22 Merger reserve**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January	<b>11,539,393</b>	8,723,368
Contribution in kind from a shareholder (Note 42)	-	2,440,523
Transfer of assets from entities under common control	<b>79,650</b>	754,820
Contribution arising from business combinations under common control (Note 41)	-	741,360
Transfer to non-controlling interests on dilution of ownership (Note 43)	-	(1,120,678)
<b>At 31 December</b>	<b>11,619,043</b>	11,539,393

During the year, a related party transferred a plot of land without consideration. Accordingly, it was recorded at fair value of AED 79.7 million as an investment property with the corresponding amount accounted for in the merger reserve.

In 2022, an additional 2% ownership interest in Aldar was transferred under common control without consideration by the parent company, Accordingly, it was recorded at the fair value of AED 754.8 million as an investment in a subsidiary with the corresponding amount accounted for in the merger reserve.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**23 Other reserves**

The movements in other reserves are as follows:

	<b>Investment revaluation reserve AED '000</b>	<b>Foreign exchange translation reserve AED '000</b>	<b>Hedging reserve AED '000</b>	<b>Reserves of a disposal group held- for-sale AED '000</b>	<b>Total AED '000</b>
At 1 January 2022	(6,423)	(82)	3,597	13,788	10,880
Other comprehensive (loss) / income for the year	(155,953)	(379,276)	34,339	-	(500,890)
Transfer of fair value reserve of equity instruments designated at FVTOCI	(3,594)	-	-	-	(3,594)
Transfer arising from assets held-for-sale	10,610	3,178	-	(13,788)	-
At 31 December 2022	(155,360)	(376,180)	37,936	-	(493,604)
Other comprehensive (loss) / income for the year	(570,491)	(113,499)	15,119	-	(668,871)
Transfer of reserves	(10,515)	(367)	(338)	367	(10,853)
<b>At 31 December 2023</b>	<b>(736,366)</b>	<b>(490,046)</b>	<b>52,717</b>	<b>367</b>	<b>(1,173,328)</b>

**24 Hybrid equity instruments**

The Group had issued hybrid equity instruments worth AED 1,836 million (USD 500 million) (the "Notes") to an investor ("Noteholder") in two tranches. Proceeds from the first tranche of AED 1,140 million (USD 310.5 million) were received by the Group in March 2022 with the balance amount in a second tranche received in April 2022.

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

The Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Notes. In such event, the Noteholder does not have a right to claim any interest. Accordingly, these instruments have been classified under equity. Transaction costs amounting to approximately AED 20.6 million related to issuance of the Notes were recorded directly in equity.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**24 Hybrid equity instruments (continued)**

The movement in hybrid equity instruments net off transaction costs is as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January	<b>1,815,646</b>	-
Arising on acquisition of a subsidiary (Note 42)	-	1,126,639
Issuance of new tranche	-	689,007
<b>At 31 December</b>	<b>1,815,646</b>	1,815,646

During the year, the Group paid a coupon amounting to AED 103.3 million (2022: AED 51.6 million) on the hybrid instrument.

**25 Material non-controlling interests**

The summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before inter-group eliminations.

*Summarised consolidated statement of financial position:*

	<b>NMDC</b>	<b>PHH</b>	<b>Aldar</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>31 December 2023</b>			
Non-current assets	6,171,560	-	36,262,242
Current assets	14,791,829	-	39,801,661
Non-current liabilities	(1,860,576)	-	(16,892,214)
Current liabilities	(10,393,422)	-	(18,079,989)
Total equity	8,709,391	-	41,091,700
Less: non-controlling interests	(3,915)	-	(5,302,298)
Hybrid equity instruments	-	-	(1,815,646)
Equity attributable to the owners	8,705,476	-	33,973,756
Attributable to:			
Equity holders of parent	5,961,916	-	10,747,403
<b>Non-controlling interests</b>	<b>2,743,560</b>	<b>-</b>	<b>23,226,353</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**25 Material non-controlling interests (continued)**

*Summarised consolidated statement of financial position (continued):*

	NMDC AED'000	PHH AED'000	Aldar AED'000
31 December 2022			
Non-current assets	5,109,738	8,165,280	32,319,717
Current assets	11,123,009	17,111,039	33,959,337
Non-current liabilities	(2,161,157)	(3,412,333)	(11,967,341)
Current liabilities	(7,344,530)	(10,576,009)	(14,763,859)
	<hr/>	<hr/>	<hr/>
Total equity	6,727,060	11,287,977	39,547,854
Less: non-controlling interests	(3,080)	(3,837)	(4,380,219)
Hybrid equity instruments	-	-	(1,815,646)
	<hr/>	<hr/>	<hr/>
Equity attributable to the owners	6,723,980	11,284,140	33,351,989
	<hr/>	<hr/>	<hr/>
Attributable to:			
Equity holders of parent	4,604,895	4,395,283	10,550,711
	<hr/>	<hr/>	<hr/>
Non-controlling interests	2,119,085	6,888,857	22,801,278
	<hr/>	<hr/>	<hr/>

*Summarised consolidated statement of profit or loss:*

	NMDC AED'000	PHH AED'000	Aldar AED'000
<b>31 December 2023</b>			
Revenue	16,707,980	4,211,086	14,160,938
Expenses	(14,634,810)	(3,948,565)	(11,539,342)
	<hr/>	<hr/>	<hr/>
Profit for the year	2,073,170	262,521	2,621,596
<b>Attributable to non-controlling interests</b>	<b>653,938</b>	<b>161,106</b>	<b>1,948,589</b>
	<hr/>	<hr/>	<hr/>
	NMDC AED'000	PHMS AED'000	Aldar AED'000
31 December 2022			
Revenue	10,685,339	12,295,061	8,516,822
Expenses	(9,505,951)	(8,052,299)	(7,439,703)
	<hr/>	<hr/>	<hr/>
Profit for the year	1,179,388	4,242,762	1,077,119
Attributable to non-controlling interests	415,822	2,008,042	793,119
	<hr/>	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**25 Material non-controlling interests (continued)**

*Summarised consolidated statement of cash flows:*

	<b>NMDC AED'000</b>	<b>PHH AED'000</b>	<b>Aldar AED'000</b>
<b>31 December 2023</b>			
Operating activities	2,872,853	(1,392,985)	3,795,302
Investing activities	(1,849,833)	(1,741,784)	(4,269,122)
Financing activities	(475,027)	3,609	(1,533,144)
	<hr/>	<hr/>	<hr/>
<b>Net cash inflow / (outflow)</b>	<b>547,993</b>	<b>(3,131,160)</b>	<b>(2,006,964)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>NMDC AED'000</b>	<b>PHMS AED'000</b>	<b>Aldar AED'000</b>
<b>31 December 2022</b>			
Operating activities	2,682,230	4,736,408	5,730,710
Investing activities	(493,674)	958,791	(8,655,411)
Financing activities	54,990	(3,021,681)	4,712,163
	<hr/>	<hr/>	<hr/>
<b>Net cash inflow</b>	<b>2,243,546</b>	<b>2,673,518</b>	<b>1,787,462</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**26 Provision for employees' end of service benefits**

	<b>2023 AED '000</b>	<b>2022 AED '000</b>
Employees' end-of-service benefits	<b>1,074,874</b>	2,482,810
Long term incentive scheme	-	59,685
	<hr/>	<hr/>
<b>At 31 December</b>	<b>1,074,874</b>	<b>2,542,495</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**26 Provision for employees' end of service benefits (continued)**

Movements in provision for employee's end of service benefits are as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January	<b>2,542,495</b>	658,645
Liabilities arising on acquisition of subsidiaries (Note 42)	<b>44,239</b>	1,756,242
Charge for the year, net of reversal	<b>247,546</b>	256,167
Actuarial loss recognised in other comprehensive income	-	35,748
Acquired in common control business combinations (Note 41)	-	8,906
Transfer from a related party	<b>681</b>	551
Eliminated on derecognition of a subsidiary (Note 43)	<b>(1,541,480)</b>	-
Liabilities of group related to discontinued operations (Note 38)	-	(2,203)
Paid during the year	<b>(218,607)</b>	(171,561)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>1,074,874</b>	2,542,495
	<hr/> <hr/>	<hr/> <hr/>

During the prior year, the Group performed actuarial valuation on employee's end of service benefits in one of the subsidiaries. The resulting provision is recognised based on the following significant assumptions:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Average period of employment (years)	-	10.6
Average annual rate of salary increase (percentage)	-	3%
Average annual voluntary termination rate (percentage)	-	8%
Discount rate (percentage)	-	5%

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single rate has been used.

Charge for the year includes current service cost of AED Nil thousand (2022: AED 27,129 thousand), net interest cost of AED Nil thousand (2022: AED 13,945 thousand).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**26 Provision for employees' end of service benefits (continued)**

Actuarial loss recognised in consolidated statement of other comprehensive income includes the following:

	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
Actuarial gain arising from experience adjustments	-	11,821
Actuarial gain arising from changes in financial assumptions	-	23,927
	<u>          </u>	<u>          </u>
	-	35,748
	<u>          </u>	<u>          </u>

The weighted average duration of the defined benefit obligation is 5.9 years. The mortality rates for ages 18 to 59 range between 0.56 to 16.77 deaths per thousand of population.

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	<b>Increase</b>	<b>Decrease</b>
	<b>AED '000</b>	<b>AED '000</b>
<b>31 December 2023</b>		
Discount rate (0.5%)	-	-
Annual rate of salary increase (0.5%)	-	-
Voluntary termination rate (2%)	-	-
<b>31 December 2022</b>		
Discount rate (0.5%)	(360)	373
Annual rate of salary increase (0.5%)	(439)	517
Voluntary termination rate (2%)	3,109	(3,691)

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**27 Bank borrowings**

Bank borrowings included in the consolidated statement of financial position comprise the following:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Term loan facilities	<b>17,121,491</b>	14,495,040
Bank overdrafts (Note 19)	<b>11,879</b>	20,520
	<hr/>	<hr/>
<b>At 31 December</b>	<b>17,133,370</b>	14,515,560
	<hr/> <hr/>	<hr/> <hr/>

Movement in bank borrowing during the year is as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
At 1 January	<b>14,515,560</b>	5,583,727
Drawdowns during the year	<b>8,977,751</b>	10,643,959
Liabilities arising on acquisition of subsidiaries (Note 42)	<b>635,755</b>	4,357,748
Acquired in common control business combinations (Note 41)	-	300,000
Amortisation of transaction costs	<b>(7,322)</b>	(9,728)
Liabilities of group related to discontinued operations (Note 38)	-	(3,429)
Eliminated on derecognition of a subsidiary (Note 43)	<b>(293,131)</b>	-
Foreign exchange differences	<b>(119,545)</b>	(113,280)
Repayments during the year	<b>(6,575,698)</b>	(6,243,437)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>17,133,370</b>	14,515,560
	<hr/> <hr/>	<hr/> <hr/>

Bank borrowings are classified as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Non-current	<b>14,016,788</b>	13,210,294
Current	<b>3,116,582</b>	1,305,266
	<hr/>	<hr/>
<b>At 31 December</b>	<b>17,133,370</b>	14,515,560
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**27 Bank borrowings (continued)**

Details of group bank borrowings are as follows:

Loan type	Currency	Security	Instalments	Year of maturity	2023 AED'000	2022 AED '000	Purpose
Term loan 1	AED	Projects proceeds	Quarterly	2023	<b>6,000</b>	24,000	Project financing
Term loan 2	AED	Projects proceeds	Quarterly	2026	-	442,552	Investment purpose
Term loan 3	USD	Mortgage of property, plant and equipment	Quarterly	2027	<b>844,721</b>	1,109,155	Project financing
Term loan 4	AED	Mortgage of vessels	Quarterly	2026	<b>185,414</b>	217,414	To finance purchase of hopper suction dredger
Term loan 5	USD	Mortgage of property	Annually	2025	<b>158,151</b>	194,295	To finance purchase of a hotel
Term loan 6	USD	Unsecured	Semi-annual	2028	<b>367,568</b>	367,500	To finance construction of a factory
Term loan 7	AED	Mortgage of property	Semi-annual	2028	<b>179,445</b>	234,445	To finance purchase of a hotel
Term loan 8	AED	Pledge of financial instruments	Bullet	2024	<b>1,500,000</b>	1,500,000	To finance purchase of shares
Term loan 9	AED	Mortgage of property	Quarterly	2026	<b>54,613</b>	78,613	Construction of factory building
Term loan 10	AED	Corporate guarantee	Quarterly	2025	-	30,557	To finance the purchase of machinery and equipment
Term loan 11	USD	Mortgage of property	Quarterly	2032	<b>191,298</b>	84,574	Project financing
Term loan 12	AED	Secured on movable assets and shares	Quarterly	2036	-	294,316	Investment purpose
Term loan 13	AED	Pledge of financial instruments	Half in 3 years and rest in 5 years	2027	<b>4,500,000</b>	2,760,000	Investment purpose
Term loan 14	AED	Corporate guarantee	Revolving	2023	-	1,207	Working capital
Term loan 15	AED	Unsecured	Revolving	2025	<b>419,950</b>	419,950	General corporate purposes
Term loan 16	AED	Unsecured	Revolving	2025	<b>(3,994)</b>	295,305	General corporate purposes
Term loan 17	AED	Unsecured	Revolving	2027	<b>(4,404)</b>	(4,427)	General corporate purposes
Term loan 18	AED	Unsecured	Bullet	2027	<b>995,009</b>	995,250	General corporate purposes
Term loan 19	AED	Unsecured	Revolving	2025	<b>469,321</b>	469,167	General corporate purposes
Term loan 20	AED	Unsecured	Revolving	2027	<b>(6,165)</b>	1,173,750	General corporate purposes
Term loan 21	AED	Unsecured	Revolving	2027	<b>(4,237)</b>	(4,306)	General corporate purposes
Term loan 22	AED	Retail and commercial assets	Bullet	2026	<b>298,104</b>	297,319	General corporate purposes
Term loan 23	AED	Assignment of receivables and insurance	Semi-annual	2027	-	94,626	General corporate purposes
Term loan 24	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	<b>65,304</b>	81,578	Project financing



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**27 Bank borrowings (continued)**

<b>Loan type</b>	<b>Currency</b>	<b>Security</b>	<b>Instalments</b>	<b>Year of maturity</b>	<b>2023 AED'000</b>	<b>2022 AED '000</b>	<b>Purpose</b>
Term loan 25	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2031	<b>149,241</b>	189,058	Project financing
Term loan 26	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2024	<b>55,935</b>	29,814	Project financing
Term loan 27	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	<b>31,342</b>	131,618	Project financing
Term loan 28	EGP	Mortgage of property, assignment of receivables and insurance	Bullet	2028	<b>26,429</b>	37,172	Project financing and general corporate purposes
Term loan 29	AED	Mortgage of vessel	Quarterly	2032	<b>390,257</b>	436,169	To finance purchase of a vessel
Term loan 30	AED	Unsecured	Bullet	2027	<b>994,920</b>	995,055	General corporate purposes
Term loan 31	AED	Unsecured	Revolving	2027	<b>498,041</b>	497,560	General corporate purposes
Term loan 32	AED	Unsecured	Bullet	2027	<b>398,058</b>	398,055	General corporate purposes
Term loan 33	AED	Corporate guarantee	Monthly	2026	<b>34,860</b>	38,324	Project financing
Term loan 34	AED	Commercial property	Bullet	2023	<b>499,555</b>	499,555	General corporate purposes
Term loan 35	AED	Mortgage of equipment and vehicles	Various	Various	<b>65,473</b>	5,924	Vehicles finance
Term loan 36	AED	Mortgage of equipment and vehicles	Various	Various	<b>13,015</b>	20,501	Vehicles finance
Term loan 37	AED	Mortgage of property	Quarterly	2025	<b>35,395</b>	59,395	General corporate purposes
Term loan 38	EGP	Commercial properties including land	Quarterly	2030	<b>54,619</b>	-	General corporate purposes
Term loan 39	AED	Unsecured	Quarterly	2029	<b>498,687</b>	-	General corporate purposes
Term loan 40	AED	Pledge of financial instruments	Half in 3 years and rest in 5 years	2028	<b>1,545,000</b>	-	Investment purpose
Term loan 41	EUR	Unsecured	Bullet	2024	<b>447</b>	-	General corporate purposes
Term loan 42	AED	Mortgage of vehicles	Monthly	2027	<b>360</b>	-	Vehicles finance
Term loan 43	AED	Mortgage of vehicles	Monthly	Various	<b>502</b>	-	Vehicles finance
Term loan 44	AED	Pledge of financial instruments	Quarterly	2028	<b>480,000</b>	-	Investment purpose
Term loan 45	AED	Unsecured	Revolving	2024	<b>299,271</b>	-	General corporate purposes
Term loan 46	AED	Unsecured	Quarterly	2024	<b>102</b>	-	General corporate purposes
Term loan 47	AED	Unsecured	Revolving	2028	<b>(4,917)</b>	-	General corporate purposes
Term loan 48	AED	Unsecured	Quarterly	2030	<b>197,593</b>	-	General corporate purposes
Term loan 49	GBP	Unsecured	Quarterly	2024	<b>529,415</b>	-	General corporate purposes
Term loan 50	GBP	Unsecured	Quarterly	2024	<b>111,793</b>	-	General corporate purposes

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**27 Bank borrowings (continued)**

<u>Loan type</u>	<u>Currency</u>	<u>Security</u>	<u>Instalments</u>	<u>Year of maturity</u>	<u>2023 AED'000</u>	<u>2022 AED '000</u>	<u>Purpose</u>
Bank overdrafts	AED	Partially secured against approved payment certificates and invoices	-	-	<b>11,879</b>	20,520	Working capital
					<b>17,133,370</b>	14,515,560	

Note: The above bank borrowing facilities carry interest at market rates.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**28 Non-convertible sukuks**

	2023				2022
	AED '000				AED '000
	Sukuk No.1	Sukuk No.2	Sukuk No.3	Total	Total
At 1 January	1,847,444	1,834,472	-	3,681,916	-
Issued during the year	-	-	1,836,250	1,836,250	-
Issued costs	-	-	(12,863)	(12,863)	-
Additions due to acquisition of a subsidiary (Note 42)	-	-	-	-	3,732,381
Accrued profits	73,173	41,511	31,580	146,264	99,682
Amortisation of issue costs	4,706	4,832	1,434	10,972	4,860
Other movements	-	-	(22,313)	(22,313)	(59,541)
Less: Paid	(73,179)	(41,713)	(22,380)	(137,272)	(95,466)
<b>At 31 December</b>	<b>1,852,144</b>	<b>1,839,102</b>	<b>1,811,708</b>	<b>5,502,954</b>	<b>3,681,916</b>

Sukuks are classified as follows:

	2023	2022
	AED '000	AED '000
Non-current	5,456,856	3,644,812
Current	46,098	37,104
	<b>5,502,954</b>	<b>3,681,916</b>

**Sukuk No.1**

The Group has issued a non-convertible sukuk ("Sukuk No. 1") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 1 has a profit rate of 4.750% per annum payable semi-annually and is due for repayment in September 2025.

**Sukuk No.2**

The Group has also issued a non-convertible sukuk ("Sukuk No. 2") for a total value of AED1,836,750 thousand (USD 500,000 thousand). Sukuk No. 2 has a profit rate of 3.875% per annum payable semi-annually and is due for repayment in October 2029.

**Sukuk No.3**

During the period, the Group has issued a non-convertible sukuk ("Sukuk No. 3") for a total value of AED1,836,250 thousand (USD 500,000 thousand). Sukuk No. 3 has a profit rate of 4.875% per annum payable semi-annually and is due for repayment in May 2033.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**29 Derivative financial instruments**

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings, it has entered into interest rate swap arrangements and forward currency contracts with counter-party banks, generally for amounts matching to those particular borrowings.

*Derivatives designated as hedging instruments*

	<b>Fix leg on instrument</b>	<b>Notional amount AED'000</b>	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>
<b>31 December 2023</b>				
- Foreign exchange forward contracts	-	164,255	-	(9,790)
- Interest rate swaps	0.80%	422,338	24,602	-
			<b>24,602</b>	<b>(9,790)</b>
<b>31 December 2022</b>				
- Foreign exchange forward contracts	-	644,445	-	(47,236)
- Interest rate swaps	0.80 - 2.82%	1,839,953	248,792	-
			<b>248,792</b>	<b>(47,236)</b>

*Derivatives not designated as hedging instruments*

	<b>Fix leg on instrument</b>	<b>Notional amount AED'000</b>	<b>Assets AED'000</b>	<b>Liabilities AED'000</b>
<b>31 December 2023</b>				
- Interest rate swaps	4.27%	355,501	-	(2,348)
- Interest rate cap	2.52 - 3.00%	441,664	8,311	-
			<b>8,311</b>	<b>(2,348)</b>
<b>31 December 2022</b>				
- Interest rate swaps	4.27%	470,314	-	(2,935)
- Interest rate cap	-	-	-	-
			<b>-</b>	<b>(2,935)</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**29 Derivative financial instruments (continued)**

Derivative financial instruments are classified as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Non-current liabilities		-
Non-current assets (Note 15)	<b>8,311</b>	207,045
Current liabilities (Note 31)	<b>(12,138)</b>	(50,171)
Current assets (Note 15)	<b>24,602</b>	41,747
	<hr/>	<hr/>
<b>At 31 December</b>	<b>20,775</b>	198,621
	<hr/> <hr/>	<hr/> <hr/>

**30 Contract liabilities**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Amounts related to construction contracts	<b>7,176,082</b>	2,901,142
Amounts related to insurance contracts	-	2,500,381
Amounts received in advances from customers	<b>5,292,334</b>	4,538,544
	<hr/>	<hr/>
<b>At 31 December</b>	<b>12,468,416</b>	9,940,067
	<hr/> <hr/>	<hr/> <hr/>

The gross and net insurance liabilities certified by the Group's external actuary, are as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Claims incurred but not reported and claims reported but not approved	-	1,019,789
Unearned premiums	-	1,468,861
Unallocated loss adjustment expense reserve	-	11,731
	<hr/>	<hr/>
<b>At 31 December</b>	<b>-</b>	2,500,381
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**30 Contract liabilities (continued)**

Reinsurance contract assets are as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Reinsurance share of claims incurred but not reported and claims reported but not approved	-	(178,831)
Reinsurance share of unearned premiums	-	(207,497)
Reinsurance share of profit commission	-	(7,799)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>-</b>	<b>(394,127)</b>
	<hr/> <hr/>	<hr/> <hr/>

Insurance contract liabilities - net are as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Claims incurred but not reported and claims reported but not approved (net)	-	840,958
Unearned premiums (net)	-	1,261,364
Unallocated loss adjustment expense reserve (net)	-	11,731
	<hr/>	<hr/>
<b>At 31 December</b>	<b>-</b>	<b>2,114,053</b>
	<hr/> <hr/>	<hr/> <hr/>

The gross and net insurance liabilities certified by the Group's external actuary, are as follows:

	<b>2023</b>		2022	
	<b>Gross</b>	<b>Net</b>	Gross	Net
	<b>AED'000</b>	<b>AED'000</b>	AED'000	AED'000
Claims incurred but not reported and claims reported but not approved	-	-	1,019,789	840,958
Unearned premiums	-	-	1,468,861	1,261,364
Unallocated loss adjustment expense reserve	-	-	11,731	11,731
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>2,500,381</b>	<b>2,114,053</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**30 Contract liabilities (continued)**

Movement in the insurance contract liabilities (gross and net) during the year were as follows:

	<b>Claims (including ULAE)</b>		
	<b>Gross AED'000</b>	<b>Reinsurance AED'000</b>	<b>Net AED'000</b>
At 1 January 2022	-	-	-
Claims incurred but not reported and claims reported but not approved including ULAE at the date of acquisition	970,890	(178,305)	792,585
Claims incurred during the period	1,343,785	(188,821)	1,154,964
Claims settled during the period	(1,283,155)	188,295	(1,094,860)
At 31 December 2022	1,031,520	(178,831)	852,689
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Premiums</b>		
	<b>Gross AED'000</b>	<b>Reinsurance AED'000</b>	<b>Net AED'000</b>
At 1 January 2022			
Unearned premium reserve at the date of acquisition	1,801,675	(283,061)	1,518,614
Written during the period	826,456	(117,827)	708,629
Earned during the period	(1,159,270)	193,391	(965,879)
At 31 December 2022	1,468,861	(207,497)	1,261,364
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**31 Trade and other payables**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Accruals and other payables	<b>16,459,307</b>	14,819,699
Trade payables	<b>4,624,483</b>	3,730,956
Retention payables	<b>2,087,582</b>	2,382,564
Project related accruals and provisions	<b>1,647,085</b>	1,872,569
Finance charge payable	<b>235,155</b>	207,284
Dividend payables	<b>17,360</b>	109,534
Derivative financial instruments (Note 29)	<b>12,138</b>	50,171
Government funded programs payables	-	1,870,022
Insurance and reinsurance payables	-	698,104
Deferred government grant	-	42,143
	<b>25,083,110</b>	25,783,046

Trade and other payables are classified as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Non-current	<b>4,444,220</b>	1,698,219
Current	<b>20,638,890</b>	24,084,827
	<b>25,083,110</b>	25,783,046

The average credit period on purchases ranges between 30 to 90 days. The Group has financial risk management policies in place to ensure that payables are paid within agreed timeframes. Generally, no interest is charged on trade and other payables.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**32 Revenue**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
<b>Revenue by activity:</b>		
Commercial and industrial services	<b>16,707,980</b>	10,685,339
Real estate development and sales	<b>9,019,650</b>	6,123,163
Construction contracts	<b>8,096,046</b>	6,150,981
Management and related services	<b>4,815,437</b>	2,770,941
Medical and related services	<b>2,571,607</b>	10,919,361
Insurance and related services	<b>1,466,282</b>	1,050,133
Sale of goods and others	<b>2,738,593</b>	2,350,071
	<b>45,415,595</b>	40,049,989
<b>Timing of revenue recognition:</b>		
Revenue at a point in time	<b>5,877,081</b>	15,676,684
Revenue over time	<b>39,538,514</b>	24,373,305
	<b>45,415,595</b>	40,049,989
<b>Geographical markets:</b>		
UAE	<b>39,589,289</b>	34,817,299
Outside the UAE	<b>5,826,306</b>	5,232,690
	<b>45,415,595</b>	40,049,989

The transaction price allocated to partially unsatisfied performance obligations are as set out below:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
<b><i>Unsatisfied performance obligations</i></b>		
Commercial and industrial services	<b>54,055,677</b>	30,739,982
Real estate development and sales	<b>36,787,370</b>	17,159,549
Construction contracts	<b>27,846,120</b>	12,653,766
Management and related services	<b>5,311,630</b>	6,271,053
Medical and related services	<b>-</b>	17,901,000
	<b>124,000,797</b>	84,725,350

The Group expects that 34% (2022: 38%) of the transaction price allocated to unsatisfied contracts at 31 December 2023 will be recognised as revenue during 2024, amounting AED 41,822 million (2022: AED 32,144 million). AED 44,376 million (2022: AED 23,347 million) will be recognised in the year 2025 with AED 37,802 million (2022: AED 29,234 million) in future years.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**33 Direct costs**

	2023 AED '000	2022 AED '000
Subcontractor costs	11,305,440	7,788,418
Material and inventory consumed	8,163,465	6,856,608
Staff costs	6,921,082	5,191,332
Other project costs	2,036,826	1,901,247
Depreciation and amortisation (Notes 5, 6, 8 and 9)	1,532,064	1,383,985
Insurance claims incurred	1,267,217	1,014,506
Hospital management expenses	284,171	1,245,993
Other direct costs	4,557,827	4,930,191
	<u>36,068,092</u>	<u>30,312,280</u>

**34 General, administrative and selling expenses**

	2023 AED '000	2022 AED '000
Staff costs	1,541,999	1,867,342
Depreciation and amortisation (Note 5, 6, 8 and 9)	706,852	625,948
Management fees	176,987	196,504
Utilities	91,966	94,879
Allowance for stock obsolescence (Note 16)	49,785	6,168
Maintenance	26,447	44,671
Other expenses	1,362,397	2,008,810
	<u>3,956,433</u>	<u>4,844,322</u>

Other general, administrative and selling expenses include social contributions amounting to AED 16,390 thousand (2022: AED 29,665 thousand).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**35 Other income**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Dividend income	<b>159,516</b>	324,775
(Loss) / gain on disposal of property, plant and equipment	<b>(1,906)</b>	272,018
Profit for the year from discontinued operations (Note 38)	<b>45,219</b>	171,042
Fair value gain on re-measurement of an investment in associate (Note 10)	-	116,430
Recovery of doubtful receivables	<b>8,068</b>	68,225
Reversals of excess provisions	<b>575,075</b>	-
Gain on bargain purchase of associates and joint ventures	<b>100,080</b>	-
Others	<b>350,712</b>	614,054
	<b>1,236,764</b>	1,566,544

**36 Income from government grants**

Income related Government grant comprises of funding from Government of Abu Dhabi for AED 331 million (2022: AED 1,423 million)

**37 Finance costs, net**

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
<i>Finance costs</i>		
Interest on borrowings	<b>1,059,632</b>	522,626
Interest on lease liabilities (Note 9)	<b>66,281</b>	61,172
	<b>1,125,913</b>	583,798
<i>Finance income</i>		
Bank deposits	<b>721,561</b>	165,863
Other financial assets measured at amortised cost	<b>19,041</b>	70,690
	<b>740,602</b>	236,553
Net finance costs	<b>385,311</b>	347,245

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**38 Discontinued operations**

*Discontinued operations from 2023*

During the year, the Group has decided to disposed Transcend Blocker, INC ('Transcend'). The sale of Transcend was completed on 9 January 2024. At 31 December 2023, Transcend was classified as a disposal group held-for-sale and as a discontinued operation. The net assets of Transcend classified as held for sale were as follows:

	Notes	<b>2023</b> <b>AED '000</b>
<i>Assets</i>		
Investment in associates and joint ventures	10	<b>626,061</b>
Trade and other receivables		<b>5,093</b>
Cash and bank balances		<b>34,346</b>
		<hr/>
<b>Assets of group held-for-sale</b>		<b>665,500</b>
		<hr/>
<i>Liabilities</i>		
Trade and other payables		<b>33,971</b>
		<hr/>
<b>Liabilities of group held-for-sale</b>		<b>33,971</b>
		<hr/>
<b>Net assets of group held-for-sale</b>		<b>631,529</b>
		<hr/> <hr/>

The results of the discontinued operations, which have been included in consolidated statement of profit or loss for the year, were as follows:

	Notes	<b>2023</b> <b>AED '000</b>	2022 AED '000
General, administrative and selling expenses		<b>(65)</b>	(53)
Share of results of associates and joint ventures	10	<b>46,879</b>	10,356
		<hr/>	<hr/>
Net profit before tax		<b>46,814</b>	10,303
Income tax		<b>1,437</b>	-
		<hr/>	<hr/>
Net profit after tax		<b>48,251</b>	10,303
Impairment		<b>(3,032)</b>	-
		<hr/>	<hr/>
Profit from discontinued operations		<b>45,219</b>	10,303
		<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**38 Discontinued operations (continued)**

The results of the discontinued operations, which have been included in the consolidated statement of comprehensive income for the year, were as follows:

	<b>2023</b>
	<b>AED '000</b>
Profit after tax	<b>45,219</b>
Share of Exchange difference arising on translation of foreign operations of an associate	<b>129</b>
	<hr/>
Total comprehensive income from discontinued operations	<b>45,348</b>
	<hr/> <hr/>

*Discontinued operations from 2022*

In 2022, the Group has decided to dispose Pure Capital Investments LLC and certain other subsidiaries and accordingly classified them as a discontinued operations.

The carrying value of the assets and liabilities of discontinued operations are as follows:

	Notes	2022 AED '000
<i>Assets</i>		
Property, plant and equipment	5	3,094
Right-of-use assets	9	1,070
Inventories		523
Trade and other receivables		174,746
Due from related parties		7,035
Cash and bank balances		11,537
		<hr/>
<i>Total assets</i>		<b>198,005</b>
		<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**38 Discontinued operations (continued)**

	Notes	2022 AED '000
<i>Liabilities</i>		
Bank borrowings	27	3,429
Lease liabilities	9	1,133
Provision for employees' end of service benefits	26	2,203
Due to related parties		101,416
Trade and other payables		97,605
		<hr/>
<i>Total liabilities</i>		205,786
		<hr/>
Net liabilities directly associated with disposal group		(7,781)
Less: net liabilities attributable to non-controlling interests	A	2,340
		<hr/>
Net liabilities attributable to owners of the Company		(5,441)
Less: consideration received		117,600
		<hr/>
Gain on disposal	B	123,041
		<hr/>

In 2021, the Group decided to sell its interests in Aafaq, a partially owned subsidiary, resulting in its classification as a disposal group held-for-sale and as a discontinued operation. The disposal was completed with effect from 1 July 2022, on which date control of Aafaq passed to the acquirer, on which date its net assets were:

	2022 AED '000
<i>Assets</i>	
Property, plant and equipment	29,846
Right-of-use assets	2,574
Investment properties	216,604
Investment in financial assets	904,957
Islamic financing assets	1,599,843
Trade and other receivables	29,087
Due from related parties	65,983
Cash and bank balances	179,341
	<hr/>
Total assets	3,028,235
	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**38 Discontinued operations (continued)**

*Operations discontinued during the prior year (continued)*

		2022 AED '000
Liabilities		
Bank borrowings		200,000
Margins against letter of guarantees		827,471
Lease liabilities		984
Provision for employees' end of service benefits		5,946
Due to related parties		-
Trade and other payables		999,139
		<hr/>
Total liabilities		2,033,540
		<hr/>
Net assets directly associated with disposed group		994,695
Less: net assets attributable to non-controlling interests	C	(218,773)
		<hr/>
Net assets attributable to owners of the Group	D	775,922
Less: Purchase consideration	E	(760,330)
		<hr/> <hr/>
Net gain on disposal	F = B - D - E	107,449
		<hr/> <hr/>
Movement in non-controlling interests on disposal of subsidiaries	G = C - A	216,433
		<hr/> <hr/>

The results of the discontinued operations, which have been included in the consolidated statement of profit or loss for the prior year, were as follows:

	2022 AED '000
Revenue	285,516
Expenses	(221,923)
	<hr/>
Profit from operations	63,593
Net gain on disposal	107,449
	<hr/>
Gain from discontinued operations	171,042
	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**39 Earnings per share**

The following reflects the profit and share data used in to calculate both basic and diluted earnings per share, as these are no outstanding dilutive instruments:

	<b>2023</b>	2022
Profit for the year attributable to equity holders of the Company – AED ‘000	<b>10,680,323</b>	7,341,651
Less: distributions to the Noteholder (Note 24)	<b>(103,289)</b>	(51,645)
	<b>10,577,034</b>	7,290,006
Weighted average number of ordinary shares issued (‘000)	<b>10,000,000</b>	10,000,000
Basic and diluted earnings per share (AED)	<b>1.06</b>	0.73

**40 Contingent liabilities and commitments**

	<b>2023</b>	2022
	<b>AED ‘000</b>	AED ‘000
Letter of guarantees	<b>28,512,131</b>	18,650,662
Letters of credit	<b>818,817</b>	1,047,577
Capital commitments	<b>32,362,887</b>	36,624,017
Purchase commitments	<b>5,378,558</b>	4,537,861
Operating lease commitments	<b>7,403,329</b>	6,823,781

The above bank guarantees, and letters of credit are issued in the normal course of business.

Capital commitments include commitments towards investments and projects managed by the Group.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**40 Contingent liabilities and commitments (continued)**

*Operating lease commitments*

The Group as lessor

The Group has entered into operating leases on its investment property portfolio and have terms of between 1 and 5 years. The lessees do not have an option to purchase the property at the expiry of the lease period.

The future minimum rentals receivable under non-cancellable operating leases contracted as at 31 December are as follows:

	<b>2023</b>	2022
	<b>AED '000</b>	AED '000
Buildings:		
Within one year	<b>1,480,843</b>	1,384,743
In the second to fifth year	<b>3,776,049</b>	3,403,562
After five years	<b>2,146,437</b>	2,035,476
	<b>7,403,329</b>	6,823,781

**41 Business combinations under common control**

Transfers during the prior year (2022)

Name of subsidiary	Date of transfer	Proportion of equity acquired %	Principal activity
W Solar Investment LLC (‘W Solar’)	1 January 2022	75%	Solar energy business
Yas Clinic Group Sole Proprietorship LLC (‘Yas Clinic’)	1 January 2022	71%	Hospital management services
Abu Dhabi Stem Cells Center – Sole Proprietor LLC (‘ADSCC’)	1 January 2022	71%	Healthcare provider
Tamouh Healthcare LLC (‘Tamouh’)	1 January 2022	71%	Healthcare provider
Enigma Commercial Investment - Sole Proprietorship L.L.C.	5 May 2022	100%	Investment holding

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**41 Business combinations under common control (continued)**

Details of the assets and liabilities recognised at the date of transfer of ownership are as follows:

	Notes	W Solar AED '000	Yas Clinic AED '000	ADSCC AED '000	Tamouh AED '000	Total AED '000
<b>Non-current assets</b>						
Property, plant and equipment	5	-	380,985	60,306	468	441,759
Intangible assets	6	-	5,749	874	-	6,623
Right-of-use assets	9	-	17,889	1,437	-	19,326
		-	404,623	62,617	468	467,708
<b>Current assets</b>						
Inventories		-	7,433	1,280	-	8,713
Contract assets		-	-	-	6,209	6,209
Trade and other receivables		121	955,119	82,794	641,576	1,679,610
Due from related parties		300	54,623	-	29,257	84,180
Cash and bank balances		914	20,804	5,079	89,821	116,618
		1,335	1,037,979	89,153	766,863	1,895,330
<b>Total assets</b>		<b>1,335</b>	<b>1,442,602</b>	<b>151,770</b>	<b>767,331</b>	<b>2,363,038</b>
<b>Non-current liabilities</b>						
Lease liabilities	9	-	15,723	687	-	16,410
Provision for employees' end of service benefits	26	-	828	693	7,385	8,906
Bank borrowings	27	-	295,408	-	-	295,408
		-	311,959	1,380	7,385	320,724
<b>Current liabilities</b>						
Lease liabilities	9	-	3,177	750	-	3,927
Due to related parties		1,764	-	-	266,813	268,577
Bank borrowings	27	-	4,592	-	-	4,592
Trade and accounts payables		4	424,164	43,840	180,145	648,153
		1,768	431,933	44,590	446,958	925,249
<b>Total liabilities</b>		<b>1,768</b>	<b>743,892</b>	<b>45,970</b>	<b>454,343</b>	<b>1,245,973</b>
<b>Net (liabilities) / assets at the date of transfer</b>		<b>(433)</b>	<b>698,710</b>	<b>105,800</b>	<b>312,988</b>	<b>1,117,065</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**41 Business combinations under common control (continued)**

Notes	<u>W Solar</u> AED '000	<u>Yas Clinic</u> AED '000	<u>ADSCC</u> AED '000	<u>Tamouh</u> AED '000	<u>Total</u> AED '000
Net (liabilities) / assets at the date of transfer	(433)	698,710	105,800	312,988	1,117,065
Less: net assets attributable to non-controlling interests	-	-	-	(70,360)	(70,360)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net (liabilities) / assets attributable to owners of the Group	(433)	698,710	105,800	242,628	1,046,705
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The assets as on the date of transfer under common control were allocated as follows:

	2022 AED '000
Merger reserve (Note 22)	741,360
Non-controlling interests	305,345
	<hr/>
	1,046,705
	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3**

**Acquisitions during the current year**

*Mustard & Linen Interior Design Holding Limited (“M&L”)*

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 75 % equity interest in M&L, for a consideration of AED 25 million which was accounted for using the acquisition method under IFRS 3. M&L is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in premium interior design business services. From the date of acquisition, M&L contributed revenue and profit to the Group amounting to AED 18,741 thousand and AED 11,423 thousand respectively.

*Basatin Holding SPV Ltd. (“Basatin”)*

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary of the Group acquired a 75 % equity interest in Basatin, for a consideration of AED 138 million which was accounted for using the acquisition method under IFRS 3. Basatin is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in landscaping services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 237,550 thousand and AED 37,173 thousand respectively.

*ADMO Lifestyle Holding Limited (“ADMO”)*

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary of the Group acquired a 51% equity interest in ADMO, for a consideration of AED 716.5 million which was accounted for using the acquisition method under IFRS 3. ADMO is a limited liability company, registered and incorporated in Abu Dhabi Global Market and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and loss to the Group amounting to AED 121,054 thousand and AED 5,545 thousand respectively.

*Eltizam Asset Management Estate - Sole Proprietorship L.L.C. (“Eltizam”)*

Effective 4 July 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 65% equity interest in Etizam, for a consideration of AED 1,013 million which was accounted for using the acquisition method under IFRS 3. Etizam is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Etizam contributed revenue and loss to the Group amounting to AED 311,495 thousand and AED 4,605 thousand respectively.

*Virginia International Private School - Sole Proprietorship LLC. (“Virginia”)*

Effective 2 August 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Virginia, for a consideration of AED 210.5 million which was accounted for using the acquisition method under IFRS 3. Virginia is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in education. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 19,031 thousand and AED 6,653 thousand respectively.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****42 Business combination under IFRS 3 (continued)***Kent College LLC - FZ. And Kent Nursery LLC - FZ (“Kent”)*

Effective 1 September 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Kent, for a consideration of AED 120 million which was accounted for using the acquisition method under IFRS 3. Kent is a limited liability company, registered and incorporated in Dubai and is engaged in education. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 28,099 thousand and AED 1,036 thousand respectively.

*Mais Interior Design L.L.C. (“Mais”)*

Effective 15 August 2023, Trojan Construction Group, a subsidiary of the Group acquired a 60% equity interest in Mais, for a consideration of AED 24 million which was accounted for using the acquisition method under IFRS 3. Mais is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in interior designing. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 24,718 and AED 4,045 thousand respectively.

*Desert Control Liquid Natural Clay LLC (“DCLNC”)*

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary of the Group acquired a 100% equity interest in DCLNC, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. DCLNC is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in agriculture and landscaping. From the date of acquisition, DCLNC does not contributed revenue and profit to the Group.

*Mawarid Desert Control LLC (“MDC”)*

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary of the Group acquired a 100% equity interest in MDC, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. MDC is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in agriculture and landscaping. From the date of acquisition, MDC contributed revenue and loss to the Group amounting to AED 185 and AED 1,497 thousand respectively.

*Fab Properties - Sole Proprietorship LLC (“FABP”)*

Effective 1 December 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in FABP, for a consideration of AED 335 million which was accounted for using the acquisition method under IFRS 3. FABP is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in property rental. From the date of acquisition, FABP contributed revenue and profit to the Group amounting to AED 4,812 and AED 2,758 thousand respectively.

*London Square Developments (Holdings) Limited (“LSQ”)*

Effective 30 November 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in LSQ, for a consideration of AED 498 million which was accounted for using the acquisition method under IFRS 3. LSQ is a limited liability company, registered and incorporated in England and is engaged in real estate development. From the date of acquisition, Mais contributed revenue and loss to the Group amounting to AED 81,220 and AED 12,146 thousand respectively.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combinations under IFRS 3**

Identifiable assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities other than M&L, ADMO, Virginia and Kent, as at the date of acquisition were as follows:

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	DCLNC AED'000	MDC AED'000	FABP AED'000	LSQ AED'000	Total AED'000
<b>Non-current assets</b>													
Property, plant and equipment	5	137	8,337	143,371	12,625	147,106	870	2,656	1,502	3	30	2,819	319,456
Intangible assets	6	-	38,276	947	167,810	13,244	39,904	-	-	-	203,031	10,436	473,648
Right-of-use-assets	9	-	-	67,093	3,057	4,901	410,174	-	-	-	-	11,617	496,842
Investment in associates and joint ventures	10	-	-	309,569	-	-	-	-	-	-	-	107,232	416,801
Trade and other receivables		-	-	552	-	-	-	-	-	-	-	41,886	42,438
		<u>137</u>	<u>46,613</u>	<u>521,532</u>	<u>183,492</u>	<u>165,251</u>	<u>450,948</u>	<u>2,656</u>	<u>1,502</u>	<u>3</u>	<u>203,061</u>	<u>173,990</u>	<u>1,749,185</u>
<b>Current assets</b>													
Contract assets		-	20,638	-	12,700	-	-	19,002	-	-	-	127,144	179,484
Trade and other receivables		771	65,197	93,131	316,658	10,609	12,500	32,272	-	258	10,416	130,985	672,797
Inventories		-	1,376	4,818	5,813	1,003	-	1,011	-	-	-	-	14,021
Development work-in-progress	17	-	-	-	-	-	-	-	-	-	-	1,152,558	1,152,558
Due from related parties		1	-	243,953	-	-	-	-	-	-	-	-	243,954
Cash and bank balances		1,781	36,960	115,864	75,075	4,991	5,037	3,604	-	14	190,661	215,525	649,512
		<u>2,553</u>	<u>124,171</u>	<u>457,766</u>	<u>410,246</u>	<u>16,603</u>	<u>17,537</u>	<u>55,889</u>	<u>-</u>	<u>272</u>	<u>201,077</u>	<u>1,626,212</u>	<u>2,912,326</u>
Total assets		<u>2,690</u>	<u>170,784</u>	<u>979,298</u>	<u>593,738</u>	<u>181,854</u>	<u>468,485</u>	<u>58,545</u>	<u>1,502</u>	<u>275</u>	<u>404,138</u>	<u>1,800,202</u>	<u>4,661,511</u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combinations under IFRS 3 (continued)**

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	DCLNC AED'000	MDC AED'000	FABP AED'000	LSQ AED'000	Total AED'000
<b>Non-current liabilities</b>													
Lease liabilities	9	-	-	64,509	1,447	5,172	396,453	-	-	-	-	8,334	<b>475,915</b>
Bank borrowings	27	-	-	-	-	-	-	-	-	-	-	634,558	<b>634,558</b>
Provision for employees' end of service benefits	26	701	5,245	-	28,096	1,142	3,474	1,921	-	105	3,555	-	<b>44,239</b>
Deferred tax liabilities		-	-	1,284	11,800	1,195	3,591	-	-	-	17,223	-	<b>35,093</b>
Trade and other payables		-	-	-	-	-	-	-	-	-	1,008	187,955	<b>188,963</b>
		<u>701</u>	<u>5,245</u>	<u>65,793</u>	<u>41,343</u>	<u>7,509</u>	<u>403,518</u>	<u>1,921</u>	<u>-</u>	<u>105</u>	<u>21,786</u>	<u>830,847</u>	<b><u>1,378,768</u></b>
<b>Current liabilities</b>													
Lease liabilities	9	-	-	2,584	2,411	142	14,553	-	-	-	-	-	<b>19,690</b>
Bank borrowings	27	-	-	445	-	-	-	752	-	-	-	-	<b>1,197</b>
Due to related parties		-	-	22,204	-	-	-	-	-	2,772	-	-	<b>24,976</b>
Contract liabilities		-	1,842	-	552	10,897	14,650	-	-	-	-	135,272	<b>163,213</b>
Trade and other payables		1,673	73,225	57,916	236,887	1,721	4,881	21,715	-	265	162,986	340,605	<b>901,874</b>
		<u>1,673</u>	<u>75,067</u>	<u>83,149</u>	<u>239,850</u>	<u>12,760</u>	<u>34,084</u>	<u>22,467</u>	<u>-</u>	<u>3,037</u>	<u>162,986</u>	<u>475,877</u>	<b><u>1,110,950</u></b>
Total liabilities		<u><u>2,374</u></u>	<u><u>80,312</u></u>	<u><u>148,942</u></u>	<u><u>281,193</u></u>	<u><u>20,269</u></u>	<u><u>437,602</u></u>	<u><u>24,388</u></u>	<u><u>-</u></u>	<u><u>3,142</u></u>	<u><u>184,772</u></u>	<u><u>1,306,724</u></u>	<b><u><u>2,489,718</u></u></b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combinations under IFRS 3 (continued)**

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'00	DCLNC AED'00	MDC AED'00	FABP AED'00	LSQ AED'00	Total AED'000
Net assets acquired		316	90,472	830,356	312,545	161,585	30,883	34,157	1,502	(2,867)	219,366	493,478	<b>2,171,793</b>
Less: non-controlling interests		-	-	(31,638)	(4,230)	-	-	-	-	-	-	-	<b>(35,868)</b>
Proportionate share of identifiable net assets acquired		316	90,472	798,718	308,315	161,585	30,883	34,157	1,502	(2,867)	219,366	493,478	<b>2,135,925</b>
Less: Additional non-controlling interests at group level		(79)	(22,618)	(391,372)	-	-	-	(13,663)	-	-	-	-	<b>(427,732)</b>
Purchase consideration		(25,000)	(138,822)	(716,466)	-	(210,509)	(120,000)	(24,000)	-	-	(334,960)	(497,685)	<b>(2,067,442)</b>
Goodwill	7	24,763	70,968	309,120	704,685	48,924	89,117	3,506	-	2,867	115,594	4,207	<b>1,373,751</b>
Gain on bargain purchase		-	-	-	-	-	-	-	1,502	-	-	-	<b>1,502</b>
Additional contribution through a subsidiary		-	-	-	1,013,000	-	-	-	-	-	-	-	<b>1,013,000</b>

Non-controlling interests on the date of transfer under business combinations are allocated as:

	<b>2023 AED '000</b>
Non-controlling interests on acquisition	<b>35,868</b>
Additional non-controlling interests at Group level	<b>427,732</b>
	<b>463,600</b>

Note: The net assets recognised are based on a provisional assessment of their fair values other than M&L, ADMO, Virginia and Kent, as at the acquisition date. The Group will finalise the purchase price allocation ('PPA') within twelve months from the date of acquisition in accordance with the requirements of IFRS 3



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combinations under IFRS 3 (continued)**

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'00	DCLNC AED'00	MDC AED'00	FABP AED'00	LSQ AED'00	Total AED'000
Net cash acquired on business combination		1,781	36,960	115,864	75,075	4,991	5,037	3,604	-	14	190,661	215,525	<b>649,512</b>
Cash paid for the acquisition		(25,000)	(138,822)	(716,466)	-	(210,509)	(120,000)	(24,000)	-	-	(334,960)	(417,014)	<b>(1,986,771)</b>
Acquisition of operating business – net of cash acquired (included in cashflows from investing activities)		(23,219)	(101,862)	(600,602)	75,075	(205,518)	(114,963)	(20,396)	-	14	(144,299)	(201,489)	<b>(1,337,259)</b>
Transaction costs of the acquisition (included in cashflows from operating activities)		(845)	(3,017)	(2,083)	(2,257)	(923)	(1,668)	-	-	-	(2,565)	(23,023)	<b>(36,381)</b>
Net cash acquired on acquisition		(24,064)	(104,879)	(602,685)	72,818	(206,441)	(116,631)	(20,396)	-	14	(146,864)	(224,512)	<b>(1,373,640)</b>

Note: Transaction costs were expensed during the year and are included into Note 34

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combinations under IFRS 3 (continued)**

Additional contribution through a subsidiary is allocated as:

	<b>2023</b>
	<b>AED '000</b>
Retained earnings	<b>208,617</b>
Non-controlling interests	<b>804,383</b>
	<hr/>
	<b>1,013,000</b>
	<hr/> <hr/>

Acquisition during the prior year

*GenQore Drug store LLC (“GenQore”)*

Effective 1 February 2022, the Group acquired a 90% equity interest in GenQore, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. From the date of acquisition, GenQore contributed revenue and loss to the Group amounting to AED 24,025 thousand and AED 1,077 thousand respectively. If the acquisition had taken place at the beginning of the year, GenQore would have contributed revenue and loss to the Group amounting to AED 29,134 thousand and AED 1,068 thousand respectively.

*Aldar Properties PJSC (“Aldar”)*

Effective 11 April 2022, the Group acquired another 2% ownership interest in Aldar. As a result, the Group was able to appoint four out of the seven board members at the annual general meeting held on 11 April 2022, giving the Group control over Aldar. Accordingly, this has been treated as a step acquisition under IFRS 3 and the investment in Aldar has been de-recognised as an investment in an associate and has instead been consolidated as a subsidiary under IFRS 10. As at 31 December 2023, the Group holds 31.63% of Aldar.

Aldar is a company registered and incorporated in the Emirate of Abu Dhabi and is engaged in various businesses primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of acquisition, Aldar contributed revenue and profit to the Group amounting to AED 8,516,822 thousand and AED 2,455,923 thousand respectively. If the acquisition had taken place at the beginning of the year, Aldar would have contributed revenue and profit to the Group amounting to AED 11,200,027 thousand and AED 3,143,733 thousand respectively.

*Al Shohub Private School LLC (“Al Shohub”)*

On 20 January 2022, the Group agreed to purchase Al Shohub, a limited liability company registered in Abu Dhabi, United Arab Emirates for a total consideration of AED 72 million. On 1 June 2022, the transaction was completed and is therefore the date on which the Group acquired control over Al Shohub. From the date of acquisition, Al Shohub contributed revenue and loss to the Group amounting to AED 13,738 thousand and AED 1,445 thousand respectively. If the acquisition had taken place at the beginning of the year, Al Shohub would have contributed revenue and loss to the Group amounting to AED 22,794 thousand and AED 5,373 thousand respectively.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****42 Business combination under IFRS 3 (continued)***Twafq Projects Development Property LLC (“Twafq”)*

On 18 April 2022, the Group signed an agreement for the acquisition of 70% of Twafq for a consideration of AED 331 million. Twafq is incorporated in Abu Dhabi, UAE and is involved in the development, investment, and management of industrial real estate. From the date of acquisition, Twafq contributed revenue and profit to the Group amounting to AED 47,638 thousand and AED 51,813 thousand respectively. If the acquisition had taken place at the beginning of the year, Twafq would have contributed revenue and profit to the Group amounting to AED 62,700 thousand and AED 56,994 thousand respectively.

*Spark Security Services (“Spark”)*

Effective 1 September 2022, the Group acquired 100% shares of Spark Securities Services Sole Proprietorship LLC, Abu Dhabi and Spark Securities Services LLC, Dubai (together referred to as “Spark”) for a consideration of AED 120 million. From the date of acquisition, Spark contributed revenue and profit to the Group amounting to AED 95,555 thousand and AED 5,855 thousand respectively. If the acquisition had taken place at the beginning of the year, Spark would have contributed revenue and profit to the Group amounting to AED 268,192 thousand and AED 11,308 thousand respectively.

*Mace Macro Technical Services LLC (“Mace”)*

Effective 1 August 2022, the Group acquired 100% shares of Mace for a consideration of AED 4.4 million. From the date of acquisition, Mace contributed revenue and profit to the Group amounting to AED 5,231 thousand and AED 523 thousand respectively. If the acquisition had taken place at the beginning of the year, Mace would have contributed revenue and profit to the Group amounting to AED 13,978 thousand and AED 1,669 thousand respectively.

*Pactive Sustainable Solutions LLC (“Pactive”)*

Effective 1 August 2022, the Group acquired 100% shares of Pactive for a consideration of AED 10 million. From the date of acquisition, Pactive contributed revenue and profit to the Group amounting to AED 6,257 thousand and AED 832 thousand respectively. If the acquisition had taken place at the beginning of the year, Pactive would have contributed revenue and profit to the Group amounting to AED 9,023 thousand and AED 1,236 thousand respectively.

*National Health Insurance Company PJSC (“Daman”)*

Effective 1 October 2022, the Group acquired 39% shares of Daman. From the date of acquisition, Daman contributed revenue and profit to the Group amounting to AED 1,153,060 thousand and AED 83,609 thousand respectively. If the acquisition had taken place at the beginning of the year, Daman would have contributed revenue and profit to the Group amounting to AED 4,401,021 thousand and AED 303,237 thousand respectively.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****42 Business combination under IFRS 3 (continued)***Abu Dhabi Health Services Company PJSC (“SEHA”)*

Effective 1 October 2022, the Group acquired 39% shares of SEHA. From the date of acquisition, SEHA contributed revenue and profit to the Group amounting to AED 2,092,512 thousand and AED 547,984 thousand respectively. If the acquisition had taken place at the beginning of the year, SEHA would have contributed revenue and profit to the Group amounting to AED 7,278,000 thousand and AED 902,854 thousand respectively.

*The Life Corner LLC (“TLC”)*

Effective 1 October 2022, the Group acquired 39% shares of TLC. From the date of acquisition, TLC contributed revenue and profit to the Group amounting to AED 82,318 thousand and AED 42,193 thousand respectively. If the acquisition had taken place at the beginning of the year, TLC would have contributed revenue and profit to the Group amounting to AED 82,318 thousand and AED 27,191 thousand respectively.

*SAGA OA DMCC (“SAGA”)*

On 19 October 2022, the Group acquired 100% of SAGA International Owners Association Management Services LLC and SAGA OA DMCC (“SAGA”), for a consideration of AED 37 million. From the date of acquisition, SAGA contributed revenue and profit to the Group amounting to AED 2,305 thousand and AED 599 thousand respectively. If the acquisition had taken place at the beginning of the year, SAGA would have contributed revenue and profit to the Group amounting to AED 12,787 thousand and AED 6,435 thousand respectively.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3 (continued)**

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the entities were as follows:

	Notes	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Daman* AED'000	SEHA* AED'000	Others* AED'000	Total AED'000
<b>Non-current assets</b>									
Property, plant and equipment	5	4,026,985	71,694	2,447	12,756	9,105	1,232,994	3,940	5,359,921
Intangible assets	6	2,293,068	1,483	-	27,948	445,115	2,756,355	42,514	5,566,483
Investment properties	8	18,034,787	-	584,495	-	3,445	-	-	18,622,727
Right-of-use-assets	9	379,596	2,360	113,034	-	69,501	9,643	-	574,134
Investment in associates and joint ventures	10	70,021	-	-	-	45,549	-	-	115,570
Investment in financial assets	12	45,972	-	-	-	208,691	-	-	254,663
Trade and other receivables		553,031	-	-	-	3,448	-	-	556,479
		<u>25,403,460</u>	<u>75,537</u>	<u>699,976</u>	<u>40,704</u>	<u>784,854</u>	<u>3,998,992</u>	<u>46,454</u>	<u>31,049,977</u>
<b>Current assets</b>									
Investment in financial assets	12	142,801	-	-	-	343,699	-	-	486,500
Contract assets		221,056	-	-	-	461,366	397,739	-	1,080,161
Trade and other receivables		7,549,106	2,158	5,404	98,945	4,716,066	2,385,867	18,623	14,776,169
Inventories		10,226,250	-	-	485	-	556,647	-	10,783,382
Development work-in-progress	17	3,673,726	-	-	-	-	-	-	3,673,726
Due from a related party		-	-	-	181	-	-	-	181
Cash and bank balances		9,060,667	1,821	31,945	17,072	2,656,192	630,780	26,825	12,425,302
		<u>30,873,606</u>	<u>3,979</u>	<u>37,349</u>	<u>116,683</u>	<u>8,177,323</u>	<u>3,971,033</u>	<u>45,448</u>	<u>43,225,421</u>
<b>Total assets</b>		<u><u>56,277,066</u></u>	<u><u>79,516</u></u>	<u><u>737,325</u></u>	<u><u>157,387</u></u>	<u><u>8,962,177</u></u>	<u><u>7,970,025</u></u>	<u><u>91,902</u></u>	<u><u>74,275,398</u></u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3 (continued)**

Identifiable assets acquired and liabilities assumed (continued)

	Notes	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Daman* AED'000	SEHA* AED'000	Others* AED'000	Total AED'000
<b>Non-current liabilities</b>									
Lease liabilities	9	325,520	2,370	128,714	965	34,073	7,813	-	499,455
Provision for employees' end of service benefits	26	241,812	1,246	1,411	36,977	64,454	1,408,725	1,617	1,756,242
Bank borrowings	27	4,218,570	-	86,137	-	-	-	-	4,304,707
Non-convertible sukuk		3,698,959	-	-	-	-	-	-	3,698,959
Trade and other payables		1,914,385	-	-	-	-	-	-	1,914,385
		<u>10,399,246</u>	<u>3,616</u>	<u>216,262</u>	<u>37,942</u>	<u>98,527</u>	<u>1,416,538</u>	<u>1,617</u>	<u>12,173,748</u>
<b>Current liabilities</b>									
Lease liabilities	9	46,133	187	4,724	461	35,336	5,307	-	92,148
Due to related parties		-	-	-	232	-	-	81	313
Bank borrowings	27	36,823	-	16,218	-	-	-	-	53,041
Non-convertible sukuk		33,422	-	-	-	-	-	-	33,422
Trade and other payables		7,840,957	12,624	9,536	36,391	3,861,207	2,233,620	36,869	14,031,204
Contract liabilities		2,313,004	-	8,576	-	2,909,078	-	-	5,230,658
		<u>10,270,339</u>	<u>12,811</u>	<u>39,054</u>	<u>37,084</u>	<u>6,805,621</u>	<u>2,238,927</u>	<u>36,950</u>	<u>19,440,786</u>
<b>Total liabilities</b>		<u>20,669,585</u>	<u>16,427</u>	<u>255,316</u>	<u>75,026</u>	<u>6,904,148</u>	<u>3,655,465</u>	<u>38,567</u>	<u>31,614,534</u>
<b>Net assets acquired</b>		<u>35,607,481</u>	<u>63,089</u>	<u>482,009</u>	<u>82,361</u>	<u>2,058,029</u>	<u>4,314,560</u>	<u>53,335</u>	<u>42,660,864</u>
Less: non-controlling interests		(641,298)	-	(141,871)	-	-	-	29	(783,140)
hybrid equity instruments	24	(1,126,639)	-	-	-	-	-	-	(1,126,639)
<b>Proportionate share of identifiable net assets acquired</b>		<u>33,839,544</u>	<u>63,089</u>	<u>340,138</u>	<u>82,361</u>	<u>2,058,029</u>	<u>4,314,560</u>	<u>53,364</u>	<u>40,751,085</u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3 (continued)**

Identifiable assets acquired and liabilities assumed (continued)

	Notes	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Daman* AED'000	SEHA* AED'000	Others* AED'000	Total AED'000
Proportionate share of identifiable net assets acquired		33,839,544	63,089	340,138	82,361	2,058,029	4,314,560	53,364	40,751,085
Less: additional non-controlling interests at group level		(23,151,473)	-	-	-	-	-	-	(23,151,473)
Purchase consideration		(12,865,365)	(72,210)	(331,034)	(120,019)	-	-	(51,365)	(13,439,993)
Contribution of a shareholder	A	-	-	-	-	(1,651,389)	(4,576,033)	(8,925)	(6,236,347)
Settlement of a pre-existing relationship	43	-	-	-	-	-	(1,080,633)	-	(1,080,633)
Goodwill	7	2,177,294	9,121	-	37,658	-	1,342,106	7,554	3,573,733
Gain on bargain purchase		-	-	9,104	-	406,640	-	628	416,372

Non-controlling interests on the date of transfer under business combinations are allocated as:

	2022 AED '000
Non-controlling interests on acquisition	783,140
Additional non-controlling interests at Group level	23,151,473
	<u>23,934,613</u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3 (continued)**

Identifiable assets acquired and liabilities assumed (continued)

	Notes	Aldar AED'000	Al Shohub AED'000	Twafq AED'000	Spark AED'000	Daman AED'000	SEHA AED'000	Others AED'000	Total AED'000
Net cash acquired on business combination		9,060,667	1,821	31,945	17,072	2,656,192	630,780	26,825	12,425,302
Cash paid for the acquisition		-	(65,084)	(331,034)	(104,132)	-	-	(42,395)	(542,645)
Acquisition of operating business – net of cash acquired (included in cashflows from investing activities)		9,060,667	(63,263)	(299,089)	(87,060)	2,656,192	630,780	(15,570)	11,882,657
Transaction costs of the acquisition (included in cashflows from operating activities)		(521)	(845)	(88)	(2,459)	(335)	(537)	(1,447)	(6,232)
Net cash acquired on acquisition		9,060,146	(64,108)	(299,177)	(89,519)	2,655,857	630,243	(17,017)	11,876,425

Note: Transaction costs were expensed during the year and are included into Note 34

		2022 AED '000
Increase in net assets acquired on completion of purchase price allocation (PPA)	B	29,281
Contribution in kind from a shareholder	A + B	6,265,628



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**42 Business combination under IFRS 3 (continued)**

Net assets as on the date of acquisition of subsidiaries is allocated as:

	2022 AED'000
Merger reserve (Note 22)	2,440,523
Non-controlling interests	3,825,105
	<hr/>
	6,265,628
	<hr/> <hr/>

**43 Group's reorganisations**

- a) During the prior year, an additional 2% ownership interest in Aldar was transferred by related parties under common control without consideration and was treated as an additional contribution by the ultimate parent company. Accordingly, it was recorded at the fair value of AED 754,820 thousand as an investment in a subsidiary with the corresponding amount accounted for in merger reserve.
- b) The Group held 38.95% of PHH. On 30 March 2023, the shareholders of PHH amended shareholders' agreement, pursuant of which shareholder resolutions, which earlier required approval from majority of shareholders, has been amended to unanimous approval. As a result, the Group lost control over PHH and accordingly derecognised carrying value of assets and liabilities of PHH and recognised its interest as an investment in a joint venture at fair value.

The fair value of the retained interest in PHH was determined by a third-party valuation expert at 100% equity stake valued based on a sum of the parts ("SOTP") approach using the discounted cash flow ("DCF") methodology under the income approach as primary valuation methodology to arrive at the enterprise value of each business. The significant assumptions used in the fair value calculation include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.

During the year, the Group performed the purchase price allocation ('PPA') of the investment and recognised a gain of AED 7,457 million (31 December 2022: Nil) for the year ended 31 December 2023. The resultant goodwill is based on the fair value of retained interest.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**43 Group's reorganisations (continued)**

The carrying value of the assets and liabilities of PHH derecognised are as follows:

	<b>Notes</b>	<b>2023 AED '000</b>
<b>Non-current assets</b>		
Property, plant and equipment	5	1,779,997
Intangible assets	6	3,134,440
Goodwill	7	1,342,106
Investment properties	8	3,145
Right-of-use assets	9	1,425,275
Investment in associates and joint ventures	10	46,273
Investment in financial assets	12	238,433
Trade and other receivables		4,757
		<hr/> 7,974,426
<b>Current assets</b>		
Inventories		544,640
Due from related parties		172,439
Trade and other receivables		7,944,436
Investment in financial assets	12	343,085
Contract assets		1,986,334
Cash and bank balances		5,497,768
		<hr/> 16,488,702
<b>Total assets</b>		<hr/> 24,463,128 <hr/>
<b>Non-current liabilities</b>		
Provision for employees' end of service benefits	26	1,541,480
Bank borrowings	27	288,358
Lease liabilities	9	1,409,841
Trade and other payables		103,019
		<hr/> 3,342,698
<b>Current liabilities</b>		
Lease liabilities	9	144,498
Due to related parties		1,008,357
Contract liabilities		2,269,070
Bank borrowings	27	4,773
Trade and other payables		6,133,333
		<hr/> 9,560,031
<b>Total liabilities</b>		<hr/> 12,902,729 <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**43 Group's reorganisations (continued)**

	Notes	2023 AED '000
Net asset directly associated with derecognition of a subsidiary		<b>11,560,399</b>
Less: net assets attributable to non-controlling interests		<b>(7,059,849)</b>
		<hr/>
Net assets attributable to owners of the Company		<b>4,500,550</b>
Less: fair value of retained interest	9	<b>(11,957,944)</b>
		<hr/>
<b>Gain on derecognition</b>		<b>(7,457,394)</b>
		<hr/> <hr/>

- c) During the prior year, a Group entity entered into a subscription agreement with an investor to acquire common equity of AED 367 million (USD 100 million) and preferred equity of AED 1,102 million (USD 300 million) of the Group entity. The preferred equity provides a fixed return for three years, following which it mandatorily converts into a fixed number of common shares. The above resulted in the Group disposing 11.121% of its shareholding in that entity for a total cash consideration of AED 1,469 million (USD 400 million). The above transaction does not result in any loss of control and hence is accounted for as an equity transaction.

During the prior year, the Group established a wholly owned subsidiary with its equity split into Class A shares (51%) and Class B shares (49%). Subsequent to its establishment the Group disposed its Class B shares against a consideration of AED 1,836 million (USD 500 million) to AHSPV, a wholly owned subsidiaries of Apollo Capital Management L.P.

	<u>AIHR</u>	<u>AHSPV</u>	<u>Total</u>
31 December 2022			
Reduction in shareholding (%)	11.12%	49.00%	
Carrying value of the shareholding disposed-off (AED' 000)	1,489,822	1,813,878	3,303,700
Add: transaction costs paid (AED' 000)	10,536	36,495	47,031
Less: consideration (AED' 000)	(1,469,000)	(1,836,250)	(3,305,250)
	<hr/>	<hr/>	<hr/>
Difference recognised in retained earnings (AED'000)	31,358	14,123	45,481
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**43 Group's reorganisations (continued)**

- d) On 1 July 2023, the Group reduced its ownership in Aldar Estate Holding Limited ('AEHL') from 32% to 21% and an amount of AED 102 million was transferred to non-controlling interests from retained earnings during the year ended 31 December 2023.

	<u>AEHL</u>
<b>31 December 2023</b>	
Reduction in shareholding (%)	<b>11.04%</b>
Carrying value of the shareholding (AED'000)	<b>921,888</b>
	<hr/>
<b>Difference recognised directly retained earnings (AED'000)</b>	<b>101,780</b>
	<hr/> <hr/>

- e) During the year, the Group acquired 25% additional ownership interest in W Solar Investment LLC for no consideration. As a result, the loss of AED 571 thousand (2022: Nil) was transferred from non-controlling interests to retained earnings in the year ended 31 December 2023.

- f) *Partial disposal of shareholding in a subsidiary due to reorganisation:*

	<u>PHMS</u>	<u>PHH</u>	<u>Total</u>
31 December 2022			
Reduction in shareholding (%)	11.29%	31.88%	
Carrying value of the shareholding (AED'000)	509,907	970,708	1,480,615
	<hr/>	<hr/>	<hr/>
Difference recognised directly in Retained earnings (AED'000)	59,648	300,289	359,937
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Merger reserves (Note 22) (AED'000)	450,259	670,419	1,120,678
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On 1 January 2022, the Group transferred its ownership interest in PHMS to PHH, an investment holding company registered as a limited liability company in United Arab Emirates. As a result of this transaction, the Group's ownership in PHMS was reduced from 63% to 51.71% and an amount of AED 59.7 million and AED 450.2 million was transferred from the retained earnings and merger reserve, respectively, to non-controlling interests during the year ended 31 December 2022.

On 1 October 2022, the Group acquired Daman, SEHA and TLC as a result of this transaction the Group's ownership in PHH was reduced from 70.83% to 38.95% and an amount of AED 670.4 million from merger reserve and AED 300 million from retained earnings, respectively were transferred to non-controlling interests during the year ended 31 December 2022. This also resulted in a settlement of pre-existing relationship with the acquiree amounting to AED 1,080 million (Note 42).

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**43 Group's reorganisations (continued)**

g) *Partial disposal of shareholding in subsidiaries against consideration:*

	<u>AIHR</u>	<u>AHSPV</u>	<u>ALDAR</u>	<u>Total</u>
31 December 2022				
Reduction in shareholding (%)	11.12%	49.00%	0.01%	
Carrying value of the shareholding disposed-off (AED' 000)	1,489,807	1,813,874	6,055	3,309,736
Add: transaction costs paid (AED' 000)	10,536	36,493	-	47,029
Less: consideration (AED' 000)	(1,469,000)	(1,836,250)	(5,144)	(3,310,394)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Difference recognised in retained earnings (AED'000)	31,343	14,117	911	46,371
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

During the prior year, a Group entity entered into a subscription agreement with an investor to acquire common equity of AED 367 million (USD 100 million) and preferred equity of AED 1,102 million (USD 300 million) of the Group entity. The preferred equity provides a fixed return for three years, following which it mandatorily converts into a fixed number of common shares. The above resulted in the Group disposing 11.121% of its shareholding in that entity for a total cash consideration of AED 1,469 million (USD 400 million). The above transaction does not result in any loss of control and hence is accounted for as an equity transaction.

During the prior year, the Group established a wholly owned subsidiary with its equity split into Class A shares (51%) and Class B shares (49%). Subsequent to its establishment the Group disposed its Class B shares against a consideration of AED 1,836 million (USD 500 million) to AHSPV, a wholly owned subsidiaries of Apollo Capital Management L.P.

h) *Increase of shareholding in subsidiaries without consideration:*

	<u>PHMS</u>
31 December 2022	
Increase in shareholding (%)	10.52%
Carrying value of the shareholding account (AED' 000)	326,407
	<u>          </u>
Difference recognised in retained earnings (AED'000)	326,407
	<u>          </u>

On 1 October 2022, the Group acquired additional 10.52% of PHMS as result of this transaction and AED 326.4 million was transferred from non-controlling interest to retained earnings.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****43 Group's reorganisations (continued)***i) Increase of shareholding in subsidiaries against consideration:*

During the prior year, the Group acquired 20% additional ownership interest in Mawarid for AED 800 million. The difference between the carrying value and the proceeds were directly recognised in the retained earnings.

**44 Segment information**

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of financial performance and internal reports about components of the Group in order to allocate resources to the segment and to assess its performance. For operating purposes, the Group is organised into the following business segments or revenue streams:

- (i) Industrial, which includes to the provision of dredging and associated land reclamation works and execution of engineering, procurement and construction contracts;
- (ii) Construction, which provides contracting services relating to commercial and residential buildings, infrastructure development and civil construction works;
- (iii) Real estate, which includes rental income from properties and income from investment in real estate companies or sale of real estate;
- (iv) Healthcare, which includes hospitals and medical management services and laboratory diagnostic services; and
- (v) Services and other segments which comprise management services, hospitality income as well as a variety of smaller ancillary activities. This includes investment, insurance revenue, and Islamic financing.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**44 Segment information (continued)**

The following table presents revenue and profit information for the Group's operating segments for 2023:

	<b>Healthcare</b> AED '000	<b>Industrial</b> AED '000	<b>Real estate</b> AED '000	<b>Construction</b> AED '000	<b>Services and other segments</b> AED '000	<b>Eliminations</b> AED '000	<b>Total</b> AED '000
Revenue	2,732,940	16,737,314	10,194,199	8,238,588	7,512,554	-	<b>45,415,595</b>
Inter-segment sales*	-	-	315,054	387,329	300,974	(1,003,357)	-
<b>Total revenue</b>	<b>2,732,940</b>	<b>16,737,314</b>	<b>10,509,253</b>	<b>8,625,917</b>	<b>7,813,528</b>	<b>(1,003,357)</b>	<b>45,415,595</b>
<b>Segment gross profit</b>	<b>608,795</b>	<b>2,075,584</b>	<b>3,722,977</b>	<b>791,706</b>	<b>2,358,360</b>	<b>(209,919)</b>	<b>9,347,503</b>
General, administrative and selling expenses	(974,819)	(266,315)	(1,207,023)	(189,000)	(1,603,222)	283,946	<b>(3,956,433)</b>
Share of results of associates and joint ventures	140,618	52,647	(69,729)	62,499	73,958	-	<b>259,993</b>
Impairment of financial and other assets	(18,791)	22,255	(37,994)	(69,804)	(329,937)	-	<b>(434,271)</b>
Other income	(1,772)	287,932	244,277	241,211	1,252,289	(787,173)	<b>1,236,764</b>
Government grants income	330,767	-	-	-	-	-	<b>330,767</b>
Gain on derecognition of a subsidiary	-	-	-	-	7,457,394	-	<b>7,457,394</b>
Gain on derecognition and partial disposal of investment in associates and joint ventures	-	-	-	-	55,707	-	<b>55,707</b>
Finance costs, net	(18,076)	(644)	(113,624)	26,408	(299,479)	20,104	<b>(385,311)</b>
<b>Profit before tax</b>	<b>66,722</b>	<b>2,171,459</b>	<b>2,538,884</b>	<b>863,020</b>	<b>8,965,070</b>	<b>(693,042)</b>	<b>13,912,113</b>
Income tax	-	(44,552)	(554,699)	-	(31,612)	-	<b>(630,863)</b>
<b>Profit after tax</b>	<b>66,722</b>	<b>2,126,907</b>	<b>1,984,185</b>	<b>863,020</b>	<b>8,933,458</b>	<b>(693,042)</b>	<b>13,281,250</b>

\*Inter-segment sales are generally charged at prevailing market prices.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**44 Segment information (continued)**

The following table presents revenue and profit information for the Group's operating segments for 2022:

	<b>Healthcare AED '000</b>	<b>Industrial AED '000</b>	<b>Real estate AED '000</b>	<b>Construction AED '000</b>	<b>Services and other segments AED '000</b>	<b>Eliminations AED '000</b>	<b>Total AED '000</b>
Revenue	11,172,560	10,792,094	6,572,798	6,340,742	5,171,795	-	40,049,989
Inter-segment sales*	146,253	103	201,682	286,823	95,290	(730,151)	-
<b>Total revenue</b>	<b>11,318,813</b>	<b>10,792,197</b>	<b>6,774,480</b>	<b>6,627,565</b>	<b>5,267,085</b>	<b>(730,151)</b>	<b>40,049,989</b>
Segment gross profit	4,713,256	907,429	2,305,637	555,706	1,371,949	(116,268)	9,737,709
General, administrative and selling expenses	(2,115,089)	(163,530)	(1,440,985)	(161,775)	(1,096,604)	133,661	(4,844,322)
Share of results of associates and joint ventures	11,344	5,203	(105,295)	(37,414)	(241,749)	-	(367,911)
Impairment of financial and other assets	(134,706)	35,187	-	(38,281)	(234,300)	-	(372,100)
Other income	106,666	489,390	54,752	60,726	860,034	(5,024)	1,566,544
Government grants income	1,214,916	-	-	-	208,415	-	1,423,331
Gain on derecognition and partial disposal of investment in associates and joint ventures	-	-	-	-	3,879,900	-	3,879,900
Finance costs, net	(25,009)	(30,032)	(184,639)	(2,854)	(125,950)	21,239	(347,245)
<b>Profit before tax</b>	<b>3,771,378</b>	<b>1,243,647</b>	<b>629,470</b>	<b>376,108</b>	<b>4,621,695</b>	<b>33,608</b>	<b>10,675,906</b>
Income tax	-	(41,982)	(17,334)	(4,010)	(5,206)	-	(68,532)
<b>Profit after tax</b>	<b>3,771,378</b>	<b>1,201,665</b>	<b>612,136</b>	<b>372,098</b>	<b>4,616,489</b>	<b>33,608</b>	<b>10,607,374</b>

\*Inter-segment sales are generally charged at prevailing market prices.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**44 Segment information (continued)**

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2023.

	Healthcare AED '000	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Non-current assets	12,425,675	6,172,575	35,519,144	1,013,610	11,747,430	(6,843)	<b>66,871,591</b>
Current assets	894,314	15,603,281	37,301,872	9,130,514	13,189,751	(3,303,136)	<b>72,816,596</b>
Assets related to discontinued operations	-	-	-	-	665,500	-	<b>665,500</b>
<b>Total assets</b>	<b>13,319,989</b>	<b>21,775,856</b>	<b>72,821,016</b>	<b>10,144,124</b>	<b>25,602,681</b>	<b>(3,309,979)</b>	<b>140,353,687</b>
Non-current liabilities	-	2,340,861	14,358,349	369,732	9,928,607	2,988	<b>27,000,537</b>
Current liabilities	45	10,926,064	16,280,203	7,193,982	5,573,015	(2,631,161)	<b>37,342,148</b>
Liabilities related to discontinued operations	-	-	-	-	33,971	-	<b>33,971</b>
<b>Total liabilities</b>	<b>45</b>	<b>13,266,925</b>	<b>30,638,552</b>	<b>7,563,714</b>	<b>15,535,593</b>	<b>(2,628,173)</b>	<b>64,376,656</b>

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2022.

	Healthcare AED '000	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Non-current assets	7,975,464	5,112,104	32,532,444	732,766	9,856,907	(63,881)	56,145,804
Current assets	12,532,217	11,268,090	23,809,041	6,023,326	27,194,162	(5,943,416)	74,883,420
Assets related to discontinued operations	-	-	-	-	-	-	-
<b>Total assets</b>	<b>20,507,681</b>	<b>16,380,194</b>	<b>56,341,485</b>	<b>6,756,092</b>	<b>37,051,069</b>	<b>(6,007,297)</b>	<b>131,029,224</b>
Non-current liabilities	3,343,373	2,161,880	11,171,527	305,178	6,556,351	(76,503)	23,461,806
Current liabilities	4,720,897	7,552,302	13,013,607	4,825,061	13,380,994	(5,964,403)	37,528,458
Liabilities related to discontinued operations	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>8,064,270</b>	<b>9,714,182</b>	<b>24,185,134</b>	<b>5,130,239</b>	<b>19,937,345</b>	<b>(6,040,906)</b>	<b>60,990,264</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**44 Segment information (continued)**

The following table presents other segment information:

	<b>Healthcare AED '000</b>	<b>Industrial AED '000</b>	<b>Real estate AED '000</b>	<b>Construction AED '000</b>	<b>Services and other segments AED '000</b>	<b>Eliminations AED '000</b>	<b>Total AED '000</b>
<b>At 31 December 2023</b>							
Depreciation and amortisation	<b>226,598</b>	<b>480,634</b>	<b>956,676</b>	<b>132,192</b>	<b>518,049</b>	<b>(74,643)</b>	<b>2,239,506</b>
Addition to non- current assets	<b>107,024</b>	<b>1,241,254</b>	<b>1,716,112</b>	<b>301,424</b>	<b>1,209,572</b>	<b>(7,890)</b>	<b>4,567,496</b>
<b>At 31 December 2022</b>							
Depreciation and amortisation	370,579	563,527	662,777	111,032	312,819	(10,801)	2,009,933
Addition to non- current assets	1,689,454	870,214	8,198,898	136,406	1,891,938	-	12,786,910

The Group has aggregated its geographical segments into the UAE and overseas. Overseas includes operations in Bahrain, British Virgin Islands, Cayman Island, Cyprus, Egypt, Greece, Hong Kong, India, Kuwait, Maldives, Mozambique, Oman, Philippines, Qatar, Russia, Saudi Arabia, Seychelles, Sudan, Syria, United Kingdom, and United States of America:

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**44 Segment information (continued)**

The following table shows the Group's geographical segment analysis:

	<b>UAE AED '000</b>	<b>Overseas AED '000</b>	<b>Total AED '000</b>
<b>31 December 2023</b>			
<b>Revenue</b>	<b>39,589,289</b>	<b>5,826,306</b>	<b>45,415,595</b>
<b>Gross profit</b>	<b>8,753,564</b>	<b>593,939</b>	<b>9,347,503</b>
<b>Non-current assets</b>	<b>63,523,088</b>	<b>3,348,503</b>	<b>66,871,591</b>
<b>31 December 2022</b>			
<b>Revenue</b>	<b>34,817,299</b>	<b>5,232,690</b>	<b>40,049,989</b>
<b>Gross profit</b>	<b>8,628,824</b>	<b>1,108,885</b>	<b>9,737,709</b>
<b>Non-current assets</b>	<b>53,910,634</b>	<b>2,235,170</b>	<b>56,145,804</b>

**45 Fair value measurement**

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**45 Fair value measurement (continued)**

**Fair value of the Group's assets that are measured at fair value on recurring basis**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's assets are determined.

	Fair value as at 31 Dec		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	2023 AED '000	2022 AED '000				
<b>Financial assets / (liability)</b>						
Quoted equity investment -investment in financial assets at FVTPL	<b>2,114,333</b>	2,197,977	Level 1	Quoted prices in active markets	None	Not applicable
Quoted equity investment -investment in financial assets at FVTOCI	-	244,235	Level 1	Quoted prices in active markets	None	Not applicable
Unquoted equity investment - investment in financial assets at FVTPL	<b>5,223,691</b>	3,132,773	Level 2	Significant observable inputs	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unquoted equity investment - investment in financial assets at FVTOCI	<b>286,065</b>	851,734	Level 3	Comparable method	None	Not applicable
Derivative financial assets	<b>32,913</b>	248,792	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liabilities	<b>(12,138)</b>	(50,171)	Level 2	Significant observable inputs	None	Not applicable
<b>Non-financial assets</b>						
Biological assets	<b>19,039</b>	27,008	Level 2	Significant observable inputs	None	Not applicable
Investment properties						Not applicable
- Plots of land	<b>1,395,952</b>	626,291	Level 3	Refer to Note 8	None	Not applicable
- Commercial and residential properties	<b>24,950,789</b>	23,628,129	Level 3	Refer to Note 8	None	Not applicable
- Property under construction	<b>820,510</b>	114,763	Level 3	Refer to Note 8	None	Not applicable

There were no transfers between the levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table. There were no unobservable inputs to the fair value.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments**

**Material accounting policies**

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

**Categories of financial instruments:**

	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	Amortised cost	Total
	-----AED'000-----				
<b>Financial assets</b>					
<b>31 December 2023</b>					
Investments in financial - assets	-	7,338,024	286,065	50,625	7,674,714
Contract assets	-	-	-	8,936,145	8,936,145
Trade and other receivables (excluding deferred tax assets and prepayments and deposits)	32,913	-	-	13,495,767	13,528,680
Due from related parties	-	-	-	725,757	725,757
Cash and bank balances	-	-	-	20,183,615	20,183,615
	<u>32,913</u>	<u>7,338,024</u>	<u>286,065</u>	<u>43,391,909</u>	<u>51,048,911</u>
<b>31 December 2022</b>					
Investments in financial - assets	-	5,330,750	1,095,969	167,918	6,594,637
Contract assets	-	-	-	7,186,319	7,186,319
Trade and other receivables (excluding deferred tax assets and prepayments and deposits)	248,792	-	-	16,288,812	16,537,604
Due from related parties	-	-	-	1,639,393	1,639,393
Cash and bank balances	-	-	-	25,488,098	25,488,098
	<u>248,792</u>	<u>5,330,750</u>	<u>1,095,969</u>	<u>50,770,540</u>	<u>57,446,051</u>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments (continued)**

**Categories of financial instruments (continued)**

	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total
	-----AED'000-----			
<b>Financial liabilities</b>				
<b>31 December 2023</b>				
Lease liabilities	-	-	1,530,366	1,530,366
Due to related parties	-	-	969,483	969,483
Bank borrowings	-	-	17,133,370	17,133,370
Non-convertible sukuk	-	-	5,502,954	5,502,954
Contract liabilities	-	-	7,176,082	7,176,082
Trade and other payables	9,790	2,348	25,070,972	25,083,110
	<u>9,790</u>	<u>2,348</u>	<u>57,383,227</u>	<u>57,395,365</u>
31 December 2022				
Lease liabilities	-	-	2,507,887	2,507,887
Due to related parties	-	-	2,019,205	2,019,205
Bank borrowings	-	-	14,515,560	14,515,560
Non-convertible sukuk	-	-	3,681,916	3,681,916
Contract liabilities	-	-	5,401,523	5,401,523
Trade and other payables	47,236	2,935	25,732,875	25,783,046
	<u>47,236</u>	<u>2,935</u>	<u>53,858,966</u>	<u>53,909,137</u>

**Capital risk management**

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return on equity. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments (continued)**

**Capital risk management (continued)**

At end of the year, the net debt to equity ratio is as follows:

	2023 AED '000	2022 AED '000
Debt	24,179,990	20,718,663
Less: cash and bank balances	(20,183,615)	(25,488,098)
Net surplus / (deficit)	<u>3,996,375</u>	<u>(4,769,435)</u>
Net equity	<u>75,977,031</u>	<u>70,038,960</u>
<b>Debt to equity ratio (%)</b>	<u>31.83%</u>	<u>29.58%</u>

**Financial risk management objectives**

The Group monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk, insurance risk, and liquidity risk. The Group does not enter into or trade in derivative financial instruments for speculative or risk management purposes.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to cash flow interest rate risk on its bank borrowings at floating interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for interest bearing financial instruments at the end of the reporting year. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments (continued)**

**Interest rate risk (continued)**

*Interest rate sensitivity analysis (continued)*

If interest rates had been 75 basis points higher / lower throughout the year and all other variables were held constant, the Group's profit and equity for the year ended 31 December 2023 would decrease / increase by approximately AED 68,050 thousand (2022: decrease / increase AED 73,873 thousand).

**Interest rate swap contracts**

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.

The notional principal amounts and terms of interest rate swaps are disclosed in Note 29.

**Foreign currency risk**

Foreign currency risk is the risk that a financial instrument will fluctuate due to changes in foreign exchange rates. Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant loss due to exchange rate fluctuations and consequently the Group does not necessarily hedge its foreign currency exposure.

	2023		2022	
	Liabilities AED '000	Assets AED '000	Liabilities AED '000	Assets AED '000
Egyptian Pound (EGP)	3,836,532	5,550,932	3,629,112	5,751,073
Euro (EUR)	435,318	1,759,002	46,053	72,210
Great Britain Pound (GBP)	1,093,314	1,573,794	-	-
Others	63,297	75,670	1,705	10,034

*Foreign currency sensitivity analysis*

The Group is mainly exposed to Egyptian Pound (EGP), Euro (EUR) and Great Britain Pound (GBP). The exchange rate of the UAE Dirham is pegged to the US Dollar and therefore the risks associated therewith are considered to be insignificant.

The following paragraph details the Group's sensitivity to a 10% increase or decrease in the UAE Dirham against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Group's assessment of the reasonably conceivable change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.



**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)****46 Financial instruments (continued)****Foreign currency risk (continued)***Foreign currency sensitivity analysis (continued)*

Based on the sensitivity analysis to a 10% (2022: 10%) increase / decrease in the Egyptian Pound against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 171,440 thousand (2022: AED 212,196 thousand) mainly as a result of foreign exchange differences on translation of Egyptian Pound denominated amounts.

Based on the sensitivity analysis to a 10% (2022: 10%) increase / decrease in the Euro against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 132,368 thousand (2022: AED 2,616 thousand) mainly as a result of foreign exchange differences on translation of Euro denominated amounts.

Based on the sensitivity analysis to a 10% (2022: 10%) increase / decrease in the Great Britain Pound against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 48,048 (2022: AED Nil) mainly as a result of foreign exchange differences on translation of Indian Rupee denominated amounts.

The Group believes that the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

**Equity price risk**

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (see Note 12) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The Group invested in a portfolio of listed shares which are held-for-trading (see Note 12). This type of investment is approved by the Board as the alternative to investment in money market funds in order to generate higher investment return on the spare funds.

The Group's listed equity securities are susceptible to market price arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification and placing limits on individual and total equity investments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 5 per cent higher / lower:

- Net profit for the year ended 31 December 2023 would increase by AED 105,717 thousand (2022: AED 109,899 thousand) as a result of the changes in fair value of the investments in listed shares and vice versa.
- Other comprehensive income would increase by AED Nil (2022: AED 12,212 thousand) as a result of the changes in fair value of the investments in equity instruments and vice versa.

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments (continued)**

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
<b>31 December 2023</b>							
Trade receivables	15	N/A	(i)	Lifetime ECL	<b>9,884,754</b>	<b>(455,158)</b>	<b>9,429,596</b>
Retention receivables	15	N/A	(i)	Lifetime ECL	<b>1,185,311</b>	<b>(68,193)</b>	<b>1,117,118</b>
Contract assets	13	N/A	(i)	Lifetime ECL	<b>9,088,207</b>	<b>(152,062)</b>	<b>8,936,145</b>
Due from related parties	18	N/A	(i)	12-month ECL	<b>1,369,307</b>	<b>(643,550)</b>	<b>725,757</b>
Bank balances	19	BB	NA	12-month ECL	<b>20,214,520</b>	<b>(30,905)</b>	<b>20,183,615</b>
Financial investments	12	N/A	(i)	12-month ECL	<b>51,021</b>	<b>(396)</b>	<b>50,625</b>
Other receivables	15	N/A	(i)	12-month ECL	<b>2,966,124</b>	<b>(15,864)</b>	<b>2,950,260</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2023 (continued)**

**46 Financial instruments (continued)**

**Credit risk (continued)**

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
31 December 2022							
Trade receivables	15	N/A	(i)	Lifetime ECL	10,181,371	(603,501)	9,577,870
Retention receivables	15	N/A	(i)	Lifetime ECL	730,245	(48,406)	681,839
Contract assets	13	N/A	(i)	Lifetime ECL	7,268,192	(81,873)	7,186,319
Due from related parties	18	N/A	(i)	12-month ECL	2,038,184	(398,791)	1,639,393
Bank balances	19	BB	NA	12-month ECL	25,519,003	(30,905)	25,488,098
Financial investments	12	N/A	(i)	12-month ECL	257,082	(23)	257,059
Other receivables	15	N/A	(i)	12-month ECL	3,553,658	(226,101)	3,327,557

- (i) For trade receivables, retention receivables and contract assets, the Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

**Liquidity risk**

Ultimate responsibility for liquidity risk rests with the management, which has built an appropriate liquidity risk management framework for the planning of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022 (continued)**

**46 Financial instruments (continued)**

**Liquidity risk (continued)**

	<b>Current less than 1 year AED '000</b>	<b>Non-current greater than 1 year AED '000</b>	<b>Total AED '000</b>
<b>31 December 2023</b>			
Trade and other payables (excluding provision for onerous projects)	20,638,890	4,444,220	25,083,110
Bank borrowings	3,536,467	15,321,267	18,857,734
Non-convertible sukuk	46,098	6,920,565	6,966,663
Due to related parties	969,483	-	969,483
Contract liabilities	12,468,416	-	12,468,416
Lease liabilities	150,421	1,906,821	2,057,242
	<u>37,809,775</u>	<u>28,592,873</u>	<u>66,402,648</u>
<b>31 December 2022</b>			
Trade and other payables (excluding provision for onerous projects)	24,070,367	1,698,307	25,768,674
Bank borrowings	1,615,447	14,240,941	15,856,388
Non-convertible sukuk	37,104	4,323,485	4,360,589
Due to related parties	2,019,205	-	2,019,205
Contract liabilities	5,401,523	-	5,401,523
Lease liabilities	166,365	2,836,605	3,002,970
	<u>33,310,011</u>	<u>23,099,338</u>	<u>56,409,349</u>

At 31 December 2023, the Group had available AED 17,179 million (2022: AED 5,968 million) of undrawn committed borrowing facilities in respect of which all conditions precedent have been met.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022 (continued)**

**47 Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

<b>Particulars</b>	<b>Borrowings AED '000</b>	<b>Loan from a related party AED '000</b>	<b>Lease liabilities AED '000</b>	<b>Derivate financial instruments AED '000</b>
At 1 January 2023	<b>14,515,560</b>	<b>13,300</b>	<b>2,507,887</b>	<b>50,171</b>
Recognition of lease liability	-	-	<b>164,257</b>	-
Assets arising on acquisition of subsidiaries	<b>635,755</b>	-	<b>495,605</b>	<b>(12,093)</b>
Eliminated on derecognition of a subsidiary	<b>(293,131)</b>	-	<b>(1,469,222)</b>	-
Disposal group classified as held-for-sale	-	-	-	-
Financing cashflows	<b>2,402,053</b>	-	<b>(135,975)</b>	<b>184,059</b>
Other changes	<b>(126,867)</b>	-	<b>(32,186)</b>	<b>(209,999)</b>
<b>At 31 December 2023</b>	<b>17,133,370</b>	<b>13,300</b>	<b>1,530,366</b>	<b>12,138</b>
At 1 January 2022	5,583,726	13,300	587,439	45,564
Recognition of lease liability	-	-	1,456,450	-
Acquisition of entities under common control	300,000	-	20,337	-
Assets arising on acquisition of subsidiaries	4,357,748	-	591,603	(80,566)
Disposal group classified as held-for-sale	-	-	(1,133)	-
Financing cashflows	4,400,522	-	(126,403)	(13,840)
Other changes	(126,436)	-	(20,406)	99,013
<b>At 31 December 2022</b>	<b>14,515,560</b>	<b>13,300</b>	<b>2,507,887</b>	<b>50,171</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2022 (continued)****48 Subsequent events**

Subsequent to year end, the Group has entered into the following transactions:

- a) Acquisition of 51 % stake in Alpha Mind Holding Limited ('Alpha Mind'), a company incorporated in Abu Dhabi, UAE on Abu Dhabi Global Market ('ADGM') for an amount of AED 254.2 million by ADMO. Alpha Mind is involved in the hospitality business; and
- b) The Group has formed a joint venture entity, Enersol Rsc Ltd, in collaboration with ADNOC Drilling Company PJSC (referred to as 'ADNOC Drilling'), wherein ownership stakes are distributed as 49% and 51% respectively. The principal objective of this venture is to spearhead the development of an oil field services technology platform, with a total commitment amounting to US\$ 1,500 million. As an integral part of this endeavour, the Group has contributed its 25% stake in Gordon Technologies LLC to Enersol Rsc Ltd, for a consideration of US\$ 87 million.