INTERNATIONAL HOLDING COMPANY PJSC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

International Holding Company PJSC

DIRECTORS' REPORT

31 DECEMBER 2022

DIRECTORS' REPORT
31 December 2022

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present our report along with the audited consolidated financial statements of International Holding Company PJSC (the "Company" or "IHC") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2022.

IHC achieved another record performance in 2022, highlighting solid growth, while demonstrating the strength of our core businesses, with achievements that are in line with our long-term strategy. The Group's performance during 2022 reflected the clear strategy adopted of enhancing the Group's portfolio through acquisitions, strategic investments, restructuring and diversification.

Below is a summary of the main strategic business acquisitions performed during the year (other acquisitions are included in note 6.1(a) and 6.2(b) to the accompanying audited consolidated financial statements):

- Aldar Properties PJSC and its subsidiaries
- Reem Investments PJSC and its subsidiaries
- Arena Events Group Limited and its subsidiaries
- Abu Dhabi Health Services Company PJSC ("SEHA") and its subsidiaries
- Daman Health Insurance Company (Daman) PJSC and its subsidiaries
- Emircom LLC and its subsidiaries

Below is a summary of the main strategic investment in associates entered into during the year:

- Kalyon Enerjij Yatirimlari A.S
- Burjeel Holding PLC
- Lulo Bank S.A Bayanat AI PLC
- Invictus Investment Company PLC
- Bayanat AI PLC

Financial highlights

Strategic investments and decision makings have resulted in IHC achieving a record-breaking financial performance in the financial year 31 December 2022, earning **revenues of AED 50,946,133 thousand** and achieving a **net profit of AED 32,571,200 thousand** for the financial year ended 31 December 2022. Following is a snapshot of the key financial highlights for the year ended 31 December 2022.

AED 50.9 Bn Revenue	**AED 31.4 Bn** EBITDA	**AED 32.6 Bn** Net Profit	**AED 6.81** EPS
AED 228 Bn Total Assets	**AED 98.7 Bn** Total Liabilities	**AED 129.4 Bn** Total Equity	**AED 37.2 Bn** Cash & Bank Balance

Board of Directors

The Directors of the Company are:

Chairman	H.H. Shk Tahnoon Bin Zayed Al Nahyan
Vice chairman	Dr. Somar Ajalyaqin
Members	Mr. Syed Basar Shueb
	Ms. Sofia Lasky
	Mr. Mohammed Nasser Saif Howaiden Al Shamsi

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 10 March 2023.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2023 will be put to the shareholders at Annual General Meeting.

On behalf of Board of Directors

Chairman
10 March 2023

International Holding Company PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, 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 significant accounting policies.

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 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition
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 decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2022, total revenue of the Group amounted to AED 50,946 million (2021: AED 28,562 million) (note 30).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed, or involved component auditors in the performance of procedures to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, substantive audit procedures which included overall analytical procedures at the Group and subsidiary level, and testing on transactions throughout the year, to assess whether revenues were properly recognised.

Business combination of entities under common control
During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions are excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 721,939 thousand during 2022.

We performed, or involved component auditors to perform, the following procedures:

- held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details;

- obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of equity;

- assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy; and

- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Business combinations within the scope of IFRS 3
During the year, the Group acquired control over the entities disclosed in note 6.2 which were determined to be business combinations as defined by IFRS 3. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement and estimation regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired assets / businesses with those of the Group.

We performed, or involved component auditors to perform, the following procedures:

- Reviewed the share purchase agreements to assess if the acquisitions fulfilled the requirements of business combination under IFRS 3. Additionally, we reviewed the ownership structures before and after the acquisitions to ensure the entities are not under common control;
- obtained the provisional purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group;
- involved our, or the components auditor's, internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax ('EBIT'), growth rates and discount rates;
- assessed the independence, qualification and expertise of external valuation specialists engaged by the Group and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

Fair value of investment properties
Investment properties amounting to AED 29,602 million (2021: AED 7,927 million) as at 31 December 2022 (note 9) are stated at cost less accumulated depreciation and impairment. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

The valuations were undertaken by internal management specialists and external valuers (the "Valuers"). In determining property valuations, the Valuers apply different valuation techniques including investment and comparable methods. The Valuers take into account property-specific information such as the current tenancy agreements and apply assumptions for discount rates and estimated market rent, which are influenced by prevailing market yields and consider comparable market transactions, to arrive at the valuation.

We involved component auditors in reviewing the property valuation reports and assessed that the valuation approach for each was in accordance with the established standards for valuation of properties and suitable for use in determining the fair value of properties.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Fair value of investment properties continued
We involved component auditors in assessing the external valuers independence, qualification and expertise and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

The component auditors involved their internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, and consideration of reasonableness of the significant assumptions.

We assessed the adequacy of disclosures in line with the requirements of the IFRSs.

Impairment assessment of goodwill
The Group has recognised goodwill amounting to AED 5,216 million arising from the acquisition of subsidiaries operating in multiple segments under business combinations within the scope of IFRS 3 (note 8).

Management carries out impairment assessments of goodwill annually. Goodwill impairemet testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the repsective cash generating units. Assumptions used relate to future cash flows, revenue growth rates, expected inflation rates and discount rates.

As part of our audit procedures, we performed, or involved component auditors to perform, the following:

- tested, with involvement of internal valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models for impairment testing including key assumptions relating to growth rates, inflation rates and discount rates;

- analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions;

- compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates; and

- assessed the adequacy of disclosure in line with the requirements of the IFRSs.

Other information
Other information consists of the information included in the Directors' Report and Annual Report other than the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of our audit report and we expect the Annual Report to be made available to us after the date of this auditor's report. Management is responsible for the other information.

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

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information continued
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, 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 read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal 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.

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 ISA 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 judgment 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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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 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, actions taken to eliminate threats, or safeguards applied.

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 or regulation precludes 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2022:

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

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, the Articles of Association of the Company;

iii) the Group has maintained proper books of account;

iv) the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;

v) investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2022;

vi) note 35 reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2022, any of the applicable provisions of the UAE Federal 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 2022; and

viii) the Group made social contributions of AED 32,189 thousand (2021: AED 8,651 thousand).

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

10 March 2023
Abu Dhabi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2022

	Notes	*2022* *AED'000*	*2021* *AED'000*
ASSETS			
Non-current assets			
Property, plant and equipment	7	**19,502,124**	9,333,751
Intangible assets and goodwill	8	**11,616,475**	2,442,712
Right-of-use assets	29	**2,954,791**	970,813
Investment properties	9	**29,602,126**	7,926,902
Investment in associates and joint ventures	10	**7,654,312**	12,103,106
Investments in financial assets	11	**26,615,304**	1,143,972
Derivative financial instruments	26	**207,045**	-
Contract assets	17	**-**	659,938
Trade and other receivables	14	**2,674,851**	200,411
Biological assets	15	**27,008**	25,273
Due from related parties	35	**951**	951
Loan to a related party	35	**-**	20,000
Deferred tax assets	39	**106,357**	16,938
		100,961,344	34,844,767
Current assets			
Inventories	13	**13,001,371**	899,351
Development work-in-progress	16	**6,367,548**	1,349,824
Biological assets	15	**57,913**	5,363
Investment in financial assets	11	**32,176,907**	9,096,931
Derivative financial instruments	26	**41,747**	6,403
Due from related parties	35	**1,988,332**	1,896,162
Loan to related parties	35	**1,200**	6,200
Contract assets	17	**8,128,256**	5,201,530
Trade and other receivables	14	**26,139,983**	11,210,396
Cash and bank balances	18	**37,230,142**	20,246,582
		125,133,399	49,918,742
Assets held for sale	19	**1,939,751**	4,216,639
		127,073,150	54,135,381
TOTAL ASSETS		**228,034,494**	88,980,148
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**2,193,540**	1,821,429
Share premium	20	**151,188,827**	-
Merger, acquisition and other reserves	20	**(109,900,410)**	16,668,311
Statutory reserve	21	**1,096,770**	910,715
Contributed capital		**940,015**	-
Cumulative changes on revaluation of investments		**(146,055)**	360,372
Currency translation reserve		**(236,526)**	2,038
Hedging reserve		**22,619**	1,627
Retained earnings		**22,701,803**	7,329,169
Equity attributable to owners of the Company		**67,860,583**	27,093,661
Hybrid equity instruments	22	**1,815,646**	-
Non-controlling interests		**59,687,880**	28,938,365
Total equity		**129,364,109**	56,032,026

The attached notes 1 to 47 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
At 31 December 2022

	Notes	2022 AED'000	2021 AED'000
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefits	23	**2,771,254**	809,804
Lease liabilities	29	**2,814,243**	876,906
Borrowings	24	**33,829,725**	6,749,087
Non-convertible sukuk	25	**3,644,812**	-
Trade and other payables	27	**3,334,080**	65,201
Contract liabilities	28	**-**	83,663
Loans from related parties	35	**43,007**	57,232
Derivative financial instruments	26	**-**	19,559
Due to related parties	35	**3,133**	19,663
Deferred tax liabilities	39	**65,148**	1,885
		46,505,402	8,683,000
Current liabilities			
Due to related parties	35	**4,340,517**	2,141,128
Loans from related parties	35	**50,466**	1,011,764
Lease liabilities	29	**258,202**	117,629
Borrowings	24	**2,436,992**	1,658,850
Non-convertible sukuk	25	**37,104**	-
Derivative financial instruments	26	**50,171**	26,005
Contract liabilities	28	**12,023,027**	2,762,752
Trade and other payables	27	**32,960,489**	14,350,562
		52,156,968	22,068,690
Liabilities directly associated with assets held for sale	19	**8,015**	2,196,432
		52,164,983	24,265,122
Total liabilities		**98,670,385**	32,948,122
TOTAL EQUITY AND LIABILITIES		**228,034,494**	88,980,148

Chief Financial Officer

Managing Director

Chairman

The attached notes 1 to 47 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Revenue	30	**50,946,133**	28,562,490
Cost of revenue	31	**(39,268,845)**	(18,386,863)
Gross profit		**11,677,288**	10,175,627
General and administrative expenses	32	**(7,633,803)**	(2,233,712)
Selling and distribution expenses	33	**(591,186)**	(139,465)
Share of profit from investment in associates and joint ventures	10	**423,551**	672,186
Investment and other income	34	**24,793,442**	3,217,400
Fair value gain on revaluation of previously held equity interest	10	**2,848,679**	40,988
Gain on acquisition of subsidiaries	6.2	**2,183,284**	8,808
Gain (loss) on disposal of investment in associates and joint ventures		**63,111**	(6,659)
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		**(7,077)**	-
Gain on disposal of subsidiaries	6.4	**91,044**	43,854
Finance costs	38	**(1,188,259)**	(189,051)
Profit before tax		**32,660,074**	11,589,976
Taxation	39	**(88,874)**	(12,620)
Profit for the year		**32,571,200**	11,577,356
Attributable to:			
Owners of the Company		**12,652,578**	7,338,660
Non-controlling interests		**19,918,622**	4,238,696
Profit for the year		**32,571,200**	11,577,356
Basic and diluted earnings per share (AED)	36	**6.81**	4.03

The attached notes 1 to 47 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Profit for the year		**32,571,200**	11,577,356
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange difference on translation of foreign operations		**(905,452)**	9,241
Change in fair value of hedging instruments		**120,226**	5,523
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	**3,592**	(4,253)
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	10	**7,077**	-
Share of other comprehensive loss of associates and joint ventures	10	**(23,587)**	-
Items that will not be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	**(483,862)**	774,020
Remeasurement loss on defined benefits plans	23	**(35,748)**	-
Total other comprehensive (loss) income		**(1,317,754)**	784,531
Total comprehensive income for the year		**31,253,446**	12,361,887
Attributable to:			
Owners of the Company		**11,923,621**	7,909,833
Non-controlling interests		**19,329,825**	4,452,054
		31,253,446	12,361,887

The attached notes 1 to 47 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to equity holders of the Company												
	Share Capital AED'000	*Share Premium AED'000*	*Merger, acquisition and other reserves AED'000*	*Statutory reserve AED'000*	*Contributed capital AED'000*	*Cumulative changes on revaluation of investments AED'000*	*Currency translation reserve AED'000*	*Hedging reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Hybrid equity instruments AED'000*	*Non controlling-interests AED'000*	*Total equity AED'000*
Balance at 1 January 2021	1,821,429	-	2,119,615	332,085	-	49,322	969	-	3,145,427	7,468,847	-	353,086	7,821,933
Profit for the year	-	-	-	-	-	-	-	-	7,338,660	7,338,660	-	4,238,696	11,577,356
Other comprehensive income for the year	-	-	-	-	-	568,864	682	1,627	-	571,173	-	213,358	784,531
Total comprehensive income for the year	-	-	-	-	-	568,864	682	1,627	7,338,660	7,909,833	-	4,452,054	12,361,887
Transfer to statutory reserve	-	-	-	578,630	-	-	-	-	(578,630)	-	-	-	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(257,814)	-	-	257,814	-	-	-	-
Business combination of entities under common control (note 6.1(b))	-	-	7,259,776	-	-	-	-	-	-	7,259,776	-	12,667,139	19,926,915
Acquisition of subsidiaries (note 6.2(b))	-	-	-	-	-	-	-	-	-	-	-	107,830	107,830
Additional non-controlling interest from acquisitions of subsidiaries at the Group level	-	-	-	-	-	-	-	-	(228,383)	(228,383)	-	228,383	-
Consideration settled by the Ultimate Parent (note 6.2(b))	-	-	382,154	-	-	-	-	-	-	382,154	-	951,253	1,333,407
Acquisition of investment in financial assets carried at fair value through profit and loss (note 11.2)	-	-	4,976,271	-	-	-	-	-	-	4,976,271	-	-	4,976,271
Acquisition of assets from entities under common control (note 6.3(b))	-	-	2,590,198	-	-	-	-	-	-	2,590,198	-	3,113,407	5,703,605
Dividend paid to non-controlling interest (note 45)	-	-	-	-	-	-	-	-	-	-	-	(1,451,522)	(1,451,522)
Share based payments (note 6.5(b))	-	-	-	-	-	-	-	-	-	-	-	52,000	52,000
Acquisition of non-controlling interest (note 6.6(b))	-	-	244,538	-	-	-	-	-	(4,278,064)	(4,033,526)	-	(478,335)	(4,511,861)
Disposal of partial interest in subsidiaries (note 6.5(b))	-	-	(904,241)	-	-	-	-	-	1,672,345	768,104	-	5,849,288	6,617,392
Disposal of subsidiaries (note 6.4(b))	-	-	-	-	-	-	387	-	-	387	-	(21,281)	(20,894)
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	3,135,063	3,135,063
Balance at 31 December 2021	1,821,429	-	16,668,311	910,715	-	360,372	2,038	1,627	7,329,169	27,093,661	-	28,938,365	56,032,026
Balance at 1 January 2022	1,821,429	-	16,668,311	910,715	-	360,372	2,038	1,627	7,329,169	27,093,661	-	28,938,365	56,032,026
Profit for the year	-	-	-	-	-	-	-	-	12,652,578	12,652,578	-	19,918,622	32,571,200
Other comprehensive income for the year	-	-	-	-	-	(499,037)	(238,564)	20,992	(12,348)	(728,957)	-	(588,797)	(1,317,754)
Total comprehensive income for the year	-	-	-	-	-	(499,037)	(238,564)	20,992	12,640,230	11,923,621	-	19,329,825	31,253,446
Transfer to statutory reserve	-	-	-	186,055	-	-	-	-	(186,055)	-	-	-	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(7,390)	-	-	7,390	-	-	-	-
Business combination of entities under common control (note 6.1(a))	-	-	721,939	-	-	-	-	-	-	721,939	-	749,965	1,471,904
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	1,126,639	24,420,250	25,546,889
Non-controlling interest arising from acquisition of assets (note 6.3(a))	-	-	-	-	-	-	-	-	-	-	-	192,600	192,600
Capital contributed (note 35.1)	-	-	-	-	940,015	-	-	-	-	940,015	-	67,057	1,007,072
Acquisition of assets from entities under common control (note 10(iv & vii))	-	-	783,364	-	-	-	-	-	-	783,364	-	-	783,364
Hybrid equity instruments issued during the period (note 22)	-	-	-	-	-	-	-	-	-	-	689,007	-	689,007
Coupon paid on hybrid equity instrument (note 22)	-	-	-	-	-	-	-	-	(51,645)	(51,645)	-	-	(51,645)
Dividend paid to non-controlling interest (note 45)	-	-	-	-	-	-	-	-	-	-	-	(1,849,124)	(1,849,124)
Acquisition of non-controlling interest (note 6.6(a) & 20)	372,111	151,188,827	(127,999,543)	-	-	-	-	-	-	23,561,395	-	(27,158,192)	(3,596,797)
Disposal of partial interest in subsidiaries (note 6.5(a))	-	-	2,677,257	-	-	-	-	-	-	2,677,257	-	6,518,225	9,195,482
Non-controlling interest share of newly issued shares (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	-	8,600,277	8,600,277
Disposal of subsidiaries (note 6.4(a))	-	-	-	-	-	-	-	-	-	-	-	(217,248)	(217,248)
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	327,136	327,136
Other equity movement	-	-	(2,751,738)	-	-	-	-	-	2,962,714	210,976	-	(211,256)	(280)
Balance at 31 December 2022	**2,193,540**	**151,188,827**	**(109,900,410)**	**1,096,770**	**940,015**	**(146,055)**	**(236,526)**	**22,619**	**22,701,803**	**67,860,583**	**1,815,646**	**59,687,880**	**129,364,109**

The attached notes 1 to 47 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	***2022 AED'000***	*2021 AED'000*
OPERATING ACTIVITIES			
Profit before tax		**32,660,074**	11,589,976
Adjustments for:			
Depreciation of property, plant and equipment	7	**1,464,229**	634,931
Amortisation of intangible assets	8	**302,300**	122,972
Depreciation of investment properties	9	**687,205**	64,819
Depreciation of right-of-use assets	29	**224,463**	74,689
Amortisation of biological asset	15	**5,870**	6,870
Net impairment loss on non-financial assets	31	**1,120,849**	55,249
Impairment loss on investment in associates and joint ventures	10	**177,731**	-
Loss on termination of leases	29	**2,498**	-
Gain on elimination of a lease as a result of business combination	29	**(8,390)**	-
Investment properties written off	9	**-**	104
Property, plant and equipment written off		**23,677**	-
Intangible assets written off	8	**6,441**	-
Share of profit from investment in associates and joint ventures	10	**(423,551)**	(672,186)
Gain on disposal of property, plant and equipment	34	**(326,871)**	(8,477)
Gain on disposal of investment properties	34	**(27,952)**	-
Covid-19 rent concession	34	**(386)**	(3,848)
(Gain) loss on disposal of associates and joint ventures		**(63,111)**	6,659
Gain on acquisition of subsidiaries	6.2	**(2,183,284)**	(8,808)
Gain on disposal of subsidiaries	6.4	**(91,044)**	(43,854)
Change in fair value of biological assets	15	**(29,332)**	(5,630)
Loss on sale of biological assets	15	**1,054**	-
Allowance for slow moving inventories	13	**21,117**	188,710
Allowance for expected credit losses	32	**450,628**	462,159
Reversal of ECL on investments carried at amortised cost	11.3	**(20)**	-
Interest and dividend income	34	**(840,492)**	(203,759)
Fair value gain on revaluation of previously held property, plant and equipment	34	**(116,430)**	-
Unwinding of discounting of long-term receivables	34	**(47,808)**	(27,986)
Share base payments	40	**-**	46,000
Change in the fair value of financial assets carried at fair value through profit or loss	11.2 & 34	**(22,029,776)**	(2,271,629)
Reversal of bad debts written off	34	**(71,496)**	(518,685)
Fair value gain on revaluation of previously held equity interest	10	**(2,848,679)**	(40,988)
Foreign exchange loss (gain)	34	**819,291**	(17,899)
Provision for employees' end of service benefit	23	**303,005**	162,101
Finance costs	38	**1,188,259**	189,051
Operating cash flows before changes in working capital		**10,350,069**	9,780,541
Working capital changes:			
Decrease in inventories		**892,876**	45,610
Increase in biological assets		**(7,691)**	(27,118)
(Increase) decrease in due from related parties		**(12,520)**	1,503,042
Decrease (increase) in loan to a related party		**25,000**	(25,000)
Increase in trade and other receivables, including contract assets		**(799,576)**	(959)
Increase in development work in progress		**(846,970)**	(24,326)
Decrease in assets held for sales		**53,372**	236,106
Decrease in liabilities associated with assets held for sale		**(154,877)**	-
Increase (decrease) in due to related parties		**1,219,962**	(1,044,029)
Increase in loan from related parties		**31,549**	910,939
Increase in trade and other payables, including contract liabilities		**8,105,590**	1,663,940
Cash generated from operations		**18,856,784**	13,018,746
Employees' end of service benefit paid	23	**(191,528)**	(159,993)
Tax paid		**(126,257)**	(15,439)
Finance costs paid		**(1,098,768)**	(157,747)
Net cash generated from operating activities		**17,440,231**	12,685,567

CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the year ended 31 December 2022

	Notes	*2022* *AED'000*	*2021* *AED'000*
INVESTING ACTIVITIES			
Movement in term deposits and margin accounts with an original maturity more than three months		**(3,210,534)**	(708,402)
Addition to property, plant and equipment	7	**(5,360,766)**	(932,018)
Addition to intangible assets	8	**(92,169)**	(28,041)
Proceeds from sale of property, plant and equipment		**434,620**	26,668
Purchase of investment properties	9	**(5,200,853)**	(84,700)
Proceeds from sale of investment properties		**182,444**	-
Purchase of investment in associates and joint ventures	10	**(5,710,252)**	(1,451,681)
Proceeds from disposal and partial disposals of associates and joint ventures		**983,763**	18,800
Cash acquired on business combination of entities under common control	6.1	**92,316**	4,637,951
Cash acquired on acquisition of assets from entities under common control	6.3(b)	**-**	371,776
Net cash acquired on acquisition of subsidiaries	6.2	**11,786,551**	141,428
Proceed from disposal of subsidiaries, net of cash disposed	6.4	**686,639**	322,979
Proceeds from disposal of shares of subsidiaries	6.5	**3,520,099**	1,998,100
Movement in derivative financial instruments		**(277,442)**	-
Movement in clients' deposits		**(2,203,800)**	(1,821,601)
Movement in restricted cash		**(5,502,339)**	-
Cash paid on acquisition of non-controlling interest	6.6	**(821,397)**	(757,339)
Dividend received from associates and joint ventures	10	**526,393**	553,890
Purchase of investment in financial assets	11	**(26,126,265)**	(2,127,285)
Proceed from sale of investment in financial assets	11	**1,963,693**	313,230
Interest and dividend received	34	**840,492**	203,759
Net cash (used in) generated from investing activities		**(33,488,807)**	677,514
FINANCING ACTIVITIES			
Net proceeds (repayment) of borrowings		**22,405,707**	(1,230,758)
Proceeds from share-based payments	40	**-**	6,000
Capital injection by non-controlling interest		**327,136**	3,135,063
Dividend paid to non-controlling interest	45	**(1,849,124)**	(1,451,522)
Coupon paid on hybrid equity instrument	22	**(51,645)**	-
Hybrid equity instruments issued during the year	22	**689,007**	-
Non-convertible sukuk		**(50,465)**	-
Repayment to non-controlling interests towards contributed capital		**(20,000)**	(20,000)
Repayment of lease liabilities	29	**(228,178)**	(80,883)
Net cash generated from financing activities		**21,222,438**	357,900
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**5,173,862**	13,720,981
Cash and cash equivalents at beginning of the year		**16,478,118**	2,744,746
Effect of foreign exchange rate changes		**991,205**	12,391
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	**22,643,185**	16,478,118

Significant non-cash transactions are disclosed in note 6, 10 and 11 to the consolidated financial statements.

The attached notes 1 to 47 form part of these consolidated financial statements.

1 GENERAL INFORMATION

International Holding Company PJSC (the "Company" or "IHC") is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness the Ruler of Abu Dhabi on 23 November 1998. The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates. Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods, providing catering, re-packaging and wrapping services;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- sport enterprises investment, institution, management services;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management & development related services of plots and real estate;
- performing technical, commercial and contracting services related to marine works;
- importing, maintaining, trading and other services relating to spare parts, industrial machineries and equipment;
- medical and health care services including hospitalization, management of testing laboratories with their related logistics, operating medical laboratories, distributing medical supplies and devices and management of hospitals and medical clinics;
- wholesale and trading of cosmetics, personal care and other grooming related services;
- motorcycle trading, repairing and rentals;
- engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works;
- engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- oil and gas transmission engineering consultancy oil and gas productions facilities operations and management services;
- Islamic banking and financial services including shariah compliant loans and deposits;
- tourism related investments, development and management;
- forestry and natural vegetation management including farming, agricultural related investments and management;
- manufacturing and supply of concrete and other industrial products including installation and fabrication of aluminium and glass panels;
- organisation and event management, newspaper advertisement and other services related to advertisement designing and production;
- coaching and training of motor vehicle drivers and management of driving license issuance related services;
- clinkers and hydraulic cements manufacturing, whole sale of cement products trading;
- development, sales, construction, leasing, management and associated services in real estate;
- development, construction, management and operations of hotels, schools, marinas, restaurants, beach clubs and golf courses;
- information and communication technology services including data centres and cyber security services; and
- health insurance services.

The consolidated financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 10 March 2023.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. (32) of 2021.

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for investments in financial assets, biological assets and derivative financial instruments which are stated fair value.

2.3 Functional and presentation currency

The consolidated financial statements are presented in UAE Dirham ("AED"), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

2.4 Basis for consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; 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.

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 the Group's 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 from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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.

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

When the Group loses control of a subsidiary, a gain or loss is recognised in 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 and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other 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 to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). 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.

Details of the Company's subsidiaries as at 31 December 2022 and 31 December 2021 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
IHC Holdings RSC Limited	United Arab Emirates	Investment Company.	**100%**	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management.	**100%**	100%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	100%
IHC Education Holding LLC	United Arab Emirates	Education services enterprises investment, institution and management.	**100%**	100%
IHC Healthcare Holding LLC	United Arab Emirates	Health Services Enterprises Investment, Institution and management.	**100%**	100%
IHC West Investment - Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	**100%**	100%
International Aviation Holding – Sole Proprietorship LLC (i)	United Arab Emirates	Commercial enterprises investments, institution and management.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Reset Energy LLC (i)	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**65%**	-
Diqa Technologies Limited	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**45%**	45%
ESG Emirates Stallions Group PJSC	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	**85%**	85%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in property, plant and equipment of fish farming.	**80%**	80%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	**75.36%**	75.36%
Ghitha Holding PJSC *(formerly "Zee Store PJSC")*	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	**86.90%**	74.41%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	**100%**	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	**100%**	100%
Serenity Aviation Holding LLC	United Arab Emirates	Aviation consultancy and commercial enterprises investment, institution and management.	**50%**	50%
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	**80%**	80%
Multiply Group PJSC	United Arab Emirates	Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading.	**58.38%**	31.77%
Royal Technology Solutions LLC	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services.	**100%**	100%
Easy Lease Motorcycle Rental PSC	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	**47.11%**	49.57%
Al Seer Marine Supplies and Equipment Company PJSC	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	**81.01%**	44.96%
Qausar Energy Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	**50%**	50%
Alpha Technologies Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	**50%**	50%
Tamouh Healthcare Group LLC	United Arab Emirates	Health services enterprise investment.	**100%**	100%
West Investments SPV RSC Ltd.	United Arab Emirates	Investment Company.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Fooj Fire Fighting Services LLC	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations.	**75%**	75%
Retiro Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	**100%**	100%
Playa Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	**100%**	100%
Shory Technology LLC	United Arab Emirates	Information technology network services.	**70%**	70%
Alpha Dhabi Holding PJSC	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and aboard, primarily through its subsidiaries.	**88.67%**	45.41%
Afkar Financial & Property Investments LLC	United Arab Emirates	Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.	**60%**	60%
CH Artillgence LLC	United Arab Emirates	Investment holding company.	**100%**	100%
Q Holding PSC *(formerly "Al Qudra Holding PJSC")*	United Arab Emirates	Commercial enterprises investment, institution and management and investment in properties.	**51.82%**	67.9%
Rebound Limited	United Arab Emirates	Facilitating global trade of recycled plastic.	**80%**	80%
Theta Bidco Limited	United Kingdom	Investment holding company.	**70%**	70%
Green Energy Investment Holding RSC Limited (i)	United Arab Emirates	Implementation of smart technology solutions.	**100%**	-
Green Enterprises Investment Holding RSC Limited (i)	United Arab Emirates	Solar manufacturing.	**100%**	-
Green Transmission Investment Holding RSC Limited (i)	United Arab Emirates	Power transmission and distribution.	**100%**	-
Esyasoft Holding Ltd (ii)	United Arab Emirates	Smart utilities and energy efficiency solutions.	**51%**	-
International Tech Group - Sole Proprietorship LLC *(formerly "Pace Tech Group SP LLC")*	United Arab Emirates	Information technology and investment holding company.	**100%**	100%
Below are the subsidiaries of ESG Emirates Stallions Group PJSC:				
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Landscaping designing and execution, irrigation works and agricultural trading materials.	**100%**	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	**100%**	100%
Century Real Estate Investment LLC (viii)	United Arab Emirates	Labour camp management.	**100%**	100%
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy.	**100%**	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction.	**100%**	100%
Royal Development Company d.o.o Beograd - Vracar	Republic of Serbia	Hotel accommodation.	**100%**	100%
ESG Holding – Sole Proprietorship LLC (i)	United Arab Emirates	Management services of companies and private institutions, land and real estate purchase and sale	**100%**	-
ESG Companies Management – Sole Proprietorship LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	**100%**	100%

2 **BASIS OF PREPARATION** continued

2.4 **Basis for consolidation** continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of ESG Emirates Stallions Group PJSC: continued				
ESG Capital Holding LLC	United Arab Emirates	Commercial enterprises investment, institution & management.	**100%**	100%
WFC Holding LLC *(formerly "WFC Holding Sole Proprietorship LLC)*	United Arab Emirates	Commercial enterprises investment, institution and management.	**70%**	70%
Gulf Dunes Real Estate Investments LLC (i)	United Arab Emirates	Real estate purchase, sale, lease and management, real estate enterprises investment, development, institution and management, land purchase and sale and facilities management services.	**100%**	-
Below are the subsidiaries of ESG Capital Holding LLC:				
ESG Argo LLC (i)	United Arab Emirates	Agricultural enterprises investment, institution and management	**100%**	-
Vision Furniture & Decoration Factory LLC (ii)	United Arab Emirates	House and office furniture manufacturing.	**60%**	-
Century Village Real Estate Investment LLC (i) (vi)	United Arab Emirates	Real estate lease and management services, development construction, facilities management services.	**100%**	-
Below are the subsidiaries of WFC Holding LLC:				
Workforce Connexion – Sole Proprietorship LLC *(formerly "Workforce Connexion LLC")*	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	**100%**	100%
Corporate Solutions Consultants – Sole Proprietorship LLC *(formerly "Corporate Solutions Consultants LLC")*	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	**100%**	100%
Multi Serve Typing and Transactions Follow Up – Sole Proprietorship LLC *(formerly "Multi Serve Typing and Transactions Follow Up LLC")*	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	**100%**	100%
Tamouh Integrated Business Services – Sole Proprietorship LLC *(formerly "Tamouh Integrated Business Services LLC")*	United Arab Emirates	Resort and furnished residences leasing.	**100%**	100%
Connect Outsourcing Temporary Employment – Sole Proprietorship LLC *(formerly "Connect Outsourcing Temporary Employment LLC")*	United Arab Emirates	Employees provision services and onshore and offshore oil and gas fields and facilities services.	**100%**	100%
Below are the subsidiaries of Ghitha Holding PJSC (formerly "Zee Store PJSC"):				
Zee Stores International LLC	United Arab Emirates	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	**100%**	100%
Green Park Investment Sole Proprietorship (i)	United Arab Emirates	Commercial enterprises investment, management and institution	**100%**	-
Tamween Group LLC	United Arab Emirates	Holding company.	**100%**	100%
Mega Logistics Park Warehouses Management – Sole Proprietorship LLC	United Arab Emirates	Storehouses and warehouses management and operations.	**100%**	100%
Tamween Companies Management LLC (i)	United Arab Emirates	Holding company.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below is the subsidiary of Zee Stores International LLC:				
Royal Horizon Holding LLC	United Arab Emirates	Holding company.	**60%**	60%
Below are the subsidiaries of Royal Horizon Holding LLC:				
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	**100%**	100%
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	**100%**	100%
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores.	**100%**	100%
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products.	**100%**	100%
Below are the subsidiaries of Tamween Group LLC:				
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	**100%**	100%
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products.	**100%**	100%
AGRINV SPV RSC	United Arab Emirates	Investment company.	**100%**	100%
NRTC Food Holding LLC (ii)	United Arab Emirates	Holding company.	**41%**	-
Below are the subsidiaries of NRTC Food Holding LLC:				
NRTC Dubai International Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & vegetables, food & frozen trading.	**100%**	-
Nassar Al Refaee Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & vegetables trading, food and beverage trading, Frozen poultry trading.	**100%**	-
Nassar Al Refaee Potatoes Trading LLC	United Arab Emirates	Potatoes trading.	**100%**	-
Food Care LLC	United Arab Emirates	Fruits & vegetables trading, food and beverage trading.	**100%**	-
Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	United Arab Emirates	Fruits & vegetables canning and Packaging	**100%**	-
Al Rifai Sons Vegetables & Fruits Trading (LLC)	United Arab Emirates	Fruits & vegetables trading, food and beverage trading.	**100%**	-
Wholes Sale Market Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen foodstuff, fresh fish and meat, canned and preserved foodstuff.	**100%**	-
N R T C International Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen food, canned fresh meat. Onshore and offshore oil and gas facilities management.	**100%**	-
NRTC Investment SP LLC	United Arab Emirates	Commercial agricultural enterprises investment, institution and management.	**100%**	-
Mirak Royal Nature Fruit and Vegetables LLC	United Arab Emirates	Trading of baby food items, food and beverage, vegetable, and fruits.	**100%**	-
Below is the subsidiary of AGRINVSPV RSC:				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Arab Republic of Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	**99.99%**	99.99%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Tamween Companies Management LLC:				
Abu Dhabi Vegetable Oil Company LLC (ii)	United Arab Emirates	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	**70%**	-
Apex Investment PSC *(formerly "Ras Al Khaimah Cement Investment PJSC")* (ii)	United Arab Emirates	Commercial enterprises investment, institution and management.	**51.57%**	-
Al Jaraf Fisheries (ii)	United Arab Emirates	Wholesale of fresh fish and marine animal trading	**100%**	-
Below are the subsidiaries of Apex Investment PSC (Formerly "Ras Al Khaimah Cement Investment PJSC"):				
Apex Holding LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	**100%**	60%
Ras Al Khaimah Cement Co. LLC	United Arab Emirates	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.	**100%**	-
Below are the subsidiaries of Apex Holding LLC:				
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food stuff catering to private and public sector organisations.	**100%**	100%
Boudoir Interiors – Sole Proprietorship LLC	United Arab Emirates	Interior design implementation works.	**100%**	100%
The Central Tents Company LLC	United Arab Emirates	Retail sale of tents and shades.	**100%**	100%
Apex National Investment LLC – Sole Proprietorship LLC	United Arab Emirates	Enterprises investments, institutions and management.	**100%**	100%
R R Facility Management SP LLC	United Arab Emirates	Building maintenance, camps and labour accommodation management, and real estate development, lease and management services.	**100%**	100%
Support Services and Catering – Sole Proprietorship LLC	United Arab Emirates	Building cleaning services.	**100%**	100%
Apex Companies Management LLC	United Arab Emirates	Management services of companies and private institutions.	**40%**	40%
Apex Alwataniah Logistics – Sole Proprietorship LLC	United Arab Emirates	Air, marine and land shipment services and customs clearance services.	**100%**	100%
Apex Construction and Development – Sole Proprietorship LLC	United Arab Emirates	Real estate development construction, commercial enterprises investment, institution and management.	**100%**	100%
Riva Marine General Marine Services – Sole Proprietorship LLC	United Arab Emirates	Marine machines and equipment repairing and maintenance.	**100%**	100%
Apex Padel Sport LLC – Sole Proprietorship PJSC	United Arab Emirates	Padel club.	**100%**	100%
Apex UL Investment LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	**51%**	51%
Apex Agro Investments – Sole Proprietorship LLC (i)	United Arab Emirates	Agricultural crop trading and investments	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Al Jaraf Fisheries LLC:				
Pristine Caviar – Sole Proprietorship LLC	United Arab Emirates	Wholesale of fresh fish and marine animals trading.	**100%**	-
Emirates Fish Farms – Sole Proprietorship LLC	United Arab Emirates	Wholesale of fresh fish and marine animals trading.	**100%**	-
Pristine Fish Farm – Sole Proprietorship LLC	United Arab Emirates	Land based aquaculture.	**100%**	-
Pristine Seafood Production LLC	United Arab Emirates	Fish and seafood processing and preserving.	**100%**	-
Below is the subsidiary of Abu Dhabi Vegetable Oil Company LLC:				
Cebag Middle East LLC	United Arab Emirates	Food and beverages trading.	**98%**	-
Below are the subsidiaries of Multiply Group PJSC:				
Multiply Companies Management – Sole Proprietorship LLC	United Arab Emirates	Management services of companies and private institutions.	**100%**	100%
MG Communications Holding LLC	United Arab Emirates	Investing establishing and managing technology projects. Commercial and industrial enterprises investment, institution and management.	**100%**	100%
MG Wellness Holding LLC	United Arab Emirates	Health, commercial and real estate services enterprises investment, institution and management.	**100%**	100%
MG Digital Holding LLC	United Arab Emirates	Investing establishing and managing technology projects. Commercial, agricultural and industrial enterprises investment, institution and management.	**100%**	100%
MG Utilities Holding LLC	United Arab Emirates	Infrastructure, commercial and real estate services enterprises investment, institution and management.	**100%**	100%
MG Ventures Holding LLC	United Arab Emirates	Commercial, agricultural and industrial enterprises investment, institution and management.	**100%**	100%
MG Entertainment Holding LLC	United Arab Emirates	Entertainment enterprise investment, institution and management.	**100%**	100%
Viola Communications LLC	United Arab Emirates	Communication, marketing, media and events.	**100%**	100%
Spranza Commercial Investment - Sole Proprietorship LLC	United Arab Emirates	Establishing, investing and managing commercial projects.	**100%**	100%
Emirates Driving Company PJSC	United Arab Emirates	Drivers training and road safety education.	**48.01%**	48.01%
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investing company.	**100%**	100%
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
Omorfia Group LLC	United Arab Emirates	Women and men personal care and other grooming related services, including procuring beauty products and equipment.	**51%**	51%
HealthierU Wellness Services LLC	United Arab Emirates	Health enterprise investment, institution and management.	**100%**	100%
Below is the subsidiary of Emirates Driving Company PJSC:				
Tabieah Property Investment – Sole Proprietorship LLC	United Arab Emirates	Manage investment properties.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Omorfia Group LLC:				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services.	**100%**	100%
Tips & Toes Beauty and Spa Centre LLC	United Arab Emirates	Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	**100%**	100%
Jazz Lounge Spa LLC	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.	**100%**	100%
Ben Suhail Distribution LLC	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, soap and hair care products trading.	**100%**	100%
Below are the subsidiaries of Bedashing Holding Company LLC:				
Dashing International Group – Sole proprietorship LLC	United Arab Emirates	Holding company.	**100%**	100%
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	**100%**	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	**100%**	100%
Nippers & Scissors training Centre – Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	**100%**	100%
Dazzling Beauty Salon – Sole Proprietorship	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling.	**100%**	100%
Groovy Ladies Beauty Center	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre.	**100%**	100%
Glam & Glow Beauty Lounge – Sole Proprietorship	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading.	**100%**	100%
Stella Beauty Lounge Center	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics.	**100%**	100%
Rose Water Ladies Salon – Sole Proprietorship LLC (ii)	United Arab Emirates	Women personal care and beauty, women hairdressing, trimming, styling and henna pigmenting.	**100%**	-
Below are the subsidiaries of Viola Communications LLC:				
Purple Printing LLC	United Arab Emirates	Commercial publication printing.	**100%**	100%
Purple Exhibition LLC	United Arab Emirates	Commercial publication printing.	**100%**	100%
Below are the subsidiaries of PAL Cooling Holding LLC:				
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of PAL Cooling Holding LLC: continued				
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	**100%**	100%
Below are the subsidiaries of MG Utilities Holding LLC:				
PAL 4 Solar Energy LLC (vii)	United Arab Emirates	Installation and maintenance of alternative energy equipment.	**100%**	100%
International Energy Holding LLC (i)	United Arab Emirates	Commercial enterprises, investment, institution and management, power enterprise investment and industrial enterprise investment.	**100%**	-
Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:				
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	**67%**	67%
Yallow Technologies LLC	United Arab Emirates	Computer systems & communication software trading equipment.	**80%**	80%
1885 Delivery Services LLC	United Arab Emirates	Delivery services.	**70%**	70%
The Captain Boats and Ships Trading LLC (ii)	United Arab Emirates	Marine sports club, trading and repairing of boats and ships.	**55%**	-
Easy Lease Vehicles Rental – Sole Proprietorship LLC (i)	United Arab Emirates	Motor vehicles rental, repair and maintenance, passenger transportation using luxury buses and vehicles cleaning and polishing.	**100%**	-
Easy Lease Limousine Luxury Motor Vehicles Services LLC (i)	United Arab Emirates	Passenger transport by luxury motor vehicles.	**100%**	-
Easy Lease Transport Services One person Company LLC (i)	Kingdom of Saudi Arabia	Motorcycles trading, maintenance and cars rentals.	**100%**	-
Easy Lease Motorcycle Rental WLL (i)	Kingdom of Bahrain	Motorcycles trading, maintenance and trading of spare parts related to motorcycles.	**100%**	-
Qube Car Park Management LLC (ii)	United Arab Emirates	Valet parking services, car park rental and management	**70%**	-
Below are the subsidiaries of Palm Sports PJSC:				
Direct Trading LLC (ii)	United Arab Emirates	Bicycles, spare parts, sport equipment and sportswear trading.	**60%**	-
Palms Sports Events LLC	United Arab Emirates	Organisation and event management, sports services and contracting.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:				
Project Ceres One Limited	Cayman Islands	Commercial vessel management.	**100%**	100%
Project Ceres Two Limited	Cayman Islands	Commercial vessel management.	**100%**	100%
Project Ceres Three Limited	Cayman Islands	Commercial vessel management.	**100%**	100%
Al Seer Marine Boats Building – Sole Proprietorship LLC *(formerly "Al Seer Marine Boats Building LLC")*	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	**100%**	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Sea shipping lines agents, customs clearance services, ships management and operation, onshore and offshore oil and gas fields and facilities services, yacht management and running.	**100%**	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Security and safety training, computer software training, technical training on electrical and electronic devices, training and rehabilitation of marine cadres, onshore and offshore oil and gas fields and facilities services.	**100%**	100%
ASM Chartering (i)	Cayman Islands	Commercial vessel management, cargo management and freight services.	**100%**	-
Alcor Marine Limited (i)	Cayman Islands	Commercial vessel management.	**100%**	-
Alkaid Limited (i)	Cayman Islands	Commercial vessel management.	**100%**	-
Castor Marine Limited (i)	Cayman Islands	Commercial vessel management.	**100%**	-
Pollux Marine Limited (i)	Cayman Islands	Commercial vessel management.	**100%**	-
Acrux Marine Limited (i)	Cayman Islands	Commercial vessel management	**100%**	-
Meissa Shipping Ltd (i)	Cayman Islands	Commercial vessel management	**100%**	-
Below are the subsidiaries of Afkar Financial & Property Investments LLC:				
2XL Furniture – UAE Sharjah	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	**100%**	100%
2XL Home LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	**100%**	100%
2XL Furnishing LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	**100%**	100%
OC Home Furniture LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	**100%**	100%
Below is the subsidiary of Theta Bidco LLC:				
Arena Events Group Limited (ii)	United Kingdom	Integrated event solutions, designing and delivering temporary environments for a variety of sporting, commercial and cultural events.	**100%**	-
Below are the subsidiaries of Arena Events Group Limited:				
AES Americas Ltd	United Kingdom	Holding company.	**100%**	-
AES EMEA Ltd	United Kingdom	Holding company.	**100%**	-
Arena Event Services Group Ltd	United Kingdom	Temporary infrastructure works.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Arena Events Group Limited: continued				
AES MEA Ltd	United Kingdom	Holding company.	**100%**	-
TGP Holdings Ltd	United Arab Emirates	Temporary infrastructure works.	**100%**	-
AMEA Gulf Ltd	United Arab Emirates	Temporary infrastructure works.	**100%**	-
Asia Tents Arena	Malaysia	Temporary infrastructure works.	**100%**	-
Arena Hong Kong	Hong Kong	Temporary infrastructure works.	**100%**	-
Ironmonger Limited	Hong Kong	Temporary infrastructure works.	**100%**	-
Arena KSA	Kingdom of Saudi Arabia	Temporary infrastructure works.	**100%**	-
AES Inc	United States of America	Temporary infrastructure works.	**100%**	-
Arena Stuart Rentals Inc	United States of America	Temporary infrastructure works.	**100%**	-
AAS Holdco LLC	United States of America	Holding company.	**100%**	-
Arena Aztec Shaffer	United States of America	Temporary infrastructure works.	**50%**	-
Below is the subsidiary of Shory Technology LLC:				
Shory Insurance Brokers – SP LLC (i)	United Arab Emirates	Insurance Brokerage	**100%**	-
Below is the subsidiary of Serenity Aviation Holding LLC:				
NAS Airport Services LLC (i)	United Arab Emirates	Organising airport ground operations and managing goods shipping stations in airports.	**51%**	-
Below is the subsidiary of Tamouh Healthcare Group LLC:				
Sirius International Holding Limited (i)	United Arab Emirates	Research and experimental development on natural sciences and engineering. Manufacture of pharmaceuticals, medicinal chemical and botanical products, medical care services.	**80%**	-
Below is the subsidiary of Sirius International Holding Limited :				
Quant Lase Lab LLC	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.	**100%**	80%
Below are the subsidiaries of Quantlase Lab LLC:				
Quantlase International Holding SPV RSC Limited (i)	United Arab Emirates	Special purpose vehicle - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets.	**100%**	-
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and research, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches.	**80%**	80%
CMC Holding LLC (ii)	United Arab Emirates	Health services enterprises investment, institution and management	**60%**	-
Atlas Medical LLC (ii)	United Arab Emirates	Sale, installation, repair and maintenance of scientific, practical and medical equipment.	**60%**	-
Below are the subsidiaries of CMC Holding LLC:				
CMC Healthcare Sole Proprietorship LLC	United Arab Emirates	Home health services, management of medical facilities, ambulance services, health consultancy and planning	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of CMC Holding LLC: continued				
Canadian Medical Center - Sole Proprietorship LLC	United Arab Emirates	Home health services, medical complex.	**100%**	-
CMC First Aid Clinic - Sole Proprietorship L.L.C	United Arab Emirates	Ambulance services.	**100%**	-
Canadian Medical First Aid Clinic Sole Proprietorship LLC	United Arab Emirates	Ambulance services.	**100%**	-
Canadian Medical Center and Plastic Surgery LLC	United Arab Emirates	Medical spa center.	**100%**	-
Canadian Pharmacy LLC	United Arab Emirates	Pharmacy.	**100%**	-
Canadian Medical and Rehabilitation Center	United Arab Emirates	Home health services and medical complex.	**68%**	-
Below are the subsidiaries of Pace Tech Group SP LLC (formerly "IHCC Investment SP LLC"):				
Cyber Gate Defense LLC (ii)	United Arab Emirates	Cyber security related services.	**55%**	-
Emircom LLC (ii)	United Arab Emirates	Information and communication technology services.	**54%**	-
Emircom Egypt (ii)	Republic of Egypt	Information and communication technology services.	**100%**	-
Below are the subsidiaries of Alpha Dhabi Holding PJSC:				
Alpha Dhabi Industries Holding LLC	United Arab Emirates	Industrial and commercial enterprises investment, institution and management.	**100%**	100%
Trojan Construction Group – Sole Proprietorship LLC	United Arab Emirates	Real estate and construction services.	**100%**	100%
National Marine Dredging Company PJSC	United Arab Emirates	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	**68%**	68%
Sogno Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%
Sogno Two – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%
Sogno Three – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%
Sublime Two – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%
Was Two Commercial Investment Sole Proprietorship	United Arab Emirates	Investment holding.	**100%**	100%
Alpha Dhabi Health Holding LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management.	**100%**	100%
Sublime Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%
Alpha Dhabi Partners Holding LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	**100%**	100%
Alpha Dhabi Construction Holding LLC	United Arab Emirates	Infrastructure and commercial enterprises investment, institution and management.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued				
Alpha Dhabi Commercial Investment - Sole Proprietorship LLC	United Arab Emirates	Industrial and commercial enterprises investment, institution and management.	**100%**	100%
Trojan General Contracting LLC	United Arab Emirates	Building projects contracting.	**100%**	100%
Royal Advance Electromechanical Works	United Arab Emirates	Electromechanical services.	**100%**	100%
Al Maha Modular Industries LLC	United Arab Emirates	Ready-made building manufacturing.	**100%**	100%
Hi-Tech Concrete Products LLC	Kingdom of Saudi Arabia	Construction.	**100%**	100%
Trojan Developments LLC	United Arab Emirates	Real estate.	**100%**	100%
National Projects and Construction LLC	United Arab Emirates	Construction.	**100%**	100%
Reem Emirates Aluminium LLC	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes.	**100%**	100%
Trojan Property Investments LLC	United Arab Emirates	Real estate enterprises investment, institution and management.	**100%**	100%
Ersa General Contracting LLC	United Arab Emirates	Building projects contracting.	**100%**	100%
HI-Tech Concrete Products LLC	United Arab Emirates	Building and selling of properties and lands and general contracting.	**100%**	100%
HI-Tech Emirates for General Contracting	United Arab Emirates	Building projects contracting.	**100%**	100%
HI-Tech Line Building Construction	United Arab Emirates	Building projects contracting.	**100%**	100%
Phoenix Timber Factory LLC	United Arab Emirates	Timber products.	**100%**	100%
Reem Ready Mix LLC	United Arab Emirates	Building projects contracting.	**80%**	60%
Alpha Dhabi Hospitality Holding LLC	United Arab Emirates	Entertainment and commercial enterprises investment, institution and management.	**100%**	100%
Mawarid Holding Investment LLC	United Arab Emirates	Forestry, tourism, and agriculture.	**90%**	70%
Murban Energy Limited	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	**100%**	100%
W Solar Investment LLC (ii)	United Arab Emirates	Clean energy business.	**75%**	-
Aldar Properties PJSC (ii)	United Arab Emirates	Development, sales, investment, construction, leasing, management and associated services for real estate, operation of hotels, schools, marinas, restaurants, beach clubs and golf courses.	**33.65%**	-
Pure Health Holding LLC (formerly "Blink Biz Holding LLC") (v)	United Arab Emirates	Commercial service, real estate, industrial, contracting and other type of business	**46.12%**	70%
Transcend Blocker, INC (i)	United States of America	Power enterprise investment, institution and management.	**100%**	-
Alpha Dhabi Investment Management LLC (i)	United Arab Emirates	Investment holding.	**100%**	-
Enigma Commercial Investment - Sole Proprietorship LLC (i)	United Arab Emirates	Investment holding.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued				
7E - Sole Proprietorship LLC (i)	United Arab Emirates	Building, project management and self-owned property management services, design services and security systems consultancy	**100%**	-
Reem Emirates General Contracting LLC- Dubai (i)	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes.	**100%**	-
Trojan Egypt Contracting (i)	Republic of Egypt	Building projects contracting.	**100%**	-
Alpha Dhabi Energy Holding LLC (i)	United Arab Emirates	Investment holding.	**100%**	-
Below are the subsidiaries of Mawarid Holding Investment LLC:				
Mawarid Centre for Research and Scientific Laboratories LLC	United Arab Emirates	Veterinarian hospital and research activities.	**100%**	100%
Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC	United Arab Emirates	Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.	**100%**	100%
Aqua Power Technology LLC	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	**100%**	100%
Barari Natural Resources LLC	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	**100%**	100%
Campaign Facilities Management Services LLC	United Arab Emirates	Facilities management services.	**100%**	100%
Dicon Investment LLC	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management.	**100%**	100%
Best Twasol Government Services LLC	United Arab Emirates	Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	**100%**	100%
Twasol Business Men Service LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.	**100%**	100%
Twasol Business Men Service LLC – Abu Dhabi	United Arab Emirates	Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.	**100%**	100%
Al Forsan Tadbeer Centre LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.	**100%**	100%
Aafaq Enterprise LLC	United Arab Emirates	Management services	**100%**	100%
Gulf Fire Nanotechnology LLC	United Arab Emirates	Fire fighting & safety equipment trading	**100%**	100%
Mawarid International Investment LLC	United Arab Emirates	Commercial, agricultural, industrial enterprises investment, institution and management	**100%**	100%
Dicon Business LLC	United Arab Emirates	Administrative services for businessmen	**100%**	100%
Khattar Restaurant & Café - Sole Proprietorship LLC	United Arab Emirates	Restaurant and cafe	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Mawarid Holding Investment LLC: continued				
Desert Gate Restaurant - Sole Proprietorship LLC	United Arab Emirates	Tourist restaurant	**100%**	100%
Desertology Spa - Sole Proprietorship LLC	United Arab Emirates	Relaxation and massage centre	**100%**	100%
Desertology - Sole Proprietorship LLC	United Arab Emirates	Women personal care and beauty, health club	**100%**	100%
Barari International Limited Company	Kingdom of Saudi Arabia	Land preparation and irrigation systems works and maintenance.	**100%**	100%
Al Tawasol Al Mutamiz Guidance LLC	United Arab Emirates	Workers and employee's guidance centre.	**100%**	100%
Emirates Safety Laboratory LLC	United Arab Emirates	Compliance certification for building construction products.	**100%**	100%
Al Forsan Tadbeer Centre LLC – Abu Dhabi	United Arab Emirates	Administrative and business services.	**100%**	100%
Mawarid Hotels and hospitality LLC	United Arab Emirates	Management of hotels, tourist resorts and hotel apartments.	**100%**	100%
Mawarid International Development Company LLC	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	**100%**	100%
Mawarid Nurseries LLC	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	**100%**	100%
Mawarid Security Services LLC	United Arab Emirates	General security services and public security guarding services.	**100%**	100%
Mawarid Services Company LLC	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	**100%**	100%
Telal Resort LLC	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises.	**100%**	100%
Dicon of Twafouq Services LLC	United Arab Emirates	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratization (MOHRE).	**100%**	100%
Al Ain Fodder Factory LLC	United Arab Emirates	Manufacture farm animal feeds, its concentrates and supplements.	**100%**	100%
Below are the subsidiaries of Murban Energy Limited:				
Murban BVI Holding Inc (BVI)	British Virgin Islands	Holding company.	**100%**	100%
Sitax Investment Ltd (BVI)	British Virgin Islands	Holding company.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Murban Energy Limited: continued				
Sitax Holding Ltd (BVI)	British Virgin Islands	Holding company.	**100%**	100%
I & T Management Private Limited	Republic of Maldives	Tourist resort operation.	**100%**	100%
Hill View (Seychelles) Limited	Republic of Seychelles	Hotel resort.	**100%**	100%
Lindere Villa Limited	Republic of Seychelles	Management of presidential villas.	**100%**	100%
M Commodities – Sole Proprietorship LLC	United Arab Emirates	General trading.	**100%**	100%
Murban Investment Limited – Sole Proprietorship LLC	British Virgin Islands	Investment holding.	**100%**	100%
Etihad International Hospitality LLC	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	**100%**	100%
Int'l Fresh Harvest Fruits and Vegetables Trading – Sole Proprietorship LLC	United Arab Emirates	Trading of foodstuff.	**100%**	100%
Abu Dhabi United Hospitality-Sole Proprietorship LLC	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.	**100%**	100%
Le Noir Cafe – Sole Proprietorship LLC	United Arab Emirates	Foodstuff catering, hospitality services and restaurants.	**100%**	100%
St. Regis Saadiyat Island Resort Abu Dhabi	United Arab Emirates	Hotels.	**100%**	100%
Al Wathba A Luxury Collection Desert Report & Spa – Sole Proprietorship LLC	United Arab Emirates	Fitness club, relaxation and massage centre.	**100%**	100%
Emirates Gateway Security Services LLC	United Arab Emirates	Public security guarding services. onshore and offshore oil and gas fields and facilities services.	**95%**	95%
Sandstorm Motor Vehicles Manufacturing LLC	United Arab Emirates	Motor vehicles manufacturing.	**65%**	65%
Branch of" Trojan General Contracting LLC"	Chechnya, Russia	Hotel.	**100%**	100%
LLC "Churcill"	Chechnya, Russia	Retail sale of beverages.	**100%**	100%
C D Properties – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Purehealth Holding LLC (formerly "Blink Biz Holding LLC"):				
Pure Health Medical Supplies LLC	United Arab Emirates	Health care technology and management services	**73%**	63%
Tamouh Healthcare LLC	United Arab Emirates	Health Services enterprises investment, institution and management. Tourist services investment, institution and management.	**100%**	100%
YAS Clinic Group Sole Proprietorship LLC (ii)	United Arab Emirates	Health Services enterprises investment, institution and management. Tourist services investment, institution and management	**100%**	-
Abu Dhabi Stem Cells (ii)	United Arab Emirates	Medical and health related services.	**100%**	-
Abu Dhabi Health Services Company PJSC (SEHA) (ii)	United Arab Emirates	Management of medical facilities. Retail sale of medical equipment and apparatuses.	**100%**	-
National Health Insurance Company (Daman) PJSC (ii)	United Arab Emirates	Health insurance services.	**100%**	-
The Life Corner	United Arab Emirates	Pharmacy management services.	**100%**	-
Below are the subsidiaries of Abu Dhabi Health Services Company PJSC (SEHA):				
Plus International (Salama) LLC	United Arab Emirates	Natural and rehabilitation medical centre related services	**100%**	-
Qemmat Al Shumookh Properties – Sole Proprietorship L.L.C	United Arab Emirates	Purchase and sale land and real estate and to provide real estate lease and management services.	**100%**	-
Below are the subsidiaries of National Health Insurance Company (DAMAN) PJSC:				
Independent Health Information Technology Services LLC	United Arab Emirates	Software designing and IT related services.	**100%**	-
Daman Healthcare Solutions GmbH	Munich, Germany	Provision of services in international healthcare management.	**100%**	-
Below is the subsidiary of Abu Dhabi Stem Cells:				
ADSCC Pharmacy Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical and related items.	**100%**	-
Below are the subsidiaries of Yas Clinic Group Sole Proprietorship LLC:				
Yas Clinic Al Mushrif - Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex.	**100%**	-
Yas Clinic Center Al Ain - Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex and performing medical analysis.	**100%**	-
Yas Clinic Khalifa City - Sole Proprietorship LLC	United Arab Emirates	General hospital, management of medical facilities, pharmacy and ambulance services.	**100%**	-
Yas Clinic One Day Surgery - Sole Proprietorship LLC	United Arab Emirates	Performance of day surgery cases.	**100%**	-
Yas Clinic Saadiyat - Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex.	**100%**	-
Yas Clinic Emirates - Sole Proprietorship LLC	United Arab Emirates	Health services enterprises investment, institution and management.	**100%**	-
Medlife – Sole Proprietorship LLC	United Arab Emirates	Management of medical facilities and onshore and offshore oil and gas fields facilities services.	**100%**	-
AIC Medical Center - Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex.	**100%**	-
ALD Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Yas Clinic Group Sole Proprietorship LLC: continued				
AMH Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine and onshore and offshore oil and gas fields facilities services.	**100%**	-
CHC Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine.	**100%**	-
HHC Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine.	**100%**	-
ILLC Medical Clinic – Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine and onshore and offshore oil and gas fields facilities services.	**100%**	-
AMC Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Sale of general medicine.	**100%**	-
Sehaty Medical Clinic - Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex.	**100%**	-
Golden Health Medical Mobile Unit – Sole Proprietorship	United Arab Emirates	Mobile medical services. onshore and offshore oil and gas fields and facilities services.	**100%**	-
Al Haneen Pharmacy - Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products.	**100%**	-
Good Care Pharmacy - Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products.	**100%**	-
Healing Pharmacy - Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products and offshore and onshore oil and gas fields facilities services.	**100%**	-
Med Care Pharmacy Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products.	**100%**	-
YAS Pharmacy – Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products.	**100%**	-
Yas Pharmacy Ladies Club Sole Proprietorship LLC	United Arab Emirates	Operation and management of medical complex.	**100%**	-
Yas Clinic Hospital – Sole Proprietorship LLC	United Arab Emirates	Healthcare service provider	**100%**	-
Yas City Pharmacy – Sole Proprietorship LLC	United Arab Emirates	Sale of pharmaceutical products	**100%**	-
Below are the subsidiaries of Pure Health Medical Supplies LLC:				
Pure Investment LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	**100%**	100%
Pure Health Capital LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	**100%**	100%
Pure Lab LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	**100%**	100%
Union Health Facilities Management LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	**100%**	100%
Dawak Healthcare Supplies LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	**100%**	100%
Telldoc Technology LLC	United Arab Emirates	Investment, establishment and management of technology projects company.	**100%**	100%

2 **BASIS OF PREPARATION** continued

2.4 **Basis for consolidation** continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
***Below are the subsidiaries of Pure Health Medical Supplies LLC*: continued**				
Medclaim Billing Services LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	**100%**	100%
Pure Health Facilities Management LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	**100%**	100%
One Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management company.	**100%**	100%
The Medical Office Facilities Management LLC	United Arab Emirates	Health services enterprises investment, institution and management company. health treatment undertaking services company.	**100%**	100%
Pure Care Facilities Management LLC	United Arab Emirates	Commercial enterprises investment, institution and management company. management and operation of public utilities company.	**100%**	100%
Rafed Healthcare Supplies LLC	United Arab Emirates	Wholesale trading of medical equipment, medications, medical gas and medical storehouse.	**100%**	100%
Union 71 Medical Facilities Management LLC	United Arab Emirates	Management of medical facilities.	**100%**	100%
Pure Health Investment – Sole Proprietorship LLC	United Arab Emirates	Health, commercial and industrial services enterprises investment, institution and management.	**100%**	100%
Below are the subsidiaries of Tamouh Healthcare LLC:				
Medi Q Healthcare LLC	United Arab Emirates	Investment, incorporation and management of healthcare service projects.	**51%**	51%
Somerian Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management.	**51%**	51%
Protect 7 Health Care – Sole Proprietorship LLC (ii)	United Arab Emirates	Retail sale of medical equipment and apparatuses.	**100%**	-
Society Travel L.L.C.(i)	United Arab Emirates	Health services enterprises investment, institution and management. Tourist services investment, institution and management.	**100%**	-
INOCHI Healthcare Sole Proprietorship LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management.	**100%**	-
Below are the subsidiaries of Somerian Health LLC:				
American Crescent Health Care Centre - Sole Proprietorship LLC (ii)	United Arab Emirates	Medical complex, onshore and offshore oil and gas fields and facilities services.	**100%**	-
GenQore Drug Store L.L.C (ii)	United Arab Emirates	Para pharmaceutical products trading, beauty and personal care requisites trading, baby Care requisites trading, soap & hair care products trading, medical, surgical equipment trading, laboratories tools & requisites trading.	**90%**	-
Below are the subsidiaries of National Marine Dredging Company PJSC:				
National Petroleum Construction Company PJSC (“NPCC”)	United Arab Emirates	Engineering construction and procurement.	**100%**	100%
Emarat Europe Fast Building Technology System Factory LLC (Emarat Europe)	United Arab Emirates	Manufacturing and supply of precast concrete.	**100%**	100%
National Marine Dredging Company (Industrial)	United Arab Emirates	Manufacturing of steel pipes and steel pipe fittings.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of National Marine Dredging Company PJSC: continued				
ADEC Engineering Consultancy LLC	United Arab Emirates	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.	**100%**	100%
Abu Dhabi Marine Dredging S.P.C.	Kingdom of Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.	**100%**	100%
National Marine and Infrastructure India Private Limited	Republic of India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	**100%**	100%
Below are the subsidiaries of National Petroleum Construction Company PJSC ("NPCC"):				
National Petroleum Construction Company (Saudi) Ltd.	Kingdom of Saudi Arabia	Engineering construction and procurement	**100%**	100%
NPCC Engineering Limited	Republic of India	Engineering	**100%**	100%
ANEWA Engineering Pvt. Ltd.	Republic of India	Engineering	**80%**	80%
NPCC Services Malaysia SDN	Malaysia	Engineering, procurement and construction.	**100%**	100%
Abu Dhabi for Construction Projects	Republic of Iraq	Engineering, procurement and construction	**100%**	100%
Below are the subsidiaries of Aldar Properties PJSC:				
Aldar Education - Sole Proprietorship LLC	United Arab Emirates	Investment in, and management of entities providing educational services	**100%**	-
Aldar Hotels and Hospitality LLC	United Arab Emirates	Investment in, and management of, entities providing hotels and hospitality services	**100%**	-
Aldar Marinas LLC	United Arab Emirates	Managing and operating marinas, sports clubs and marine machinery	**100%**	-
Provis Real Estate Management – Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate	**100%**	-
Provis Real Estate Brokers LLC	United Arab Emirates	Real estate brokerage	**100%**	-
Yas Links LLC	United Arab Emirates	Ownership and management of golf courses and golf clubs	**100%**	-
Pivot Engineering & General Contracting Co. (WLL)	United Arab Emirates	Engineering and general construction works	**65.2%**	-
Aldar Investment Properties LLC	United Arab Emirates	Investment, management and associated services for real estate assets and the operation of hotels	**88.1%**	-
Aldar Investment Holding Restricted Limited	United Arab Emirates	Special purpose vehicle, proprietary asset management company	**88.1%**	-
Aldar Logistics Holding Limited	United Arab Emirates	Holding company	**100%**	-
Twafq Projects Development Property – Sole Proprietorship LLC (ii)	United Arab Emirates	Real estate lease and management services	**70%**	-
Aldar Lifestyle - Sole Proprietorship LLC	United Arab Emirates	Hospitality services	**100%**	-
TDIC Education – Sole Proprietorship LLC	United Arab Emirates	Educational activities	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Aldar Properties PJSC: continued				
Khidmah - Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate.	**100%**	-
Saadiyat Accommodation Village LLC	United Arab Emirates	Accommodation village.	**100%**	-
Aldar Sukuk (No. 1) Ltd.	Cayman Island	Funding company.	**100%**	-
Aldar Sukuk (No. 2) Ltd.	Cayman Island	Funding company.	**100%**	-
Aldar Sukuk (No. 3) Ltd.	Cayman Island	Funding company.	**100%**	-
Cloud Spaces - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services.	**100%**	-
Eastern Mangroves Marina – Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas.	**100%**	-
Marsa Al Bateen - Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas.	**100%**	-
Advanced Real Estate Services – Sole Proprietorship LLC	United Arab Emirates	Real estate services.	**100%**	-
Aldar Investments Limited	United Arab Emirates	Holding company.	**100%**	-
Pacific Owners Association Management Services LLC	United Arab Emirates	Management of real estate.	**100%**	-
Aldar Ventures International Holding RSC Limited	United Arab Emirates	Restricted scope company.	**100%**	-
Aldar Projects LLC	United Arab Emirates	Project management services.	**100%**	-
Six October for Development and Investment Co. S.A.E.	Republic of Egypt	Real estate development.	**59.9%**	-
Tasareeh Engineer Services - Sole Proprietorship LLC	United Arab Emirates	Development consultancy.	**100%**	-
Aldar Investment Management Limited	United Arab Emirates	Assets management.	**100%**	-
Asteco Property Management LLC	United Arab Emirates	Property management services.	**100%**	-
Aldar Logistics - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services.	**100%**	-
The Gateway Engineering Services – Sole Proprietorship LLC	United Arab Emirates	Development consultancy.	**100%**	-
Al Seih Real Estate Management LLC	United Arab Emirates	Management and leasing of real estate; real estate projects investment.	**91.4%**	-
Seih Sdeirah Real Estate LLC	United Arab Emirates	Property rental and management; real estate projects investment.	**91.4%**	-
Saadiyat Grove - Sole Proprietorship LLC	United Arab Emirates	Real estate.	**100%**	-
Spark Securities Services – Sole Proprietorship LLC (ii)	United Arab Emirates	Security solutions.	**100%**	-
Spark Securities Services LLC	United Arab Emirates	Security Solutions.	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Below are the subsidiaries of Aldar Properties PJSC: continued				
Al Shohub Private School – Sole Proprietorship LLC (ii)	United Arab Emirates	Educational activities	**100%**	-
Mace Macro Technical Services LLC (ii)	United Arab Emirates	Facilities management services.	**100%**	-
Pactive Sustainable Solutions LLC (ii)	United Arab Emirates	Green building consultant, building energy efficiency services.	**100%**	-
Saga International Owners Association Management Services LLC	Unites Arab Emirates	Property management.	**100%**	-
Saga OA DMCC (ii)	United Arab Emirates	Property management.	**100%**	-
Abu Dhabi Business Hub– Sole Proprietorship LLC	Unites Arab Emirates	Real estate lease and management services	**70%**	-
Confluence Partners (HQ) RSC LTD (ix)	United Arab Emirates	Special purpose company	**100%**	-
Aldar Hansel SPV Restricted SPV LTD	United Arab Emirates	Restricted scope company	**51%**	-
Al Maryah Property Holding Limited (ix)	United Arab Emirates	Real estate holding	**60%**	-
Double Tree by Hilton Resort & SPA Marjan Island (ix)	United Arab Emirates	Hospitality services	**100%**	-
Aldar Island Hotel – Sole Proprietorship LLC *(formerly "Nurai Island Hotel")* (ix)	United Arab Emirates	Hospitality services	**100%**	-
Bab Resorts LLC (ix)	United Arab Emirates	Hospitality services	**100%**	-
Below are the subsidiaries of Q Holding PSC (formerly Al Qudra Holding PJSC):				
Al Qudra Real Estate LLC	United Arab Emirates	Real estate management.	**100%**	100%
Al Qudra Trading LLC	United Arab Emirates	Commercial project investment.	**100%**	100%
Q Investment RCS Ltd.	United Arab Emirates	Real estate investment.	**100%**	100%
Q Malls– Sole Proprietorship LLC	United Arab Emirates	Real estate lease & management services.	**100%**	100%
Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	**100%**	100%
Manarah Bay Real Estate	United Arab Emirates	Real estate management.	**100%**	100%
Q International Limited	United Arab Emirates	General investment.	**100%**	100%
Al Qudra for Agriculture and Development LLC	United Arab Emirates	Agricultural development.	**100%**	100%
Q Link Transport	United Arab Emirates	Transportation.	**85%**	85%
Emirates Simulation Academy LLC	United Arab Emirates	Construction, operation management and development of training centre.	**60%**	60%
Q For Commercial Markets Management	United Arab Emirates	Setup, ownership and development of commercial market, parks and entertainment facilities.	**60%**	60%
Q Car Park LLC	United Arab Emirates	Developing, operating, renting and equipping of car parking.	**50%**	50%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Q Holding PSC (formerly Al Qudra Holding PJSC): continued				
Q Active for Technologies LLC	United Arab Emirates	Telecommunication system installation and maintenance.	**51%**	51%
ABNIA for Industrial Holding LLC	United Arab Emirates	Activities of cement, glass, iron, wood, and electromechanical industries.	**50%**	50%
Al Qudra Industrial LLC	United Arab Emirates	Consultancy in alternative power and industrial projects.	**100%**	100%
Q Construction LLC	United Arab Emirates	General contracting	**100%**	100%
QP International LLC	United Arab Emirates	Project management	**60%**	60%
Island Villas LLC	United Arab Emirates	Real estate management	**100%**	100%
Marina Square Community Real Estate LLC	United Arab Emirates	Real estate management	**100%**	100%
Team Builders LLC	United Arab Emirates	Real estate management	**51%**	51%
Q Properties LLC (i)	United Arab Emirates	Real estate management	**100%**	-
Q Companies Management LLC (i)	United Arab Emirates	Real estate management	**100%**	-
Q Hospitality LLC (i)	United Arab Emirates	Real estate management.	**100%**	-
Reem Investments Sole Proprietorship PJSC *(formerly "Reem Investments PJSC")* (ii)	United Arab Emirates	Real estate management.	**100%**	-
Q Parks Establishment	United Arab Emirates	Touristic resort management & entertainment investment.	**100%**	100%
Barary Ain Al Fayda Development LLC	United Arab Emirates	Real estate management.	**100%**	100%
Buhyarat Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	**100%**	100%
Al Qudra Healthcare LLC	United Arab Emirates	Health care & hospitality.	**100%**	100%
Q Energy LLC	United Arab Emirates	Oil & gas equipment installation and maintenance services.	**100%**	100%
Danat Facility Management LLC	United Arab Emirates	Facilities management service.	**100%**	100%
Al Rayan Investment PSC	United Arab Emirates	Develop, manage and invest in real estate enterprises.	**99.97%**	99.97%
Construction Workers Residential City LLC	United Arab Emirates	Real estate investment.	**65%**	65%
Moon Flower Real Estate Development LLC	United Arab Emirates	Real estate investment.	**100%**	100%
Green Precast Systems Technology LLC	United Arab Emirates	General contracting.	**60%**	60%
Earth Care Agricultural Products LLC	United Arab Emirates	Agriculture business.	**100%**	100%
Al Rayan Global Real Estate LLC	United Arab Emirates	Real estate investment.	**100%**	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held* 2022	2021
Below are the subsidiaries of Q Holding PSC (formerly Al Qudra Holding PJSC): continued				
Radiant & Moonflower Real Estate Development LLC	United Arab Emirates	Real estate investment.	**65%**	65%
Al Qudra Holding – Morocco	Kingdom of Morocco	General investment.	**100%**	100%
Smart Hotel Management	Kingdom of Morocco	Hotel management.	**100%**	100%
Smart Hotel Properties	Kingdom of Morocco	Hotel management.	**100%**	100%
Al Qudra Holding International LLC	United Arab Emirates	Industrial enterprises and financial management.	**100%**	100%
Kasr Al Bahar	Kingdom of Morocco	Hospitality.	**100%**	100%
Atlantic Coast Hospitality	Kingdom of Morocco	General investment.	**100%**	100%
Al Qudra Holding Offshore	Kingdom of Morocco	Holding company.	**100%**	100%
Q General Investment Ltd.	British Virgin Islands	General investment.	**100%**	100%
Al Qudra Holding - Syria	Syrian Arab Republic	General Investment	**100%**	100%
Al Qudra Real Estate	Syrian Arab Republic	Real estate management.	**100%**	100%
Al Qudra Holding – Algeria	Democratic Republic of Algeria	General investment.	**100%**	100%
Al Qudra Belarus Ltd.	Republic of Belarus	General investment.	**100%**	100%
Al Qudra Holding - Yemen	Republic of Yemen	General investment.	**100%**	100%
Apex Residential LLC	United Arab Emirates	Real estate investment.	**100%**	100%
Winds Laundry-Sole Proprietorship LLC	United Arab Emirates	Laundry services.	**100%**	100%
Al Qudra General Trading Establishment	United Arab Emirates	Commercial project investment.	**100%**	100%
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	**100%**	100%
Reem Developers – Sole Proprietorship LLC	United Arab Emirates	Real estate management.	**100%**	-
Reem for Energy Investment Services – Sole proprietorship LLC	United Arab Emirates	Oil and gas projects.	**100%**	-
Q & Elevate LLC (i)	United Arab Emirates	Hospitality services.	**70%**	-
Below are the subsidiaries of Al Tamouh Investments Company LLC:				
TSL Properties LLC	United Arab Emirates	Development project ownership, sales & leasing.	**100%**	100%
Al Ain Adventures LLC *(formerly "Wadi Adventures LLC")*	United Arab Emirates	Adventure Park.	**100%**	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	**100%**	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	**51%**	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	**60%**	60%
Reem Hills -Sole Proprietorship LLC (i)	United Arab Emirates	Real estate management	**100%**	-

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2022	*2021*
Discontinued operations:				
Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	**100%**	100%
Al Qudra and Ravago Investment LLC (iv)	United Arab Emirates	General investment.	-	100%
Al Qudra New Line Oil & Gas LLC (iv)	United Arab Emirates	Oil & gas maintenance.	-	100%
Dana Hospitality LLC / Holiday Inn Hotel	United Arab Emirates	Hotel management.	**100%**	100%
Asmak Holding Company Limited (iv)	United Arab Emirates	Holding companies and investment in commercial enterprises and management.	-	100%
Reem Investment Overseas Limited (iii)	Republic of Mauritius	Investment holding	**100%**	-
Al Qudra Services LLC (iv)	United Arab Emirates	Environmental plants maintenance.	-	100%
Mega Mart Establishment UAE (iii)	United Arab Emirates	Retail trading of fast-moving consumer products.	**100%**	100%
Abu Dhabi Mountain Gate LLC (iii)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	**70%**	70%
Al Qudra Education LLC (iv)	United Arab Emirates	Education services.	-	100%
Magenta Investments LLC and its subsidiaries (x)	United Arab Emirates	Investment in healthcare enterprises & development.	-	80%
Pure Capital Investment LLC and its subsidiaries (x)	United Arab Emirates	Investment in commercial enterprises & management	-	90%
Q Scape Komtec LLC (x)	United Arab Emirates	Building maintenance and landscaping.	-	51%
Al Qudra Facilities Management Services LLC (x)	United Arab Emirates	Facilities management related services.	-	100%
Aafaq Islamic Finance PSC and its subsidiaries (x)	United Arab Emirates	Financing and investing activities that are conducted in accordance with Islamic Shari'a Laws	-	80.2%
Al Forsan Tadbeer Centre LLC – Ajman (iv)	United Arab Emirates	Administrative and business services.	-	100%
Info Nine Smart Solutions LLC (iv)	United Arab Emirates	Designing computer systems and communication equipment.	-	80%
Twasol Business Men Service LLC – Ajman (x)	United Arab Emirates	Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.	-	100%
Two Five 55 Healthcare Investment LLC (iv)	United Arab Emirates	Investment in commercial enterprise & management and healthcare enterprise and development.	-	90%
Envo Scape LLC (iv)	United Arab Emirates	Irrigation network contracting, constructing, maintaining parks and landscape design and planning activities.	-	100%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

(i) These are subsidiaries of the Group, incorporated during the year.

(ii) Subsidiaries acquired during the year (note 6.1 & 6.2).

(iii) Subsidiaries under liquidation.

(iv) Subsidiaries liquidated during the year.

(v) Pure Health Holding LLC is a 38.95% subsidiary of Alpha Dhabi Holding PJSC, with an additional 7.17% being held directly by the Company.

(vi) Century Village Real Estate Investment LLC is a 70% subsidiary of ESG Capital Holding LLC, with the remaining 30% being held by Al Tamouh Investments Company LLC.

(vii) PAL 4 Solar Energy LLC is a 80% subsidiary of MG Utilities Holding LLC, with the remaining 20% being held by Alpha Dhabi Industries Holding LLC.

(viii) Century Real Estate Investment LLC is a 87% subsidiary of ESG Emirates Stallions Group PJSC, with the remaining 13% being held by National Projects and Construction LLC.

(ix) Subsidiaries acquired during the year, that were accounted for as acquisition of assets (note 6.3).

(x) Subsidiaries disposed during the year (note 6.4(a)).

2.5 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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

Changes in Group's ownership interest in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts 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 Owner of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the 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 other 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.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Disposals of interest in a subsidiary to an equity accounted investee
Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

Acquisition of entities under common control
Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The equity of the acquired entities is added to the merger reserve within the Group equity. Any transaction costs paid for the acquisition are recognised directly in equity.

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence 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 has no control or joint control over those policies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the 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 under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as he Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'share of profit from investment in associates and joint ventures' in the consolidated statement of profit or loss.

When Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Interest 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 revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, 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 in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

The Group recognises revenue from the following major sources:

- Healthcare and other medical supplies
- Construction and related services
- Marine and dredging activities
- Real estate development
- Food and related non-consumable items
- Rental income
- Hospitality and leisure revenue
- Premium and other insurance related revenue
- Information technology related revenue
- Sale of properties and land
- Coaching and training services
- Management of properties, facilities and development projects

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Following are the policies for the major sources of revenue:

Healthcare and other medical supplies:
Includes hospitalisation, medical professional services, equipment, radiology, laboratory, medical consumables and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the medical service is provided, based on the amounts due from patients and / or funding entities.

Hospitalisation – insured patients
Revenue is recognised based on the contract with the insurers net of claim denials (actual and estimated), discounts and time barred un-submitted claims. Transactions with insurers includes an amount of claims denials, which represents disallowance of claims due to technical or medical reasons. As the actual amount of denials may vary from the denial provisions, accordingly the amount of consideration may vary from what was originally claimed. This constitutes variable consideration under IFRS 15 and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

Hospitalisation – uninsured patients (self-pay and sponsored patients)
Revenue is recognised based on the most likely value to be recovered from the patients which constitutes variable consideration and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

Laboratory management and residency visa testing services
The Group provides laboratory management and residency visa testing services to customers. The Group has one performance obligation and revenue is recognised at a point in time when the service is performed and results are delivered to the customers.

Hospitals management services
The Group provides hospitals' management services against a service fee and percentage share in hospitals' revenue. The Group has one performance obligation (i.e. to manage the operations of the hospitals) and revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customer.

Procurement and supply of medical related products
The Group procures and supplies medicines, diagnostic and other medical equipments to its customers. The Group has two performance obligations (i.e. to deliver goods to the customers) and to render inventory management services. The revenue for delivery of goods is recognised at a point in time when control is transferred to the customers and revenue for inventory management services is recognised over time.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
Construction and related services:
Revenue from construction contracts
The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction 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 Revenue from Contracts with Customers'.

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses 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.

Under the terms of the contracts in the UAE, 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 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 residential properties in Egypt, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

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. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer's payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
Construction and related services: continued
Management fee income
The Group manages construction of properties under long term contracts with customers. Management fee income is recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date and excludes amounts collected on behalf of third parties.

Marine and dredging activities:
Contract revenue
Contract revenue comprises revenue from execution of contracts relating to lump-sum engineering, procurement and construction project services, dredging activities and associated land reclamation works. Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation.

The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

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.

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.

Warranty obligations
The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued
Marine and dredging activities: continued
Significant financing component
For lump sum engineering, construction and procurement projects, if there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income. For other contracts generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Variation orders and claims
Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Real estate development:
Revenue from real estate development is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Food and related non-consumable items:
The Group recognises revenue from sale of food and related non-consumable items at a point in time. Sales of goods to customers mainly include one performance obligation, where revenue is recognised when control of the goods is transferred (when the goods have been shipped to the customer's specific location (i.e. delivered)). Following delivery, the customer has the full discretion over the manner of use of the goods, the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Rental income:
Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis. 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.

Hospitality and leisure revenue:
Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Income from leisure businesses comprises revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

Premium and other insurance related revenue:
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. Refer to "insurance contracts" policy below for further details.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Sale of properties and land:
The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

Coaching and training services:
The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses, on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

Following are policies for other sources of revenue:

Education and related services:
Registration fee is recognised as income when it is received. Tuition fee income is recognised over the period of tuition. Tuition fees received in advance are recorded as deferred income.

Sale of cosmetics and related personal care services:
Sale of goods
The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services
The Group provides services related to women and men personal care and beauty. Such services are generally recognised as a performance obligation satisfied at the point in time when the service is rendered to the customer. Fees paid in advance for such services are deferred and released to revenue when the services are provided or when the validity has lapsed.

Income from franchise business arrangements
The Group has entered into franchise agreements with franchisees and royalty income and marketing charge are recognised in revenue based on the percentages agreed in franchise agreements which are recognised over time.

Sale of furniture:
The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

Manpower and consultancy services:
The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

District cooling services:

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

Brokerage services:

The Group provides share brokerage services, which mainly includes commission income and interest income on margin trading.

(i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.

(ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+2.

Media and marketing services:

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

Delivery services:

Revenue from delivery services is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis or using an input method to measure progress towards complete satisfaction of the service.

Dividend income:

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

Interest income:

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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 profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market 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.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

Employee benefits
An accrual is made for the estimated liability of employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Property, plant and equipment continued

Subsequent costs

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 in the period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	3 - 47 years
Plant and machinery	2 - 35 years
Furniture, fixtures and equipment	2 - 10 years
Barges support vessels, dredgers and vehicles	2 - 40 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Capital work in progress

Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, 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 intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

Derecognition

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets continued

Concession rights

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years from the date of construction of the district cooling plant.

Customer contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Customer contracts with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 10 years.

Customer relationships

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 20 years.

Brand names

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have indefinite and finite useful lives. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 7 to 20 years.

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from` the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite and finite useful lives. Trademarks with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 8 years.

Trade license

The license was recognised on an acquisition of a subsidiary, that allows the use of “Fazaa” name for the retail stores under that subsidiary. The license has a useful life of 8 years. Further during the year, as part of business combinations, a health insurance license has been identified with an indefinite useful life.

Lease benefits

Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired in business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 6 to 15 years.

Other intangible assets are amortised over a period of 2 to 10 years using straight-line method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statements of profit or loss in the period during which they are incurred.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Land	10 - 65 years
Buildings, warehouses, office spaces, shops and cinema halls	2 - 50 years
Motor vehicles, machinery and equipment	2 - 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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 and are included as an expense in the consolidated statement of profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Lease liabilities continued

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured 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 remeasured 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 by discounting the revised lease payments using a revised discount rate.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. 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.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment properties continued
Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, it's carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.

Islamic financing and investments – products, definitions and income recognition
Wakala investments
Wakala deposit is an agreement whereby the Group (the Muwakkil) provides certain amount of funds (the Wakala Capital) to an agent (the Wakeel) to invest it in a Sharia compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel, who is entitled to a fixed fee (the Wakala Fee) as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. The Muwakkil bears the loss unless caused by the default, negligence or violation of any of the terms and conditions of the Wakala by the Wakeel.

Estimated income from Wakala deposits is amortised on a time-apportioned basis over the period, adjusted by actual income when declared by the Wakeel, whereas the losses are charged to profit or loss on their declaration by the Wakeel.

Istisna'a
Istisna'a is a sale contract between two parties whereby one party (Sani' or seller) undertakes to construct, for the other party (Mustasni' or buyer), a specific asset or property according to certain pre-agreed specifications in consideration of a pre-determined price to be delivered during a pre-agreed period of time.

The work undertaken is not restricted to be accomplished by the Sani' alone and the whole or part of the construction can be undertaken by third parties under the control and responsibility of the Sani'. Under an Istisna'a contract, the Group could be the Sani' or the Mustasni'.

Murabaha
A Murabaha Contract whereby the Group (the Seller) sells an asset to the Client (the Purchaser), on a deferred payment basis, after purchasing the asset, which the Seller has purchased and acquired, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha purchase price, payable by the Purchaser, comprises the cost of the asset and an agreed profit amount. The Purchaser usually pays the Murabaha Sale price on an instalment basis over the period of the Murabaha contract. Where the income is quantifiable, it is recognised on a time-apportioned basis over the period of the Murabaha contract.

Ijarah
Ijarah is an agreement whereby the Group (Lessor) leases an asset to the customer (Lessee) (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and promise to lease), against certain rental payments for specific lease term/periods, payable on a fixed or variable rental basis. Leased assets are usually residential properties or commercial real estate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Islamic financing and investments – products, definitions and income recognition continued
Ijarah continued
The Ijarah agreement specifies the leased asset, duration of the lease term, as well as the basis for rental calculation, the timing of rental payments and responsibilities of both parties during the lease term. The customer provides the Group with an undertaking to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Group retains the ownership of the assets throughout the lease term. At the end of the lease term, upon fulfilment of all the obligations by the customer under the Ijarah agreement, the Group will sell the leased asset to the customer at a nominal value based on a sale undertaking given by the Group.

Income is recognised on an accrual basis over the lease term based on the fixed rental amount outstanding (which predominantly represents the cost of the leased asset).

Musharaka
Musharaka is used to provide venture capital or project finance. The Group and customer contribute towards the capital of the Musharaka. Usually, a special purpose Group or a partnership is established as a vehicle to undertake the Musharaka. Profits are shared according to a pre-agreed profit distribution ratio but losses are borne according to the capital contributions. Capital contributions may be in cash or in kind, as valued at the time of entering into the Musharaka.

Estimated profit is amortised on a time-apportioned basis over the period, adjusted by actual profit when received, whereas the losses are charged to profit or loss on their declaration.

Sukuk
Sukuks are asset backed Sharia compliant trust certificates.

Insurance contracts
Definition
The Group issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk.

Recognition and measurement
The contracts allow the Group's customers 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 liability.

Claims and loss adjustment expenses are charged to consolidated statement of profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs (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 (e.g. chain ladder, expected loss ratio methods, Bornhuetter-Ferguson). Such estimates are based upon both past experience and assessments of the future development.

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").

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Insurance contracts continued

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 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 on an annual basis of accounting, on the basis of information available as at the 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.

Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the consolidated statement of profit or loss.

The Group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is also calculated under the same method used for these financial assets.

Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of balances due from reinsurers.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Deferred commission expense

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset (DAC). All other costs are recognised as expenses, when incurred. The DAC is subsequently amortised over the term of the policy as premium is earned.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Discontinued operations and non-current assets held for sale continued
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.

Inventories
Fish and fish products
Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

Animal feed products
Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first in first out method.

Packing, raw materials, medical supplies, food and non-food items, spares and consumables and other finished goods
These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Poultry products
Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

Real estate properties
Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and comprises construction/ acquisition costs and other charges incurred in bringing inventory to its present location and condition. Net realisable value represents the estimated selling price less all estimated selling and marketing costs to be incurred. When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Development work in progress
Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Land under development granted to the Group without consideration is carried at nominal value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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 profit or loss in the period in which it arises.

Deferred revenue
Revenue related to infrastructure development in respect of land sold is deferred and is recognised when the related infrastructure development is complete in accordance with the terms of the underlying construction contract and where the Group's obligations under the applicable sale and purchase agreement contract have been met.

Foreign currencies
The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign currencies continued
Group companies continued
Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
b) 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 at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, contract assets, due from related parties, loan to related parties and cash and bank balances.

Cash and short-term deposits
Cash and short-term deposits in the 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 bank overdrafts, margin accounts, restricted cash and bank accounts for client's deposits.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as investment and other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or 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.

Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial liabilities and equity instruments continued

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 recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities, borrowings including bank overdrafts, loans from related parties, sukuk and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Sukuk 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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments
Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:
- 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.
- 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.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxation continued
Deferred tax continued
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax ("VAT")
Expenses and assets are recognised net of the amount of VAT, except:

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Value added tax ("VAT") continued
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
The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Impairment of non-financial assets continued
For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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 the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

Share-based payments
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Share-based payments continued
Equity-settled transactions continued
When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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.

Dividends
The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of 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 after 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.

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 after 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- Classification of liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12.

The Group does not expect, other than IFRS 17 impact disclosed below, that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

IFRS 17, 'Insurance contracts'
A subsidiary of the Group, National Health Insurance (Daman) PJSC, will adopt IFRS 17 on 1 January 2023. The Group will need to assess and ensure that it complies with the requirements of the standard, including the principles for the classification, recognition, measurement, presentation and disclosure of insurance contracts.

The subsidiary's IFRS 17 steering committee provide oversight and governance over the implementation of the IFRS 17 project. The steering committee is comprised of executive management as well as senior management from various functions including finance, actuarial, information technology and reinsurance. Accounting policy papers, actuarial methodologies and disclosure requirements have been defined and are being implemented throughout. The IFRS 17 project team remains up to date, and closely monitors, all technical developments from the IASB and industry to evaluate the effects of such developments. Where applicable, the policy and methodology papers are updated to reflect any changes in requirements.

The Company has made significant progress in the implementation of IFRS 17 and is working on the following areas to complete the transition to IFRS 17:

- Complete the dry run for the year ended 31 December 2022 insurance related balances;
- Configure remaining system integration, including policy choices and enhance key controls required to implement IFRS 17;
- Produce and request business and external auditor sign-off of transition balances;
- Finalise the layout and disclosure of the IFRS 17 compliant annual consolidated financial statements;
- Finalise the management reporting and key performance measures;
- Continue engaging with the executive committee and business through various training initiatives; and
- Finalise and implement future financial and data governance processes and accountabilities.

As the Group will be impacted by the application of IFRS 17. Below is an assessment of the expected impact. The assessment is preliminary, as not all transition work has been finalised.

<u>Measurement models</u>
Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, an entity first needs to define portfolios which include contracts with similar risks and that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. IFRS 17 consists of three measurement models: Premium Allocation Approach ("PAA"), General Measurement Model ("GMM") and Variable Fee Approach ("VFA").

4 STANDARDS ISSUED BUT NOT EFFECTIVE continued

IFRS 17, 'Insurance contracts' continued

Accounting policy choices

The following table sets out the accounting policy choices that the Group intends to adopt:

	Measurement models the option is allowed to be applied	IFRS 17 options	Adopted approach
Insurance acquisition cash flows	PAA	Where the coverage period of each contract in the group at initial recognition is no more than one year. IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortising them over the contract's coverage period.	The Group plans to amortise insurance acquisition cash flows for all contracts using a systematic amortisation pattern. The Group plans to allocate the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis.
Liability for remaining coverage ("LRC") adjusted for financial risk and time value of money	PAA	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For the Group, as evaluated, there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year. The Group plans not to adjust the LRC cashflows for time value of money.
Liability for incurred claims ("LIC") adjusted for time value of money	PAA	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Group plans not to adjust the LIC cash flows for the time value of money as a significant portion of claims are expected to be settled within 12 months from the date of loss.
Insurance finance income and expenses	GMM, VFA and PAA	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice is applied on a portfolio basis.	The Group recognises insurance finance income and expenses in the consolidated statement of profit or loss and have decided not to segregate the changes in discount rate between profit or loss and OCI.
Disaggregation of risk adjustment	GMM, VFA and PAA	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Group does not plan to disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and plans to include the entire change within the insurance service result.

Transition

On the date of initial application, 1 January 2023, IFRS 17 standard has to be applied retrospectively unless impracticable. Where the full retrospective approach is impracticable, IFRS 17 allows for alternative transition methods as follows.

The Group plans to apply the full retrospective approach for all group of contracts and is continuously reassessing this approach in the implementation phase.

Impact on transition to IFRS 17

Management expects that the adoption of IFRS 17 will have an impact on the amounts reported and disclosures made in these consolidated financial statements in respect of its insurance contracts issued and reinsurance contracts held.

The assessment of the impacts on the Group's consolidated financial statements is in progress. Although the work is well advanced as of the date of the publication of these consolidated financial statements, it is not yet practicable to reliably quantify the transition impact.

Impact on presentation and disclosures on transition to IFRS 17

In the consolidated statement of financial position, deferred acquisition costs and insurance related receivables will no longer be presented separately but will be part of the insurance liabilities. This change in presentation will lead to a reduction in total assets, offset by a reduction in total liabilities.

4 STANDARDS ISSUED BUT NOT EFFECTIVE continued

IFRS 17, 'Insurance contracts' continued

Impact on presentation and disclosures on transition to IFRS 17 continued

The amounts presented in the consolidated statement of profit or loss, need to be disaggregated into an insurance service result, consisting of the insurance revenue and the insurance service expenses, and insurance finance income and expenses. Income or expenses from reinsurance contracts held need to be presented separately from the expenses or income from insurance contracts issued.

IFRS 17 has introduced additional disclosures which would need to be disclosed. The Group will be required to provide disaggregated qualitative and quantitative information about:

- Amounts recognised in the consolidated financial statements from insurance contracts issued and reinsurance contracts held within the scope of IFRS 17;
- Significant judgements, and changes in those judgements, when applying the standard; and
- The nature and extent of the risks from contracts within the scope of the standard.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, 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 of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

Impairment assessment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued
Impairment assessment of non-financial assets continued
The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded a net impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 847,643 thousand for the year ended 31 December 2022 (2021: AED 64,007 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

Impairment of investments 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.

Business combinations
Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories
Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Provision for expected credit losses of trade receivables, due from policyholders and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables, due from policyholders and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables and due from policyholders were AED 13,183,515 thousand (2021: AED 7,131,404 thousand) and contract assets were AED 8,218,226 thousand (2021: AED 5,964,946 thousand), with provision for expected credit losses of AED 1,110,771 thousand (2021: AED 433,312 thousand) and AED 89,970 thousand (2021: AED 103,478 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued

Impairment of development work in progress

Development properties are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development properties for impairment as at 31 December 2022. Based on the review, management has concluded an impairment loss of AED 261,363 thousand on its development properties for the year ended 31 December 2022 (2021: nil).

Contract claims

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2022. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

Infrastructure costs

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group's consolidated financial statements arising from this review (2021: nil).

Revenue recognition on real estate contracts

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the 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 stage of completion and costs to complete on 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 other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Employees' 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.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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 is estimated by an in-house actuary and reviewed by an independent qualified consultant using the chain ladder and Bornhuetter-Ferguson 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 consolidated statement of financial position date of claims incurred but not reported and claims reported but not approved (net of related reinsurance receivable) is AED 840,958 thousand (2021: nil).

Critical accounting judgments in applying accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

Hybrid equity instruments

In the process of classifying a financial instrument, management has made various judgments. Judgment is needed 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. In making its judgment, the Group considered the detailed criteria and related guidance for classification as set out in IAS 32. This included assessing whether the instrument includes a contractual obligation to deliver cash or other financial asset to another entity and whether it may be settled through an equity instrument of a Group entity. Based on the criteria, the Group concluded that the hybrid equity instruments are a part of equity.

Principal versus agent consideration – management of projects

The Group's performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. 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;
- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Use of practical expedient in recognising management fee

In line with an agreement with the Government of Abu Dhabi (the "Government"), a subsidiary of the Group is overseeing the management of all projects of an entity (the "Entity") along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

Classification of properties

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

Allocation of development costs

The allocation of project development costs between development work in progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

Contract variations and claims

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Determining the lease term of contracts with renewal options

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.

Assets held for sale

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations. Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from reporting date.

For more details on the assets held for sale, refer to note 19.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Joint arrangement

For assessing joint control, the Group has considered 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 has considered whether it has joint control on the rights to the net assets of the arrangements, 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.

Identifying whether an acquisition is a business or an asset

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Classification of investments:

The Group's principal activity is in investing and managing investments through different holdings in investees. The Group applies significant judgement with respect to the classification of investments with respect to control, joint control or significant influence exercised on those investments.

Consolidation of entities in which the Group holds less than a majority of voting right

For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other shareholders of the investee and de-facto control.

The Group considers that it has de-facto control over the following entities, even though it owns less than 50% of the voting rights:

Aldar Properties PJSC ("Aldar") –

- The Group has appointed four out of the total seven members of Aldar's board ("Board") with effect from 11 April 2022;
- 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;
- 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
- The Group is the single largest shareholder of Aldar with 33.65% of the outstanding share capital.

Easy Lease Motorcycle Rental PJSC ("Easy Lease") –

- The Group is the single largest shareholder of Easy Lease with a 47.11% equity interest;
- As per Easy Lease's articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued
Classification of investments: continued
Consolidation of entities in which the Group holds less than a majority of voting right continued

Emirates Driving Company PJSC ("DRIVE") –

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 499 shareholders, of which two holds 6.51% and 5.54% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

NRTC Food Holding LLC ("NRTC") –

- The Group has appointed three out of the total five members of NRTC's Board with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders' agreement dated 1 October 2022;
- 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; and
- The Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC's senior management.

In making this judgement, the Group considered the absolute size of its holding in Aldar, Easy Lease, DRIVE and NRTC, 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 that it has de-facto control, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

The results of the following subsidiaries have been included in the consolidated financial statements, although the Group holds 50% or less ownership. Control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Emirates International Gas LLC
- Q Car Park LLC
- ABNIA for Industrial Holding LLC
- Apex Companies Management LLC

Significant influence over investments in associates
Significant influence is presumed to exist when the Group holds 20% or more of the voting power of investee. When the voting power is less than 20%, the Group considers other factors that give raise to significant influence, such as the ability to participate in the financial and operating policy decisions of the investee.

The Group has determined that although it holds less than 20% of the voting power in Burjeel Holding PLC, Iskandar Holdings Limited and Bayanat AI PLC, significant influence exists due to having a representation on the Board of Directors and the participation in decisions over the relevant activities of the entities.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the year ended 31 December 2022 and 2021, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these are business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1(a) Acquisitions during the year

W Solar Investment LLC

Effective 1 January 2022, Alpha Dhabi Industries Holding LLC, a subsidiary, acquired a 75% equity interest in W Solar Investment LLC ("W Solar") for nil consideration. W Solar is incorporated in Abu Dhabi, United Arab Emirates, and is involved in clean energy business. From the date of acquisition, W Solar contributed loss to the Group amounting to AED 1,342 thousand. No revenue was generated, as W Solar is in its pre-operating phase.

YAS Clinic Group Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in YAS Clinic Group Sole Proprietorship LLC ("YAS Clinic") and its subsidiaries for nil consideration. YAS Clinic is incorporated in Abu Dhabi, United Arab Emirates, and is involved in hospital management services. From the date of acquisition, YAS Clinic contributed revenue and profit to the Group amounting to AED 1,572,278 thousand and AED 671,220 thousand, respectively.

Abu Dhabi Stem Cells Centre - Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in Abu Dhabi Stem Cells Center – Sole Proprietorship LLC (“ADSCC”) for nil consideration. ADSCC is a limited liability company, incorporated in Abu Dhabi, United Arab Emirates and is engaged in healthcare and research centres operation and management. From the date of acquisition, ADSCC contributed revenue and loss to the Group amounting to AED 67,861 thousand and AED 1,087 thousand, respectively.

Al Jaraf Fisheries LLC

Effective 1 January 2022, Tamween Companies Management LLC, a subsidiary, acquired a 100% equity interest in Al Jaraf Fisheries LLC ("JARAF") and its subsidiaries for nil consideration. JARAF is incorporated in Abu Dhabi, United Arab Emirates, and is involved in land based aquaculture, retail sale of fresh fish and marine animals. From the date of acquisition, JARAF contributed revenue and profit to the Group amounting to AED 5,246 thousand and AED 6,074 thousand, respectively.

Protect 7 Health Care - Sole Proprietorship LLC

Effective 1 January 2022, Tamouh Health Care LLC, a subsidiary, acquired a 100% equity interest in Protect 7 Health Care - Sole Proprietorship LLC ("Protect 7") for nil consideration. Protect 7 is incorporated in Abu Dhabi, United Arab Emirates, and is involved in retail sale of medical equipment and apparatuses. From the date of acquisition, Protect 7 contributed revenue and loss to the Group amounting to AED 1,017 thousand and AED 5,738 thousand, respectively.

Ras Al Khaimah Cement Investment Public JSC

Effective 1 March 2022, the Company transferred its 60% ownership in Apex Holding LLC ("Apex") to Ras Al Khaimah Cement Investment Public JSC ("RAKCIC") in return for 1,830,046,480 shares, representing a 51.5% ownership interest in RAKCIC. In substance, the Group acquired control over RAKCIC, and disposed of a portion of its ownership in Apex without loss of control. The acquisition has been accounted as a common control transaction as the Ultimate Parent controlled RAKCIC before and after the acquisition. RAKCIC is a public shareholding company incorporated in Ras Al Khaimah and is engaged in the production of clinkers and hydraulic cements manufacturing and the wholesaling of cement products. From the date of acquisition, RAKCIC contributed revenue and loss to the Group amounting to AED 69,737 thousand and AED 41,408 thousand respectively. If the acquisition had taken place at the beginning of the year, RAKCIC would have contributed revenue and loss to the Group amounting to AED 101,207 thousand and AED 49,058 thousand, respectively.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control continued

6.1(a) Acquisitions during the year continued

Mirak Royal Nature Fruit and Vegetables LLC
Effective 31 March 2022, the Company acquired 80% of the shares in Mirak Royal Nature Fruit and Vegetables LLC ("Mirak") for nil consideration. Mirak is incorporated in Dubai, United Arab Emirates, and is involved in baby food trading, food and beverages trading and vegetables and fruits trading. From the date of acquisition, Mirak contributed revenue and loss to the Group amounting to AED 119,020 thousand and AED 5,830 thousand respectively. If the acquisition had taken place at the beginning of the year, Mirak would have contributed revenue and loss to the Group amounting to AED 157,792 thousand and AED 6,770 thousand, respectively.

Vision Furniture & Decoration Factory LLC
Effective 1 April 2022, ESG Capital Holding LLC, a subsidiary, acquired 60% of the shares in Vision Furniture & Decoration Factory LLC ("Vision Factory") for nil consideration. Vision Factory is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in house & office furniture manufacturing, fireproof wooden doors manufacturing, onshore & offshore oil & gas fields and facilities. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 51,122 thousand and AED 6,347 thousand, respectively. If the acquisition had taken place at the beginning of the year, Vision Factory would have contributed revenue and profit to the Group amounting to AED 66,401 thousand and AED 7,720 thousand, respectively.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(a) Acquisitions during the year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	W Solar AED'000	*YAS Clinic AED'000*	*ADSCC AED'000*	*JARAF AED'000*	*Protect 7 AED'000*	*RAKCIC AED'000*	*MIRAK AED'000*	*Vision Factory AED'000*	*Total AED'000*
Assets									
Property, plant and equipment	-	380,985	60,306	225,432	-	325,487	17,949	10,718	1,020,877
Intangible assets	-	5,749	874	-	-	136	426	-	7,185
Investment in an associate	-	-	-	-	-	35,534	-	-	35,534
Investments carried at fair value through other comprehensive income	-	-	-	-	-	201,953	-	-	201,953
Investments carried at fair value through profit or loss	-	-	-	-	-	33,215	-	-	33,215
Biological assets	-	-	-	22,916	-	-	-	-	22,916
Right-of-use assets	-	17,889	1,437	14,201	-	-	-	2,211	35,738
Inventories	-	7,433	1,280	1,206	-	52,144	4,057	4,845	70,965
Due from related parties	300	54,623	82,794	2,502	-	-	-	27,709	167,928
Trade and other receivables	121	955,119	-	2,158	-	56,600	38,755	7,503	1,060,256
Cash and bank balances	914	20,804	5,079	49,205	1,736	44	135	14,399	92,316
	1,335	**1,442,602**	**151,770**	**317,620**	**1,736**	**705,113**	**61,322**	**67,385**	**2,748,883**
Liabilities									
Employees' end of service benefit	-	828	693	786	106	1,151	753	5,043	9,360
Borrowings	-	300,000	-	-	-	23,477	13,124	-	336,601
Lease liabilities	-	18,900	1,437	14,133	-	-	-	3,645	38,115
Due to related parties	1,764	-	-	64,325	58,990	-	25,000	447	150,526
Trade and other payables	4	424,164	43,840	10,670	5,738	62,807	51,449	25,855	624,527
	1,768	**743,892**	**45,970**	**89,914**	**64,834**	**87,435**	**90,326**	**34,990**	**1,159,129**
Net assets	**(433)**	**698,710**	**105,800**	**227,706**	**(63,098)**	**617,678**	**(29,004)**	**32,395**	**1,589,754**
Less: non-controlling interest	286	(382,872)	(57,975)	-	-	(299,331)	5,801	(15,874)	(749,965)
Proportionate share of identifiable net assets acquired	(147)	315,838	47,825	227,706	(63,098)	318,347	(23,203)	16,521	839,789
Previously held equity interest transferred from investment in financial asset (note 11.1)	-	-	-	-	-	(12,162)	-	-	(12,162)
Carrying value of the shares in Apex (note 6.5 (a)(B))	-	-	-	-	-	(105,688)	-	-	(105,688)
Merger reserve	**(147)**	**315,838**	**47,825**	**227,706**	**(63,098)**	**200,497**	**(23,203)**	**16,521**	**721,939**

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year

AFKAR Financial & Property Investments LLC and its subsidiaries
Effective 1 January 2021, the Group acquired 60% of the shares in AFKAR Financial & Property Investment LLC ("AFKAR") and its subsidiaries for nil consideration. AFKAR is based in Abu Dhabi, United Arab Emirates, and is involved in commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development. From the date of acquisition, AFKAR contributed revenue and profit to the Group amounting to AED 237,295 thousand and AED 12,985 thousand respectively, for the year ended 31 December 2021.

Alpha Dhabi Holding PJSC
Effective 1 April 2021, the Company acquired 45% of the shares in Alpha Dhabi Holding PJSC *(formerly "Trojan Holding LLC")* ("ALPHA") and its subsidiaries for nil consideration. ALPHA is based in Abu Dhabi, United Arab Emirates and is involved in contracting of construction of civil works, engineering and construction contracting relating to commercial and residential buildings, infrastructure development, earth and civil works, production and supply of ready-mix concrete, main sewerage networks contracting, main roads, streets and related works contracting, mechanical contracting, onshore and offshore oil and gas fields and facilities services, submain sewerage networks and houses connection contracting, tunnels contracting, transport of material assembly heavy/light trucks, Ready mix and dry-mix concrete and mortar manufacturing, installation and repair of safety equipment and fire extinguishing systems, and manufacturing, supply installation and fabrication of aluminum and glass panels. From the date of acquisition, ALPHA contributed revenue and profit to the Group amounting to AED 12,364,834 thousand and AED 4,096,540 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning 2021 ALPHA would have contributed revenue and profit to the Group amounting to AED 13,380,986 thousand and AED 4,252,748 thousand respectively, for the year ended 31 December 2021. Effective 1 April 2021, Alpha Dhabi Holding PJSC acquired shares in the following entities:

Name of entities	*Acquired shares*	*Principal activities*
Murban Energy Limited	100%	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies
Sublime Commercial Investment – Sole proprietorship	100%	Investment holding
Mawarid Holding Investment LLC	70%	Forestry, tourism and agriculture
Pure Health Medical Supplies LLC	31.5%	Hospital management services, laboratory management services, residency visa testing services and distribution of medical related products

Emirates Driving Company PJSC
Effective 30 June 2021, Multiply Group PJSC, a subsidiary, acquired 48.01% of the shares in Emirates Driving Company PJSC ("DRIVE") and its subsidiary for nil consideration, by acquiring 100% of the shares in Spranza Commercial Investment – Sole Properties LLC, an entity which held the shares in DRIVE. DRIVE is a Public Joint Stock Company incorporated in the United Arab Emirates and is involved in the management and development of motor vehicles driving training and to manage investment properties. From the date of acquisition, DRIVE contributed revenue and profit to the Group amounting to AED 136,859 thousand and AED 77,474 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, DRIVE would have contributed revenue and profit to the Group amounting to AED 260,090 thousand and AED 168,003 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

National Marine Dredging Company PJSC
Effective 1 June 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65.1% of the shares in National Marine Dredging Company PJSC ("NMDC") and its subsidiaries by acquiring 100% of the shares in Sogno Commercial Investment – Sole Proprietorship and WAS Two Commercial Investment, entities which held the shares of NMDC. NMDC is a public joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. From the date of acquisition, NMDC contributed revenue and profit to the Group amounting to AED 5,653,274 thousand and AED 924,266 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, NMDC would have contributed revenue and profit to the Group amounting to AED 7,888,762 thousand and AED 1,012,204 thousand respectively, for the year ended 31 December 2021.

Abu Dhabi Mountain Gate
Effective 1 April 2021, the Group acquired control over Abu Dhabi Mountain Gate ("ADMG"), previously a 47% owned associate of the Group, through the acquisition of an additional interest of 23% in ADMG as part of its acquisition of Alpha Dhabi Holding PJSC for nil consideration. ADMG is a limited liability company operating in Abu Dhabi, United Arab Emirates and is involved in real estate enterprises investment, development, institution and management. From the date of the Group gaining control, ADMG contributed revenue and profit to the Group amounting to AED 12,041 thousand and AED 836 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, ADMG would have contributed revenue and profit to the Group amounting to AED 17,142 thousand and AED 2,706 thousand respectively, for the year ended 31 December 2021.

Support Services and Catering LLC
Effective 1 July 2021, Apex Holding LLC, a subsidiary, acquired 100% of the shares in Support Services and Catering LLC ("SSC") for nil consideration. SSC is involved in building cleaning services. From the date of acquisition, SSC contributed revenue and loss to the Group amounting to AED 3,844 thousand and AED 8 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, SSC would have contributed revenue and profit to the Group amounting to AED 7,309 thousand and AED 269 thousand respectively, for the year ended 31 December 2021.

Emirates Gateway Security Services LLC
Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 95% of the shares in Emirates Gateway Security Services LLC ("EGSS") for nil consideration. EGSS is involved in security services. From the date of acquisition, EGSS contributed revenue and profit to the Group amounting to AED 156,434 thousand and AED 31,518 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, EGSS would have contributed revenue and profit to the Group amounting to AED 299,775 thousand and AED 53,350 thousand respectively, for the year ended 31 December 2021.

The Local Hotel – Chechnya
Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 100% of the shares in The Local Hotel – Chechnya ("Chechnya") for nil consideration. Chechnya is based in Russia and is involved in hotel services. From the date of acquisition, Chechnya contributed revenue and loss to the Group amounting to AED 4,423 thousand and AED 2,069 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021 Chechnya would have contributed revenue and loss to the Group amounting to AED 7,500 thousand and AED 2,600 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

Sandstrom Motor Vehicles Manufacturing LLC
Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65% of the shares in Sandstorm Motor Vehicles Manufacturing LLC ("SMVM") for nil consideration. SMVM is involved in manufacturing of motor vehicles. From the date of acquisition, SMVM contributed revenue and profit to the Group amounting to AED 42,876 thousand and AED 4,374 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, SMVM would have contributed revenue and profit to the Group amounting to AED 77,178 thousand and AED 11,350 thousand respectively, for the year ended 31 December 2021.

Al Qudra Holding PJSC
Effective 31 December 2021, The Company transferred its 100% ownership in Al Tamouh Investments LLC ("Al Tamouh") to Al Qudra Holding PJSC ("Al Qudra") *(during 2022, the name was changed to Q Holding PSC)* in return for 2,244,078 shares, representing a 40.74% ownership interest in Al Qudra. Additionally, on 31 December 2021, the Ultimate Parent transferred its 25.24% ownership interest in Al Qudra to Alpha Dhabi Holding PJSC, a subsidiary of the Group, for nil consideration. The above two transactions increased the Group's ownership in Al Qudra to 67.9% as of 31 December 2021. In substance, the Group acquired control over Al Qudra, and disposed a portion of its ownership in Al Tamouh without loss of control. The acquisition has been accounted as a common control transaction, as the Ultimate Parent controlled Al Qudra before and after the acquisition.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	AFKAR AED'000	*ALPHA AED'000*	*NMDC AED'000*	*DRIVE AED'000*	*ADMG AED'000*	*EGSS AED'000*	*SMVM AED'000*	*CHECHNYA AED'000*	*SSC AED'000*	*Al Qudra AED'000*	*Total AED'000*
Assets											
Property, plant and equipment	86,161	1,998,901	4,492,980	200,385	339	183	1,450	-	343	730,521	7,511,263
Intangible assets and goodwill	-	466,194	146,300	3,634	-	-	367	-	-	78,141	694,636
Biological assets	-	19,848	-	-	-	-	-	-	-	-	19,848
Right-of-use assets	115,130	170,515	317,346	40,193	-	-	1,140	-	217	93,743	738,284
Investment properties	87,418	661,519	-	134,250	-	-	-	-	-	5,986,138	6,869,325
Investment in associates and joint ventures	-	403,539	50,194	-	-	-	-	-	-	26,649	480,382
Investment in financial assets	33,596	4,830,935	30,853	76,475	-	63	-	-	-	417,706	5,389,628
Receivable from Islamic financing activities	-	1,070,975	-	-	-	-	-	-	-	-	1,070,975
Inventories	37,363	326,860	320,589	3,170	-	2,497	8,610	4,552	52	2,069	705,762
Development work in progress	-	146,760	-	-	-	-	-	-	-	505,057	651,817
Due from related parties	-	1,436,617	-	300	-	-	19,226	-	42	112,689	1,568,874
Trade and other receivables	32,264	4,589,447	3,234,923	57,332	10,507	156,681	23,195	6	4,028	246,504	8,354,887
Contract assets	-	1,671,513	4,106,004	-	-	-	-	-	-	-	5,777,517
Deferred tax assets	-	8,182	5,261	-	-	-	-	-	-	-	13,443
Assets held for sale	-	-	-	-	-	-	-	-	-	170,372	170,372
Cash and bank balances	86,807	2,176,099	671,119	289,510	3,916	24,802	2,349	3,585	646	1,379,118	4,637,951
	478,739	19,977,904	13,375,569	805,249	14,762	184,226	56,337	8,143	5,328	9,748,707	44,654,964
Liabilities											
Employees' end of service benefit	5,416	205,463	438,176	5,222	-	19,940	61	-	185	6,673	681,136
Borrowings	52,000	3,580,988	2,827,993	-	-	-	-	-	-	1,931,321	8,392,302
Derivative financial instruments	-	61,461	-	-	-	-	-	-	-	-	61,461
Loan from a related party	-	96,133	-	-	-	-	-	-	-	-	96,133
Lease liabilities	116,846	158,909	316,072	41,134	-	-	1,126	-	215	108,107	742,409
Due to related parties	-	1,589,804	-	-	-	36,267	-	-	3,096	486,143	2,115,310
Contract liabilities	-	871,813	-	-	-	-	-	-	-	-	871,813
Margins against letter of guarantees	-	1,159,381	-	-	-	-	-	-	-	-	1,159,381
Liabilities directly associate with assets held for sale	-	-	-	-	-	-	-	-	-	7,607	7,607
Trade and other payables	32,868	3,890,483	4,730,781	35,544	7,090	28,325	2,169	120	1,125	285,611	9,014,116
	207,130	11,614,435	8,313,022	81,900	7,090	84,532	3,356	120	4,621	2,825,462	23,141,668
Net assets	271,609	8,363,469	5,062,547	723,349	7,672	99,694	52,981	8,023	707	6,923,245	21,513,296
Less: non-controlling interest	(108,644)	(4,776,516)	(3,489,337)	(410,674)	(3,986)	(56,393)	(37,236)	(4,355)	(283)	(3,779,715)	(12,667,139)
Proportionate share of identifiable net assets acquired	162,965	3,586,953	1,573,210	312,675	3,686	43,301	15,745	3,668	424	3,143,530	8,846,157
Previously held equity interest transferred from investment in associates (note 10)	-	(262,380)	-	-	(5,022)	-	-	-	-	-	(267,402)
Previously held equity interest transferred from investment in financial assets (note 11)	-	-	(127,934)	-	-	-	-	-	-	(479,981)	(607,915)
Carrying value of the shares in Al Tamouh (note 6.5(b)(C))	-	-	-	-	-	-	-	-	-	(711,064)	(711,064)
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	162,965	3,324,573	1,445,276	312,675	(1,336)	43,301	15,745	3,668	424	1,952,485	7,259,776

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2(a) Acquisitions during the year

During the year, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Rose Water Ladies Salon - Sole Proprietorship LLC
Effective 1 January 2022, Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Rose Water Ladies Salon - Sole Proprietorship LLC ("Rose") for a consideration of AED 7,200 thousand. Rose is a sole proprietorship, registered in Abu Dhabi, United Arab Emirates and is engaged in female personal care and beauty, hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, Rose contributed revenue and profit to the Group amounting to AED 5,407 thousand and AED 1,352 thousand respectively.

Abu Dhabi Vegetable Oil Company LLC
Effective 1 January 2022, the Company acquired a 75% interest in Abu Dhabi Vegetable Oil Company LLC ("ADVOC") for a consideration of AED 91,000 thousand. ADVOC is a limited liability company, registered in Abu Dhabi, United Arab Emirates and is engaged in vegetable oils refining and manufacturing, basic organic chemical acids manufacturing, plastic bottles and similar containers manufacturing, and plastic closures articles manufacturing. From the date of acquisition, ADVOC contributed revenue and loss to the Group amounting to AED 375,807 thousand and AED 7,071 thousand respectively.

American Crescent Health Care Centre – Sole Proprietorship LLC
Effective 1 January 2022, Somerian Health LLC, a subsidiary, acquired a 100% interest in American Crescent Health Care Centre – Sole Proprietorship LLC (“American Crescent”) for a consideration of AED 3,600 thousand. American Crescent is a sole proprietorship LLC, registered in Abu Dhabi, United Arab Emirates and is engaged in medical complex and facilities services. From the date of acquisition, American Crescent contributed revenue and loss to the Group amounting to AED 5,682 thousand and AED 4,548 thousand respectively.

GenQore Drug Store LLC
Effective 1 February 2022, Somerian Health LLC, a subsidiary, acquired a 90% interest in GenQore Drug Store LLC ("GenQore") for a consideration of AED 2. GenQore is a limited liability company, registered in Dubai, United Arab Emirates and is engaged in trading of cosmetic and medical related items. From the date of acquisition, GenQore contributed revenue and loss to the Group amounting to AED 2,599 thousand and AED 16,588 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 7,708 thousand and AED 16,579 thousand respectively.

Direct Trading LLC
Effective 14 February 2022, Palms Sports PJSC, a subsidiary, acquired a 60% interest in Direct Trading LLC (“Direct Trading”) for a consideration of AED 4,250 thousand. Direct Trading is a limited liability company, registered in the Abu Dhabi, United Arab Emirates and is in the business of distribution. From the date of acquisition, Direct Trading contributed revenue and loss to the Group amounting to AED 4,977 thousand and AED 937 thousand respectively. If the acquisition had taken place at the beginning of the year, Direct Trading would have contributed revenue and loss to the Group amounting to AED 5,089 thousand and AED 1,270 thousand respectively.

Arena Events Group Limited
Effective 1 April 2022, Theta Bidco Limited, a subsidiary, acquired 100% ownership of Arena Events Group Limited (“Arena”) for a consideration of AED 341,909 thousand. Arena is a public limited company incorporated in England, United Kingdom and is a provider of temporary physical structures, seating, ice rinks, furniture and interiors. From the date of acquisition, Arena contributed revenue and profit to the Group amounting to AED 862,954 thousand and AED 25,217 thousand respectively. If the acquisition had taken place at the beginning of the year, Arena would have contributed revenue and loss to the Group amounting to AED 1,061,473 thousand and AED 4,313 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Aldar Properties PJSC ("Aldar")
In the Annual General Meeting of Aldar held on 11 April 2022, the Group obtained de facto control by appointing four out of the seven board members. The fair value of the previously held equity interest in Aldar, on the date of obtaining control, amounted to AED 13,404,976 thousand. Aldar is a public joint stock company, registered in Abu Dhabi, United Arab Emirates and is engaged in various businesses, primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of obtaining control, Aldar contributed revenue and profit to the Group amounting to AED 8,515,751 thousand and AED 2,467,272 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 11,198,956 thousand and AED 3,155,083 thousand respectively.

Twafq Projects Development Property LLC
Effective 18 April 2022, Aldar Logistics Holding Limited, a subsidiary, acquired 70% ownership of Twafq Projects Development Property LLC (“Twafq”) for a consideration of AED 331,033 thousand. Twafq is a limited liability company incorporated in Abu Dhabi, United Arab Emirates 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.

Al Shohub Private School LLC
Effective 1 June 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary, acquired 100% ownership of Al Shohub Private School LLC (“Al Shohub”) for a consideration of AED 72,210 thousand. Al Shohub is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of education services. 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.

Esyasoft Holding Ltd.
Effective 1 June 2022, the Company acquired an additional 21% interest in Esyasoft Holding Ltd. (“Esyasoft”), for a consideration of AED 18,375 thousand, increasing the Group’s ownership to 51%. Esyasoft is a private company, registered with Dubai International Financial Centre and is involved in delivering utility grid modernisation through a suite of SaaS based technology and analytics applications. From the date of acquisition, Esyasoft contributed revenue and profit to the Group amounting to AED 35,240 thousand and AED 3,845 thousand respectively. If the acquisition had taken place at the beginning of the year, Esyasoft would have contributed revenue and profit to the Group amounting to AED 44,958 thousand and AED 4,544 thousand respectively.

Reem Investments PJSC
Effective 2 June 2022, Q Holding PSC (formerly “Al Qudra Holding PJSC”), a subsidiary, acquired a 100% interest in Reem Investments PJSC ("Reem Investments") for a consideration of AED 5,807,327 thousand, being the fair value of the 1,347,408 new shares issued to the shareholders of Reem Investments. Reem Investments is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates and is engaged in real estate development and the sale and investment in real estate and securities in UAE and abroad. From the date of acquisition, Reem Investments contributed revenue and loss to the Group amounting to AED 20,969 thousand and AED 370,376 thousand respectively. If the acquisition had taken place at the beginning of the year, Reem Investments would have contributed revenue and loss to the Group amounting to AED 51,872 thousand and AED 109,724 thousand respectively.

Cyber Gate Defense LLC
Effective 1 July 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 55% interest in Cyber Gate Defense LLC (“Cyber Gate") for a consideration of AED 55,000 thousand. Cyber Gate is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of cyber security services. From the date of acquisition, Cyber Gate contributed revenue and profit to the Group amounting to AED 27,079 thousand and AED 4,804 thousand respectively. If the acquisition had taken place at the beginning of the year, Cyber Gate would have contributed revenue and profit to the Group amounting to AED 43,586 thousand and AED 7,005 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

The Captain Boats and Ships Trading LLC
Effective 1 July 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired a 55% interest in The Captain Boats and Ships Trading LLC ("Captain Boats") for a consideration of AED 38,500 thousand. Captain Boats is a limited liability company registered in Abu Dhabi, United Arab Emirates and is engaged in the trading and repairing of boats and ships. From the date of acquisition, Captain Boats contributed revenue and profit to the Group amounting to AED 13,604 thousand and AED 4,114 thousand respectively. If the acquisition had taken place at the beginning of the year, Captain Boats would have contributed revenue and profit to the Group amounting to AED 26,002 thousand and AED 6,390 thousand respectively.

Emircom LLC
Effective 1 August 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 54% interest in Emircom LLC ("Emircom") for a consideration of AED 250,000 thousand. Emircom is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of information and communication technology services. From the date of acquisition, Emircom contributed revenue and profit to the Group amounting to AED 685,578 thousand and AED 25,639 thousand respectively. If the acquisition had taken place at the beginning of the year, Emircom would have contributed revenue and profit to the Group amounting to AED 1,297,182 thousand and AED 26,751 thousand respectively.

Mace Macro Technical Services LLC
Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% ownership of Mace Macro Technical Services LLC ("Mace Macro") for a consideration of AED 4,400 thousand. Mace Macro is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of facilities management services. From the date of acquisition, Mace Macro 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 Macro would have contributed revenue and profit to the Group amounting to AED 13,977 thousand and AED 1,669 thousand respectively.

Pactive Sustainable Solutions LLC
Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% ownership of Pactive Sustainable Solutions LLC ("Pactive") for a consideration of AED 10,000 thousand. Pactive is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of energy management services. 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.

Spark Securities Services - Sole Proprietorship LLC
Effective 1 September 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% ownership of Spark Securities Services-Sole Proprietorship LLC ("Spark") for a consideration of AED 120,019 thousand. Spark is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of security related services. 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.

NRTC Food Holding LLC
Effective 1 October 2022, Tamween Group LLC, a subsidiary, acquired control over NRTC Food Holding LLC and its subsidiaries, previously a 41% owned associate of the Group, through obtaining majority representation of the board of directors of NRTC. The fair value of the previously held equity interest in NRTC, on the date of obtaining control, amounted to AED 273,198 thousand. NRTC is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is involved in commercial and agricultural enterprises investment, institution and management. From the date of obtaining control, NRTC contributed revenue and profit to the Group amounting to AED 200,008 thousand and AED 16,976 thousand respectively. If the acquisition had taken place at the beginning of the year, NRTC would have contributed revenue and profit to the Group amounting to AED 706,025 thousand and AED 50,423 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

CMC Holding LLC
Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% ownership of CMC Holding LLC ("CMC") for a consideration of AED 126,000 thousand. CMC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of medical and health related services. From the date of acquisition, CMC contributed revenue and profit to the Group amounting to AED 22,160 thousand and AED 2,772 thousand respectively. If the acquisition had taken place at the beginning of the year, CMC would have contributed revenue and profit to the Group amounting to AED 80,274 thousand and AED 9,966 thousand respectively.

Atlas Medical LLC
Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% ownership of Atlas Medical LLC ("Atlas") for a consideration of AED 20,000 thousand. Atlas is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in trading of medical and health related equipment and devices. From the date of acquisition, Atlas contributed revenue and profit to the Group amounting to AED 16,597 thousand and AED 5,383 thousand respectively. If the acquisition had taken place at the beginning of the year, Atlas would have contributed revenue and loss to the Group amounting to AED 85,844 thousand and AED 40,504 thousand respectively.

Abu Dhabi Health Services Company PJSC ("SEHA"), The Life Corner LLC ("TLC") and Daman Health Insurance Company PJSC ("Daman")
Effective 1 October 2022, Pure Health Holding LLC, a subsidiary, entered into an agreement with a third party to acquire a 100% ownership interest in SEHA, TLC and Daman in addition to 27% of Pure Health Medical Supplies LLC, for a total consideration of AED 9,827,347 thousand, being the fair value of the 225,038,001 newly issued shares to the third party.

Consideration has been allocated to the acquired businesses as follows:
- SEHA and TLC: AED 4,584,958 thousand
- Daman: AED 1,651,389 thousand

The consideration of AED 3,591,000 thousand, allocated to the acquisition of 27% ownership interest in Pure Health Medical Supplies LLC, has been accounted for as an increase in shareholding (i.e. acquisition of NCI), as disclosed in note 6.4(a)(E).

SEHA:
SEHA is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in managing healthcare establishments, implementing healthcare policies, projects and strategies, providing and purchasing supplies and medicines needed for healthcare purposes to the general public and collecting prescribed fees for health, curative and preventive services. From the date of acquisition, SEHA contributed revenue and profit to the Group amounting to AED 2,008,178 thousand and AED 566,877 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 7,193,666 thousand and AED 921,747 thousand respectively.

TLC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in pharmacy management services. From the date of acquisition, TLC did not contribute revenue and profit to the Group.

Daman:
Daman is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in the provision of health insurance services. From the date of acquisition, Daman contributed revenue and profit to the Group amounting to AED 1,140,431 thousand and AED 78,394 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 4,388,392 thousand and AED 298,022 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Emircom Egypt LLC
Effective 1 October 2022, Pace Tech Group - Sole Proprietorship LLC, a subsidiary, acquired a 100% interest in Emircom Egypt LLC ("Emircom Egypt") for a consideration of AED 11 thousand. Emircom Egypt is a limited liability company registered in Egypt and is involved in information and communication technology services. From the date of acquisition, Emircom Egypt contributed revenue and loss to the Group amounting to AED 1,947 thousand and AED 45 thousand respectively. If the acquisition had taken place at the beginning of the year, Emircom Egypt would have contributed revenue and profit to the Group amounting to AED 3,029 thousand and AED 232 thousand respectively.

SAGA OA DMCC
Effective 19 October 2022, Aldar Properties PJSC, a subsidiary, acquired 100% ownership of SAGA OA DMCC ("SAGA") for a consideration of AED 36,965 thousand, SAGA is a limited liability company registered in Dubai, United Arab Emirates and is involved in property management services. 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.

Qube Car Park Management LLC
Effective 1 December 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired 70% ownership of Qube Car Parking Management LLC ("Qube") for a consideration of AED 5,000 thousand. Qube is a limited liability company, registered in the Emirate of Dubai and is engaged in the car park rental and management valet parking services. From the date of acquisition, Qube contributed revenue and profit to the Group amounting to AED 126 thousand and AED 79 thousand respectively. If the acquisition had taken place at the beginning of the year, Qube would have contributed revenue and profit to the Group amounting to AED 1,615 thousand and AED 1,220 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Rose AED'000	*ADVOC AED'000*	*American Crescent AED'000*	*Direct Trading AED'000*	*Arena AED'000*	*Esyasoft AED'000*	*Reem Investments AED'000*	*Cyber Gate AED'000*	*Captain Boats AED'000*	*Emircom* AED'000*	*NRTC* AED'000*	*CMC AED'000*	*Atlas AED'000*	*Emircom Egypt AED'000*	*Qube AED'000*	*(i) Alpha Dhabi acquisitions AED'000*	*Total AED'000*
Assets																	
Property, plant and equipment	837	55,702	93	18	328,073	363	10,315	506	18,014	104,060	18,281	3,732	535	-	59	5,359,921	5,900,509
Intangible assets	577	-	-	527	131,229	91,536	-	18,200	12,103	31,300	240,556	30,436	17,121	-	4,724	5,566,483	6,144,792
Right-of-use assets	-	21,667	-	-	77,420	401	-	2,071	287	12,934	843	-	1,068	125	-	574,134	690,950
Investment properties	-	-	-	-	-	-	1,702,231	-	-	-	-	-	-	-	-	18,622,727	20,324,958
Investment in associates and joint ventures	-	-	-	-	4,622	-	-	-	-	-	-	-	-	-	-	115,570	120,192
Investments carried at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228,693	228,693
Investments carried at fair value through profit or loss	-	-	-	-	-	-	3,296,942	-	-	-	-	-	-	-	-	369,670	3,666,612
Investments carried at amortised cost	-	-	-	-	-	-	49,314	-	-	-	-	-	-	-	-	142,801	192,115
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,810	82,810
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,510	34,510
Inventories	160	43,638	-	4,239	13,152	-	2,047,000	-	46	110,898	5,149	2,452	7,844	-	-	10,783,382	13,017,960
Trade and other receivables	230	32,628	4,153	1,311	135,238	16,888	388,043	8,483	6,477	434,905	178,605	5,147	135,290	-	109	15,676,693	17,024,200
Contract assets	-	-	-	-	11,579	-	-	10,718	-	563,520	-	-	-	-	-	618,795	1,204,612
Development work-in-progress	-	-	-	-	-	-	5,189	-	-	-	-	-	-	-	-	3,673,726	3,678,915
Due from related parties	-	-	-	-	-	-	7,960	4,061	-	-	-	106,000	-	-	-	181	118,202
Cash and bank balances	-	3,392	82	318	128,971	1,917	408,700	55,277	6,799	208,634	27,943	9,754	11,249	448	57	12,425,303	13,288,844
Total assets	**1,804**	**157,027**	**4,328**	**6,413**	**830,284**	**111,105**	**7,915,694**	**99,316**	**43,726**	**1,466,251**	**471,377**	**157,521**	**173,107**	**573**	**4,949**	**74,275,399**	**85,718,874**
Liabilities																	
Employees' end of service benefit	30	5,420	-	299	4,879	134	2,272	289	186	30,600	2,629	1,830	2,351	-	11	1,756,242	1,807,172
Non-convertible sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,732,381	3,732,381
Borrowings	-	-	-	585	264,466	4,013	147,695	-	1,450	476,033	-	-	37,926	-	-	4,357,748	5,289,916
Lease liabilities	-	24,749	-	-	84,199	514	-	1,838	302	14,342	899	-	1,211	139	-	591,568	719,761
Contract liabilities	-	-	-	-	88,773	-	-	-	8,452	-	-	-	-	-	-	2,321,580	2,418,805
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,244	2,244
Due to related parties	-	-	-	-	-	3,816	9,973	-	-	-	-	-	-	-	-	313	14,102
Deferred tax liabilities	-	-	-	-	45,737	-	-	-	-	-	-	-	-	-	-	-	45,737
Trade and other payables	117	15,342	479	2,972	219,533	3,420	204,527	8,641	10,990	446,161	88,639	9,071	109,456	651	172	18,852,458	19,972,629
Total liabilities	**147**	**45,511**	**479**	**3,856**	**707,587**	**11,897**	**364,467**	**10,768**	**21,380**	**967,136**	**92,167**	**10,901**	**150,944**	**790**	**183**	**31,614,534**	**34,002,747**
Net assets (liabilities)	**1,657**	**111,516**	**3,849**	**2,557**	**122,697**	**99,208**	**7,551,227**	**88,548**	**22,346**	**499,115**	**379,210**	**146,620**	**22,163**	**(217)**	**4,766**	**42,660,865**	**51,716,127**
Less: hybrid equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,126,639)	(1,126,639)
Less: non-controlling interests	-	-	-	-	3,136	-	-	-	(61)	-	-	(764)	-	-	-	(641,298)	(638,987)
Total identifiable net assets at fair value	**1,657**	**111,516**	**3,849**	**2,557**	**125,833**	**99,208**	**7,551,227**	**88,548**	**22,285**	**499,115**	**379,210**	**145,856**	**22,163**	**(217)**	**4,766**	**40,892,928**	**49,950,501**
Proportionate share of identifiable net assets acquired	1,657	83,637	3,849	1,534	125,833	50,596	7,551,227	48,701	12,257	269,522	155,476	87,514	13,298	(217)	3,336	17,761,018	26,169,238
Goodwill arising on acquisition (note 8)	5,543	7,363	-	2,716	216,076	-	-	6,299	26,243	-	117,722	38,486	6,702	228	1,664	2,868,574	3,297,616
Gain on bargain purchase	-	-	(249)	-	-	(5,971)	(1,743,900)	-	-	(19,522)	-	-	-	-	-	(413,642)	(2,183,284)
Purchase consideration	**7,200**	**91,000**	**3,600**	**4,250**	**341,909**	**44,625**	**5,807,327**	**55,000**	**38,500**	**250,000**	**273,198**	**126,000**	**20,000**	**11**	**5,000**	**20,215,950**	**27,283,570**
Non-controlling interest on acquisition	**-**	**27,879**	**-**	**1,023**	**(3,136)**	**48,612**	**-**	**39,847**	**10,089**	**229,593**	**223,734**	**59,106**	**8,865**	**-**	**1,430**	**23,773,208**	**24,420,250**

6 **BUSINESS COMBINATIONS** continued

6.2 **Acquisitions under IFRS 3 Business Combination** continued

6.2(a) Acquisitions during the year continued

Assets acquired and liabilities assumed continued

(i) Alpha Dhabi Holding group acquisitions

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	GenQore AED'000	*Aldar AED'000*	*Twafq AED'000*	*Al Shohub AED'000*	*Mace Macro AED'000*	*Pactive AED'000*	*Spark AED'000*	*SEHA* AED'000*	*Daman* AED'000*	*SAGA AED'000*	*Total AED'000*
Assets											
Property, plant and equipment	21	4,026,985	2,447	71,694	1	63	12,756	1,236,501	9,105	348	5,359,921
Intangible assets	569	2,293,068	-	1,483	4,343	6,206	27,948	2,756,355	445,115	31,396	5,566,483
Right-of-use assets	-	379,596	113,034	2,360	-	-	-	9,643	69,501	-	574,134
Investment properties	-	18,034,787	584,495	-	-	-	-	-	3,445	-	18,622,727
Investment in associates and joint ventures	-	70,021	-	-	-	-	-	-	45,549	-	115,570
Investments carried at fair value through other comprehensive income	-	20,001	-	-	-	-	-	-	208,692	-	228,693
Investments carried at fair value through profit or loss	-	25,971	-	-	-	-	-	-	343,699	-	369,670
Investments carried at amortised cost	-	142,801	-	-	-	-	-	-	-	-	142,801
Derivative financial instruments	-	82,810	-	-	-	-	-	-	-	-	82,810
Deferred tax asset	-	34,510	-	-	-	-	-	-	-	-	34,510
Inventories	-	10,226,250	-	-	-	-	485	556,647	-	-	10,783,382
Trade and other receivables	6,121	7,984,817	5,403	2,158	2,978	1,935	98,945	2,391,182	5,180,880	2,274	15,676,693
Contract assets	-	221,056	-	-	-	-	-	397,739	-	-	618,795
Development work-in-progress	-	3,673,726	-	-	-	-	-	-	-	-	3,673,726
Due from related parties	-	-	-	-	-	-	181	-	-	-	181
Cash and bank balances	261	9,060,667	31,946	1,821	1,132	185	17,072	654,382	2,656,192	1,645	12,425,303
Total assets	**6,972**	**56,277,066**	**737,325**	**79,516**	**8,454**	**8,389**	**157,387**	**8,002,449**	**8,962,178**	**35,663**	**74,275,399**
Liabilities											
Employees' end of service benefit	418	241,812	1,411	1,246	734	26	36,977	1,408,882	64,454	282	1,756,242
Non-convertible sukuk	-	3,732,381	-	-	-	-	-	-	-	-	3,732,381
Borrowings	-	4,255,393	102,355	-	-	-	-	-	-	-	4,357,748
Lease liabilities	-	371,653	133,439	2,521	-	-	1,426	13,120	69,409	-	591,568
Contract liabilities	-	2,313,004	8,576	-	-	-	-	-	-	-	2,321,580
Derivative financial instruments	-	2,244	-	-	-	-	-	-	-	-	2,244
Due to related parties	-	-	-	-	81	-	232	-	-	-	313
Trade and other payables	6,848	9,753,098	9,536	12,660	2,611	708	36,390	2,256,962	6,770,285	3,360	18,852,458
Total liabilities	**7,266**	**20,669,585**	**255,317**	**16,427**	**3,426**	**734**	**75,025**	**3,678,964**	**6,904,148**	**3,642**	**31,614,534**
Net (liabilities) assets	**(294)**	**35,607,481**	**482,008**	**63,089**	**5,028**	**7,655**	**82,362**	**4,323,485**	**2,058,030**	**32,021**	**42,660,865**
Less: hybrid equity instruments	-	(1,126,639)	-	-	-	-	-	-	-	-	(1,126,639)
Less: non-controlling interests	-	(641,298)	-	-	-	-	-	-	-	-	(641,298)
Total identifiable net (liabilities) assets at fair value	**(294)**	**33,839,544**	**482,008**	**63,089**	**5,028**	**7,655**	**82,362**	**4,323,485**	**2,058,030**	**32,021**	**40,892,928**
Proportionate share of identifiable net (liabilities) assets acquired	(265)	10,852,207	337,406	63,089	5,028	7,655	82,362	4,323,485	2,058,030	32,021	17,761,018
Goodwill arising on acquisition	265	2,552,769	-	9,121	-	2,345	37,657	261,473	-	4,944	2,868,574
Gain on bargain purchase	-	-	(6,373)	-	(628)	-	-	-	(406,641)	-	(413,642)
Purchase consideration	**-**	**13,404,976**	**331,033**	**72,210**	**4,400**	**10,000**	**120,019**	**4,584,958**	**1,651,389**	**36,965**	**20,215,950**
Non-controlling interest on acquisition	**(29)**	**23,628,635**	**144,602**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23,773,208**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercise of the acquisitions before the end of 2023.

Intangible assets of AED 6,014,581 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks, license and lease benefits.

Goodwill of AED 3,297,616 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 6% to 19.9%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 10%, which has been used to determine income for the future years.

Details of purchase consideration on acquisitions is as follows:

	Rose AED'000	*ADVOC AED'000*	*American Crescent AED'000*	*Direct Trading AED'000*	*Arena AED'000*	*Esyasoft AED'000*	*Reem Investments AED'000*	*Cyber Gate AED'000*	*Captain Boats AED'000*	*Emircom AED'000*	*NRTC AED'000*	*CMC AED'000*	*Atlas AED'000*	*Emircom Egypt AED'000*	*Qube AED'000*	*(i) Alpha Dhabi acquisitions AED'000*	*Total AED'000*
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	-	546,448	1,502,293
Consideration payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	28,179	33,179
Fair value of previously held equity interest (note 10)	-	-	-	-	-	26,250	-	-	-	-	273,198	-	-	-	-	13,404,976	13,704,424
Fair value of consideration transferred[(i)]	-	-	-	-	-	-	5,807,327	-	-	-	-	-	-	-	-	6,236,347	12,043,674
Total purchase consideration	**7,200**	**91,000**	**3,600**	**4,250**	**341,909**	**44,625**	**5,807,327**	**55,000**	**38,500**	**250,000**	**273,198**	**126,000**	**20,000**	**11**	**5,000**	**20,215,950**	**27,283,570**

(i) The fair value of consideration transferred, represents the following:

- Q Holding PSC, a subsidiary, issued 1,347,407,500 shares as consideration for 100% interest in Reem Investments PJSC. The fair value of the shares was calculated with reference to the quoted price of the shares of Q Holding PSC at the date of acquisition, which was AED 4.31per share. Therefore, the fair value of the consideration given amounted to AED 5,807,327 thousand. The non-controlling interest share of the newly issued shares amounted to AED 3,305,401 thousand.
- Pure Health Holding LLC, a subsidiary, issued 225,038,001 shares as a consideration for 100% interest in SEHA and Daman and 27% of Pure Health Medical Supplies LLC. The fair value of consideration amounted to AED 9,827,347 thousand, of which AED 4,584,958 thousand was allocated to SEHA acquisition and AED 1,651,389 thousand to Daman acquisition. The non-controlling interest share of the newly issued shares amounted to AED 5,294,876 thousand.

The total share of consideration (i.e. shares issued) allocated to non-controlling interest, amounted to AED 8,600,277 thousand.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

(i) Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

	GenQore AED'000	*Aldar AED'000*	*Twafq AED'000*	*Al Shohub AED'000*	*Mace Macro AED'000*	*Pactive AED'000*	*Spark AED'000*	*SEHA AED'000*	*Daman AED'000*	*SAGA AED'000*	*Total AED'000*
Cash paid for the acquisition	-	-	331,033	65,084	2,390	6,844	104,132	-	-	36,965	546,448
Consideration payable	-	-	-	7,126	2,010	3,156	15,887	-	-	-	28,179
Fair value of previously held equity interest (note 10)	-	13,404,976	-	-	-	-	-	-	-	-	13,404,976
Fair value of consideration transferred	-		-	-	-	-	-	4,584,958	1,651,389	-	6,236,347
Total purchase consideration	**-**	**13,404,976**	**331,033**	**72,210**	**4,400**	**10,000**	**120,019**	**4,584,958**	**1,651,389**	**36,965**	**20,215,950**

Analysis of cashflows on acquisitions is as follows:

	Rose AED'000	*ADVOC AED'000*	*American Crescent AED'000*	*Direct Trading AED'000*	*Arena AED'000*	*Esyasoft AED'000*	*Reem Investments AED'000*	*Cyber Gate AED'000*	*Captain Boats AED'000*	*Emircom AED'000*	*NRTC AED'000*	*CMC AED'000*	*Atlas AED'000*	*Emircom Egypt AED'000*	*Qube AED'000*	*Alpha Dhabi acquisitions AED'000*	*Total AED'000*
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	-	546,448	1,502,293
Cash acquired on business combination	-	(3,392)	(82)	(318)	(128,971)	(1,917)	(408,700)	(55,277)	(6,799)	(208,634)	(27,943)	(9,754)	(11,249)	(448)	(57)	(12,425,303)	(13,288,844)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	**7,200**	**87,608**	**3,518**	**3,932**	**212,938**	**16,458**	**(408,700)**	**(277)**	**31,701**	**41,366**	**(27,943)**	**116,246**	**8,751**	**(437)**	**(57)**	**(11,878,855)**	**(11,786,551)**
Transaction costs of the acquisitions (included in cash flows from operating activities)	**30**	**618**	**30**	**5**	**5,000**	**30**	**858**	**110**	**-**	**4,006**	**132**	**50**	**50**	**-**	**-**	**6,322**	**17,241**
Net cash used (acquired) on acquisition	**7,230**	**88,226**	**3,548**	**3,937**	**217,938**	**16,488**	**(407,842)**	**(167)**	**31,701**	**45,372**	**(27,811)**	**116,296**	**8,801**	**(437)**	**(57)**	**(11,872,533)**	**(11,769,310)**

Acquisition related costs amounting to AED 17,241 thousand were expensed during the year and are included in general and administrative expenses.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year

Royal Horizon Holding LLC
Effective 1 January 2021, Zee Store PJSC (renamed to "Ghitha Holding PJSC" during 2022), a subsidiary, acquired a 60% interest in Royal Horizon Holding LLC ("Royal Horizon") and its subsidiaries for a consideration of AED 40,000 thousand. The subsidiaries of Royal Horizon are as follows:

Name of entities	*Place of incorporation and operation*	*Principal activities*
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products

From the date of acquisition, Royal Horizon contributed revenue and profit to the Group amounting to AED 164,350 thousand and AED 5,214 thousand respectively, for the year ended 31 December 2021.

Fixis Technical Services LLC
Effective 1 January 2021, Eltizam Asset Management LLC ("Eltizam"), a previously owned subsidiary, acquired a 100% interest in Fixis Technical Services LLC ("Fixis") for a consideration of AED 2,090 thousand. Fixis is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in security system and equipment trading installation and maintenance. Subsequent to the acquisition, the Group deconsolidated Fixis upon losing control over Eltizam (note 6.4(b)).

From the date of acquisition, until the date of loss of control, Fixis contributed revenue and profit to the Group amounting to AED 6,409 thousand and AED 329 thousand respectively.

Connect Outsourcing Temporary Employment - Sole Proprietorship LLC
Effective 1 January 2021, WFC Holding - Sole Proprietorship LLC, a subsidiary, acquired a 50% interest in Connect Outsourcing Temporary Employment - Sole Proprietorship LLC ("Connect") for nil consideration. Connect is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of employees provision services and facilities services. From the date of acquisition, Connect contributed revenue and profit to the Group amounting to AED 575 thousand and AED 16 thousand respectively, for the year ended 31 December 2021.

Boudoir Interiors - Sole Proprietorship LLC
Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Boudoir Interiors - Sole Proprietorship LLC ("Boudoir") for nil consideration, Boudoir is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in interior design implementation works and sale of furniture. From the date of acquisition, Boudoir contributed revenue and loss to the Group amounting to AED 1,982 thousand and AED 4,574 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

The Central Tents - Sole Proprietorship LLC
Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Central Tents - Sole Proprietorship LLC ("Central Tents") for nil consideration. Central Tents is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in retail sale of tents and shades and event management. From the date of acquisition, Central Tents contributed revenue and profit to the Group amounting to AED 548,245 thousand and AED 135,746 thousand respectively, for the year ended 31 December 2021.

Apex National Investment - Sole Proprietorship LLC
Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Apex National Investment - Sole Proprietorship LLC ("Apex National"), for nil consideration. Apex National is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in commercial, real estate and industrial enterprises investments, institutions and management. From the date of acquisition, Apex National contributed revenue and profit to the Group amounting to AED 1,569 thousand and AED 360,657 thousand respectively, for the year ended 31 December 2021.

1885 Delivery Services LLC - Sole Establishment
Effective 4 April 2021, Easy Lease Motor Cycle Rental PSC, a subsidiary, acquired a 70% interest in 1885 Delivery Services LLC ("1885 Delivery") for nil consideration. 1885 Delivery is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in the business of delivery services. From the date of acquisition, 1885 Delivery contributed revenue and loss to the Group amounting to AED 13,012 thousand and AED 347 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, 1885 Delivery would have contributed revenue and loss to the Group amounting to AED 13,604 thousand and AED 483 thousand respectively, for the year ended 31 December 2021.

Viola Communications LLC
Effective 1 July 2021, Multiply Group PJSC, a subsidiary, acquired the remaining 50% interest in Viola Communications LLC ("Viola"), for a consideration of AED 73,000 thousand. As a result, Multiply Group PJSC increased its ownership in Viola to 100% and obtained control. The investment in Viola was previously accounted as an investment in associate. Viola is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of advertisement, designing and production and other commercial publication printing. From the date of acquisition, Viola contributed revenue and profit to the Group amounting to AED 49,597 thousand and AED 4,027 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Viola would have contributed revenue and profit to the Group amounting to AED 78,090 thousand and AED 2,189 thousand respectively, for the year ended 31 December 2021.

Rafed Healthcare Supplies LLC
Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Rafed Healthcare Supplies LLC (“Rafed”). Rafed is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in wholesale trading of medical related items and medical storehouse. From the date of acquisition, Rafed contributed revenue and profit to the Group amounting to AED 556,044 thousand and AED 20,682 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Rafed would have contributed revenue and profit to the Group amounting to AED 2,668,021 thousand and AED 24,851 thousand respectively, for the year ended 31 December 2021.

Union 71 Medical Facilities Management LLC
Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Union71 Medical Facilities Management LLC (“Union71”). Union71 is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engagement in management of medical facilities. From the date of acquisition, Union71 contributed revenue and profit to the Group amounting to AED 170,094 thousand and AED 46,808 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Union71 would have contributed revenue and profit to the Group amounting to AED 652,471 thousand and AED 245,353 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Dazzling Beauty Salon – Sole Proprietorship
Effective 31 October 2021, Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Dazzling Beauty Salon – Sole Proprietorship ("Dazzling") for a consideration of AED 3,500 thousand. Dazzling is a sole proprietorship, registered in the Emirate of Ras Al Khaimah and is engaged in women personal care and beauty and women hairdressing, trimming and styling. From the date of acquisition, Dazzling contributed revenue and profit to the Group amounting to AED 750 thousand and AED 313 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Dazzling would have contributed revenue and profit to the Group amounting to AED 3,656 thousand and AED 754 thousand respectively, for the year ended 31 December 2021.

Groovy Ladies Beauty Center
Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Groovy Ladies Beauty Center ("Groovy") for a consideration of AED 16,000 thousand. Groovy is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre. From the date of acquisition, Groovy contributed revenue and profit to the Group amounting to AED 1,984 thousand and AED 355 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Groovy would have contributed revenue and profit to the Group amounting to AED 10,940 thousand and AED 2,101 thousand respectively, for the year ended 31 December 2021.

Glam & Glow Beauty Lounge - Sole Proprietorship
Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Glam & Glow Beauty Lounge – Sole Proprietorship ("Glam & Glow") for a consideration of AED 7,500 thousand. Glam & Glow is a sole proprietorship, registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading. From the date of acquisition, Glam & Glow contributed revenue and profit to the Group amounting to AED 686 thousand and AED 166 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Glam & Glow would have contributed revenue and profit to the Group amounting to AED 4,251 thousand and AED 1,030 thousand respectively, for the year ended 31 December 2021.

Stella Beauty Lounge Center
Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Stella Beauty Lounge Center – Sole Proprietorship ("Stella") for a consideration of AED 9,000 thousand. Stella is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics. From the date of acquisition, Stella contributed revenue and profit to the Group amounting to AED 955 thousand and AED 247 thousand respectively, for the year ended 31 December 2021. If the acquisition had taken place at the beginning of 2021, Stella would have contributed revenue and profit to the Group amounting to AED 5,119 thousand and AED 941 thousand respectively, for the year ended 31 December 2021.

Tips & Toes Beauty and Spa Centre LLC ("Tips & Toes"), Jazz Lounge Spa LLC ("Jazz"), and Ben Suhail Distribution LLC ("Ben Suhail")
Effective 31 December 2021, Multiply Group PJSC, a subsidiary, entered into an agreement with a third party to establish Omorfia Group LLC ("Omorfia"), a limited liability company. Based on the contractual terms, the Group will contribute Bedashing Holding Company LLC and pay the third party a cash consideration of AED 130,550 thousand, whereas the third party will contribute Tips & Toes, Jazz, and Ben Suhail. As per the agreement, Omorfia will be 51% owned by the Group and 49% owned by the third party. In substance, the Group acquired 51% controlling interest in Tips & Toes, Jazz, and Ben Suhail for consideration represented by cash consideration of AED 130,550 thousand and the fair value of the 49% interest in Bedashing transferred to the third party. If the acquisition had taken place at the beginning of 2021, Tips & Toes, Jazz, and Ben Suhail would have contributed revenue and profit to the Group amounting to AED 196,109 thousand and AED 26,668 thousand respectively, for the year ended 31 December 2021.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Royal Horizon AED'000	*Fixis AED'000*	*1885 Delivery AED'000*	*Connect AED'000*	*Rafed AED'000*	*Union 71 AED'000*	*(i) Mutilply acquisitions AED'000*	*(ii) Apex acquisitions AED'000*	*Total AED'000*
Assets									
Property, plant and equipment	12,015	249	-	-	1,304	10,986	35,348	2,641	62,543
Intangible assets	42,633	-	-	-	178,600	916,598	147,800	-	1,285,631
Right of use assets	1,048	-	-	-	-	80,980	38,514	-	120,542
Inventories	17,725	52	-	-	-	12,120	12,613	46	42,556
Due from related parties	4,730	-	-	-	1,113,553	364,489	21,763	2,852	1,507,387
Trade and other receivables	18,818	5,769	268	5,749	237,327	31,305	62,866	10,438	372,540
Cash and bank balances	5,543	1,869	178	101	169,953	116,523	104,287	102	398,556
Total assets	**102,512**	**7,939**	**446**	**5,850**	**1,700,737**	**1,533,001**	**423,191**	**16,079**	**3,789,755**
Liabilities									
Employees' end of service benefit	651	395	-	-	1,427	7,256	21,870	480	32,079
Borrowings	9,207	-	-	-	-	-	-	-	9,207
Lease liabilities	973	-	-	-	-	82,359	37,466	-	120,798
Due to related parties	-	-	-	-	-	318,132	16,928	11,196	346,256
Trade and other payables	26,540	5,135	582	5,400	1,432,601	46,468	64,892	3,022	1,584,640
Total liabilities	**37,371**	**5,530**	**582**	**5,400**	**1,434,028**	**454,215**	**141,156**	**14,698**	**2,092,980**
Total identifiable net assets (liabilities) at fair value	**65,141**	**2,409**	**(136)**	**450**	**266,709**	**1,078,786**	**282,035**	**1,381**	**1,696,775**
Proportionate share of identifiable net assets (liabilities) acquired	39,085	2,409	(95)	225	266,709	1,078,786	204,208	1,381	1,592,708
Goodwill arising on acquisition (note 8)	915	-	95	-	8,008	32,187	189,048	6,883	237,136
Gain on bargain purchase	-	(319)	-	(225)	-	-	-	(8,264)	(8,808)
Purchase consideration	**40,000**	**2,090**	**-**	**-**	**274,717**	**1,110,973**	**393,256**	**-**	**1,821,036**
Non-controlling interest on acquisition	**26,056**	**-**	**(41)**	**225**	**-**	**-**	**77,827**	**-**	**104,067**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Assets acquired and liabilities assumed continued

(i) Entities acquired by Multiply Group PJSC

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Omorfia Group LLC									
	Jazz	*Tips & Toes*	*Ben Suhail*	*Total*	*Groovy*	*Stella*	*Glam &Glow*	*Dazzling*	*Viola*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Assets										
Property, plant and equipment	4,046	27,802	454	32,302	1,319	32	122	588	985	35,348
Intangible assets	7,507	83,044	1,002	91,553	1,449	588	996	344	52,870	147,800
Right-of-use assets	3,515	28,477	-	31,992	-	-	-	-	6,522	38,514
Inventories	346	7,730	2,865	10,941	464	88	-	58	1,062	12,613
Due from related parties	21	19,919	1,452	21,392	-	-	-	-	371	21,763
Trade and other receivables	531	8,391	2,981	11,903	600	651	422	309	48,981	62,866
Cash and bank balances	405	54,780	710	55,895	-	-	-	-	48,392	104,287
Total assets	**16,371**	**230,143**	**9,464**	**255,978**	**3,832**	**1,359**	**1,540**	**1,299**	**159,183**	**423,191**
Liabilities										
Employees' end of service benefit	786	12,091	373	13,250	96	89	69	46	8,320	21,870
Lease liabilities	3,590	27,453	-	31,043	-	-	-	-	6,423	37,466
Due to related parties	6,841	5,796	1,936	14,573	-	-	-	-	2,355	16,928
Trade and other payables	1,867	33,511	2,904	38,282	352	451	170	307	25,330	64,892
Total liabilities	**13,084**	**78,851**	**5,213**	**97,148**	**448**	**540**	**239**	**353**	**42,428**	**141,156**
Total identifiable net assets at fair value	**3,287**	**151,292**	**4,251**	**158,830**	**3,384**	**819**	**1,301**	**946**	**116,755**	**282,035**
Proportionate share of identifiable net assets acquired	1,676	77,159	2,168	81,003	3,384	819	1,301	946	116,755	204,208
Goodwill arising on acquisition	2,696	124,071	3,486	130,253	12,616	8,181	6,199	2,554	29,245	189,048
Purchase consideration	**4,372**	**201,230**	**5,654**	**211,256**	**16,000**	**9,000**	**7,500**	**3,500**	**146,000**	**393,256**
Non-controlling interest on acquisition	**1,611**	**74,133**	**2,083**	**77,827**	**-**	**-**	**-**	**-**	**-**	**77,827**

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Assets acquired and liabilities assumed continued
(ii) Entities acquired by Apex Holding LLC
The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Boudoir AED'000	*Central Tents AED'000*	*Apex National AED'000*	*Total AED'000*
Assets				
Property, plant and equipment	-	2,641	-	2,641
Inventories	46	-	-	46
Due from related parties	1,887	965	-	2,852
Trade and other receivables	949	9,489	-	10,438
Cash and bank balances	69	33	-	102
Total assets	**2,951**	**13,128**	**-**	**16,079**
Liabilities				
Employees' end of service benefits	237	243	-	480
Due to related parties	6,646	3,327	1,223	11,196
Trade and other payables	1,728	1,294	-	3,022
Total liabilities	**8,611**	**4,864**	**1,223**	**14,698**
Total identifiable net (liabilities) assets at fair value	**(5,660)**	**8,264**	**(1,223)**	**1,381**
Proportionate share of identifiable net (liabilities) assets acquired	(5,660)	8,264	(1,223)	1,381
Goodwill arising on acquisition	5,660	-	1,223	6,883
Gain on bargain purchase	-	(8,264)	-	(8,264)
Purchase consideration	**-**	**-**	**-**	**-**

Prior year acquisitions recognised on provisional assessment of fair values:
During the year, the purchase price allocations were completed for all acquired entities, which resulted in the following adjustments:

Tips & Toes, Jazz and Ben Suhail (i.e. Omorifa):
- Decrease in the fair value of identifiable assets and liabilities by AED 7,680 thousand;
- Decrease in consideration by AED 25,798 thousand;
- Decrease in goodwill by AED 21,881 thousand; and
- Decrease in non-controlling interest by AED 3,763 thousand.

Rafed:
- Decrease in the fair value of identifiable assets and liabilities by AED 10,000 thousand;
- Decrease in consideration by AED 1,992 thousand; and
- Increase in goodwill by AED 8,008 thousand.
- Decrease in non-controlling interest by AED 1,421 thousand.

Union 71:
- Decrease in the fair value of identifiable assets and liabilities by AED 602 thousand (includes reduction of intangible assets amounting to AED 44,602 thousand);
- Increase in consideration by AED 31,585 thousand; and
- Increase in goodwill by AED 32,187 thousand.
- Increase in non-controlling interest by AED 22,533 thousand.

The above adjustments are not material to the prior year’s consolidated financial statements and accordingly were posted in the current year’s consolidated statement of financial position and consolidated statement of changes in equity under other equity movement.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Intangible assets of AED 1,284,470 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks and license.

Goodwill of AED 237,136 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 10% to 16.2%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 2%, which has been used to determine income for the future years.

Details of purchase consideration are as follows:

	Royal Horizon AED'000	*Fixis AED'000*	*1885 Delivery AED'000*	*Connect AED'000*	*Rafed AED'000*	*Union 71 AED'000*	*(i) Multiply acquisitions AED'000*	*Apex acquisitions AED'000*	*Total AED'000*
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	166,550	-	231,330
Consideration settled by the Ultimate Parent[(i)]	-	-	-	-	270,179	1,092,821	-	-	1,363,000
Fair value of previously held equity interest	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Multiply Group PJSC	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Bedashing Holding Company LLC	-	-	-	-	-	-	80,706	-	80,706
Total purchase consideration	40,000	2,090	-	-	274,717	1,110,973	393,256	-	1,821,036

(i) Pure Health Medical Supplies LLC obtained control over Rafed and Union 71 as a result of a sale and purchase transaction executed by the Ultimate Parent with a third party. The cash consideration relating to the acquisition of Rafed and Union71 amounting to AED 22,690 thousand was settled by Pure Health Medical Supplies LLC. The remaining purchase consideration of AED 1,363,000 thousand was settled through transfer of shares owned by the Ultimate Parent, and accordingly was recorded under merger, acquisition and other reserves and non-controlling interest at AED 390,635 thousand and AED 972,365 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

(i) Details of purchase consideration of entities acquired by Multiply are as follows:

	Omorfia AED'000	*Groovy AED'000*	*Stella AED'000*	*Glam &Glow AED'000*	*Dazzling AED'000*	*Viola AED'000*	*Total AED'000*
Cash paid for the acquisition	130,550	16,000	9,000	7,500	3,500	-	166,550
Fair value of previously held equity interest[(i)]		-	-	-	-	73,000	73,000
Fair value of shares in Multiply Group PJSC[(ii)]	-	-	-	-	-	73,000	73,000
Fair value of shares in Bedashing Holding Company LLC[(iii)]	80,706	-	-	-	-	-	80,706
	211,256	16,000	9,000	7,500	3,500	146,000	393,256

(i)	Carrying value of previously held equity interest	32,012
	Fair value gain (note 10)	40,988
	Fair value of previously held equity interest	73,000

(ii) Represents the fair value of the 0.74% ownership in Multiply Group PJSC which was granted by the Company on 5 December 2021 (i.e. the date on which Multiply Group PJSC got listed in the primary market of Abu Dhabi Stock Exchange) to the seller in order to settle the acquisition price of the remaining 50% in Viola.

(iii) Represents the fair value of the 49% ownership interest in Bedashing Holding Company LLC, having an effective sharing of 15.57% at the Group's level, which was granted to the third party as part of the agreement to establish Omorfia.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (b) Acquisitions in the prior year continued

Analysis of cashflow on acquisition is as follows:

	Royal Horizon AED'000	*Fixis AED'000*	*1885 Delivery AED'000*	*Connect AED'000*	*Rafed AED'000*	*Union 71 AED'000*	*Multiply acquisitions AED'000*	*Apex acquisitions AED'000*	*Total AED'000*
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	166,550	-	231,330
Net cash acquired on business combination	(5,543)	(1,869)	(178)	(101)	(169,953)	(116,523)	(104,287)	(102)	(398,556)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	34,457	221	(178)	(101)	(165,415)	(98,371)	62,263	(102)	(167,226)
Transaction costs of the acquisition (included in cash flows from operating activities)	156	-	-	45	147	147	277	134	906
Net cash used (acquired) on acquisition	34,613	221	(178)	(56)	(165,268)	(98,224)	62,540	32	(166,320)

Acquisition related costs amounted to AED 906 thousand were expensed during prior year and are included in general and administrative expenses.

6 BUSINESS COMBINATIONS continued

6.3 Acquisitions of assets

6.3 (a) Acquisitions during the year continued

During the year, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

	Bab Resorts LLC AED'000	*Double Tree by Hilton Resort & SPA Marjan Island AED'000*	*Nurai Island Hotel AED'000*	*Confluence Partners (HQ) RSC Ltd. AED'000*	*Al Maryah Property Holdings Limited AED'000*	*Total AED'000*
Assets						
Property, plant and equipment (note 7)	767,528	697,978	232,966	-	-	1,698,472
Investment properties (note 9)	-	-	-	4,373,000	481,500	4,854,500
Inventories	-	94,855	1,571	-	-	96,426
Trade and other receivables[(i)]	-	-	355,756	-	-	355,756
Cash and bank balances	-	17,167	9,707	-	-	26,874
Assets acquired	**767,528**	**810,000**	**600,000**	**4,373,000**	**481,500**	**7,032,028**
Less: non-controlling interest[(ii)]	-	-	-	-	(192,600)	(192,600)
Proportionate share of assets acquired	**767,528**	**810,000**	**600,000**	**4,373,000**	**288,900**	**6,839,428**
Less: consideration paid	(767,528)	(810,000)	(600,000)	(4,373,000)	(288,900)	(6,839,428)
Net of consideration	-	-	-	-	-	-

(i) The acquisition of the hotel building of Nurai Island Hotel, resulted in an amount of AED 350,000 being recorded as an advance in the account "advances to suppliers and sub-contractors" under trade and other receivables, which will be utilised against two development islands once the seller finalises the procurement of the dredging and reclamation of these islands.

(ii) 60% ownership interest was acquired in Al Maryah Property Holdings Limited (note 9).

6.3 (b) Acquisitions in the prior year

During 2021, the Group acquired the following entities under common control for no consideration, which were accounted for as asset acquisitions. The details of the assets acquired are as follows:

	Sogno Two Sole Proprietorship LLC AED'000	*Sogno Three Sole Proprietorship LLC AED'000*	*Sublime Two Investment Sole Proprietorship LLC AED'000*	*Total AED'000*
Assets				
Investment in associates	-	-	1,668,624	1,668,624
Investment in financial assets (note 10)	2,589,854	2,494,922	247,053	5,331,829
Cash and bank balances	-	-	371,776	371,776
Total net assets transferred	2,589,854	2,494,922	2,287,453	7,372,229
Less: investment in associates[(i)]	-	-	1,668,624	1,668,624
Less: non-controlling interests	1,413,715	1,361,895	337,797	3,113,407
Merger reserve	1,176,139	1,133,027	281,032	2,590,198

(i) This represents 25.24% ownership interest in Al Qudra transferred to Alpha Dhabi Holding PJSC, a subsidiary, for nil consideration, which was accounted for as part of the acquisition of Al Qudra (note 6.1(b)).

6 BUSINESS COMBINATIONS continued

6.4 Disposal of subsidiaries

6.4(a) Disposals during the year

During the year, the Group disposed the following subsidiaries:

Magenta Investments LLC
Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Magenta Investments LLC ("Magenta") for a consideration of AED 2,000 thousand.

Pure Capital Investments LLC
Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Pure Capital Investments LLC ("PCI") for a consideration of AED 114,300 thousand.

Q Scape Komtec LLC
Effective 18 May 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Q Scape Komtec LLC ("Q Scape") for nil consideration.

Al Qudra Facilities Management Services LLC
Effective 18 July 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Al Qudra Facilities Management Services LLC ("AQFM") for nil consideration.

Twasol Business Men Service LLC
Effective 31 December 2022, Alpha Dhabi PJSC, a subsidiary, disposed of its entire ownership interest in Tawasol Business Men Services ("Tawasol") for a consideration of AED 1,300 thousand.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	Q Scape AED'000	*Magenta AED'000*	*PCI AED'000*	*AQFM AED'000*	*Twasol AED'000*	*Total AED'000*
Assets						
Property, plant and equipment	55	1,479	582	170	1,024	3,310
Right-of-use assets	-	-	1,070	-	-	1,070
Inventories	-	523	-	-	-	523
Trade and other receivables	17,986	40,178	133,492	853	304	192,813
Due from related parties	1,182	181	6,854	2,303	-	10,520
Cash and bank balances	211	6,223	4,453	202	861	11,950
Total assets	**19,434**	**48,584**	**146,451**	**3,528**	**2,189**	**220,186**
Liabilities						
Employees' end of service benefits	399	895	856	337	371	2,858
Borrowings	-	3,429	-	-	-	3,429
Lease liabilities	-	-	1,133	-	-	1,133
Due to related parties	17,117	-	101,416	3,234	-	121,767
Trade and other payables	238	33,365	63,067	2,312	330	99,312
Total liabilities	**17,754**	**37,689**	**166,472**	**5,883**	**701**	**228,499**
Net assets (liabilities)	1,680	10,895	(20,021)	(2,355)	1,488	(8,313)
Less: non-controlling interest	(823)	1,653	658	-	-	1,488
Net assets (liabilities) attributable to the owners	**857**	**12,548**	**(19,363)**	**(2,355)**	**1,488**	**(6,825)**
Consideration received on disposal	-	2,000	114,300	-	1,300	117,600
(Loss) gain on disposal	(857)	(10,548)	133,663	2,355	(188)	124,425
Impairment on balance due from Q Scape	(15,922)	-	-	-	-	(15,922)
Impairment on balance due from AQFM	-	-	-	(1,830)	-	(1,830)
(Loss) gain on disposal *(A)*	**(16,779)**	**(10,548)**	**133,663**	**525**	**(188)**	**106,673**

6 BUSINESS COMBINATIONS continued

6.4 Disposal of subsidiaries continued

6.4(a) Disposals during the year continued

Aafaq Islamic Finance PSC

During 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance("Aafaq"), resulting in its classification as discontinued operations held for sale (note 19.2). The disposal was completed during the year with effect from 1 July 2022, being the date control of Aafaq passed to the acquirer.

The carrying value of the identifiable assets and liabilities disposed on the date of sale and at 31 December 2021 are as follows:

	1 July 2022 AED'000	*31 December 2021 AED'000*
Assets		
Property, plant and equipment	**29,846**	-
Investment properties	**216,604**	217,192
Right-of-use assets	**2,574**	-
Investments in financial assets	**904,957**	916,429
Receivables from Islamic financing activities	**1,599,843**	1,657,097
Trade and other receivables	**29,087**	32,201
Wakala deposits with Islamic financial institutions	**-**	43,736
Due from related parties	**65,983**	26,587
Cash and bank balances	**179,341**	245,366
Total assets	**3,028,235**	3,138,608
Liabilities		
Employees' end of service benefits	**5,946**	5,908
Borrowings	**200,000**	200,000
Margins against letter of guarantees	**827,471**	901,440
Lease liabilities	**984**	1,991
Due to related parties	**-**	-
Trade and other payables	**999,139**	1,078,988
Total liabilities	**2,033,540**	2,188,327
Net assets	**994,695**	950,281
Reconciliation of net gain on disposal:		
Net assets	**994,695**	
Less: non-controlling interest	**(218,736)**	
Net assets attributable to the owners	**775,959**	
Consideration received on disposal	**760,330**	
Loss on disposal *(B)*	**(15,629)**	
Total net gain on disposals *(A+B)*	**91,044**	

The net cash flows generated from the sale of the above subsidiaries are as follows:

	Q Scape AED'000	*Magenta AED'000*	*PCI AED'000*	*AQFM AED'000*	*Twasol AED'000*	*Aafaq AED'000*	*Total AED'000*
Cash received from sale	-	2,000	114,300	-	1,300	760,330	877,930
Cash sold as part of the sale	(211)	(6,223)	(4,453)	(202)	(861)	(179,341)	(191,291)
Net cash (outflow) inflow	(211)	(4,223)	109,847	(202)	439	580,989	686,639

The results of the operations of the above mentioned disposed subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

6 BUSINESS COMBINATIONS continued

6.4 Disposal of subsidiaries continued

6.4(b) Disposals in the prior year

During the prior year, the Group disposed the following subsidiaries:

Trust international Group LLC
Effective 1 January 2021, the Group disposed of its entire ownership interest in Trust International Group LLC ("Trust") for a consideration of AED 350,000 thousand.

R-Med Medical Supplies LLC
Effective 1 April 2021, the Group disposed of its entire ownership interest in R-Med Medical Supplies LLC ("R-Med") for nil consideration.

Eltizam Asset Management LLC
Effective 1 July 2021, the Group disposed of 50% of its wholly owned subsidiary, Eltizam Asset Management LLC ("Eltizam") to a third party for nil consideration. As a result, the Group lost control over Eltizam and recorded the 50% interest retained in Eltizam as an investment in joint venture at its fair value at the date of disposal.

Alliance Food Security Holdings LLC
Effective 1 October 2021, the Group disposed of its entire shareholding in Alliance Food Security Holdings LLC ("AFSH") for a consideration of AED 32,000 thousand.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	Trust AED'000	*R-Med AED'000*	*Eltizam AED'000*	*AFSH AED'000*	*Total AED'000*
Current assets	170,775	2,737	210,077	96,404	479,993
Non-current assets	207,964	763	24,918	53,829	287,474
Total assets	378,739	3,500	234,995	150,233	767,467
Current liabilities	29,797	4,205	146,135	94,672	274,809
Non-current liabilities	5,353	-	14,948	11,430	31,731
Total liabilities	35,150	4,205	161,083	106,102	306,540
Net assets	343,589	(705)	73,912	44,131	460,927
Less: non-controlling interest	-	705	(1,197)	(20,789)	(21,281)
Net assets attributable to the owners	343,589	-	72,715	23,342	439,646
Fair value of investment retained in Eltizam	-	-	101,500	-	101,500
Consideration received on disposal	350,000	-	-	32,000	382,000
Gain on disposal	6,411	-	28,785	8,658	43,854

The net cash flows generated from the sale of the above subsidiaries are as follows:

Cash received from sale	350,000	-	-	32,000	382,000
Cash sold as part of the sale	(44,152)	(29)	(12,629)	(2,211)	(59,021)
Net cash inflow (outflow) on date of disposal	305,848	(29)	(12,629)	29,789	322,979

The results of the operations of the above mentioned disposed subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control

6.5(a) Reduction in shareholding of subsidiaries during the year

(A) *Partial disposal of shareholding in subsidiaries due to reorganisation*

During the year, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	Tamouh Healthcare LLC (i)	*Multiply Group PJSC (ii)*	*Q Holding PSC (iii)*	*Tamween Companies Management (iv)*	*Ghitha Holding PJSC (v)*	*Mirak (vi)*	*Total*
Reduction in effective shareholding (%)	*54.80%*	*0.03%*	*0.16%*	*14.73%*	*2.48%*	*59%*	
Carrying value of the shareholding disposed-off *(AED '000)*	132,955	2,976	10,698	191,504	46,920	(2,971)	382,082
Less: consideration *(AED '000)*	-	-	-	(191,504)	-	(8,850)	(200,354)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**132,955**	**2,976**	**10,698**	**-**	**46,920**	**(11,821)**	**181,728**

(i) Shareholding in Tamouh Healthcare LLC decreased as a result of transferring the entire ownership to Pure Health Holding LLC.

(ii) Apex Investment PSC, a subsidiary of Tamween Companies Management LLC ("Tamween"), holds shares in Multiply Group PJSC, where the Group's shareholding got diluted upon transferring Tamween to Ghitha Holding PJSC ("Ghitha").

(iii) Apex Holding LLC, a subsidiary of the Group, holds shares in Q Holding PSC, where the Group's shareholding got diluted upon transferring its entire shareholding as a form of consideration upon acquiring RAKCIC.

(iv) Shareholding in Tamween decreased as a result of transferring the entire ownership in Tamween to Ghitha (note 6.6(a)(B)).

(v) The shareholding in Ghitha reduced, as a result of dilution in the shares held by the Group's subsidiaries, due to Ghitha's issuance of new shares.

(vi) Effective 1 December 2022, a subsidiary of the Group, Ghitha, transferred 100% of its shareholding in Mirak Royal Nature Fruit and Vegetable LLC ("Mirak") to a 41% owned subsidiary, NRTC Food Holding LLC for a total consideration of AED 15,000 thousand which resulted in a reduction of the Ghitha's shareholding by 59%.

(B) *Partial disposal of shareholding in subsidiaries against consideration*

During the year, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	Apex Holding LLC	*Q Holding PSC*	*Pure Health Holding*	*Total*
Reduction in shareholding (%)	8.46%	10.72%	20.34%	
Carrying value of the shareholding disposed-off *(AED '000)*	105,688	728,792	1,945,615	2,780,095
Less: consideration *(AED '000)*	(105,688)	(2,501,925)	(2,876,266)	(5,483,879)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**-**	**(1,773,133)**	**(930,651)**	**(2,703,784)**

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(a) Reduction in shareholding of subsidiaries during the year continued

(C) *Partial disposal of shareholding in subsidiaries against cash consideration*

During the year, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 3,567,130 thousand. Following is the summary of the decrease in shareholding:

	Abu Dhabi Vegetable Oil Company LLC	*Multiply Group PJSC*	*Q Holding PSC*	*Aldar Investment Holding Restricted Limited(i)*	*Aldar Hansel SPV Restricted Limited(ii)*	*Aldar*	*Alpha Dhabi*	*Apex*	*Total*
Reduction in shareholding (%)	4.26%	0.47%	0.02%	11.12%	49%	0.01%	0.01%	0.03%	
Carrying value of the shareholding disposed-off *(AED '000)*	5,851	68,090	2,857	1,474,211	1,804,655	5,558	3,106	570	3,364,898
Transaction costs paid	-	-	-	10,539	36,492	-	-		47,031
Less: cash consideration received *(AED '000)*	(6,333)	(165,912)	(42,891)	(1,469,000)	(1,836,250)	(5,144)	(32,772)	(8,828)	(3,567,130)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**(482)**	**(97,822)**	**(40,034)**	**15,750**	**4,897**	**414**	**(29,666)**	**(8,258)**	**(155,201)**

(i) During the year, Aldar Investment Holding Restricted Limited ("AIHR"), a subsidiary of the Group, entered into a subscription agreement with an investor Apollo Gretel Investor, L.P. ("Apollo"). Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed interest rate. The above resulted in Group disposing 11.12% of its shareholding in AIHR for a total cash consideration of USD 400 million (AED 1,469 million). As a result, the proportionate carrying value of AIHR net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

(ii) During the year, Aldar Properties PJSC, a subsidiary of the Group, established Aldar Hansel SPV Restricted Limited ("Hansel"), a 100% owned subsidiary incorporated in Abu Dhabi Global Market, comprising of 51% class A shares and 49% class B shares. Hansel is specialised in buying and selling of land.

The Group further disposed of its class B shares against a consideration of USD 500 million (AED 1,836 million) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P. The Group has no contractual obligation attached to class B shares and therefore, the proportionate carrying value of Hansel's net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 6,518,225 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in Mirak (note 6.5(a)(A)).

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(b) Reduction in shareholding of subsidiaries in the prior year

(A) *Reduction in shareholding of a subsidiary due to share based payments*

On 31 May 2021, ordinary shares of ESG Emirates Stallions Group PJSC ("ESG"), a subsidiary, were granted to certain personnel of the Group (note 40), which resulted in a reduction of the Group's shareholding as follows:

	ESG
Reduction in shareholding (%)	5%
Number of shares awarded	12,500,000
Increase in non-controlling interest *(AED'000)*	52,000

(B) *Partial disposal of shareholding in subsidiaries for no consideration*

During 2021, the Group transferred a portion of its shareholding in certain subsidiaries, without loss of control, to related parties under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	ESG Emirates Stallions Group PJSC	*Al Seer Marine*	*Multiply Group*	*Total*
Reduction in shareholding (%)	10%	15%	20.23%	
Carrying value of the shareholding disposed-off *(AED '000)*	27,616	43,436	286,490	357,542
Difference recognised directly in equity *(AED '000)*	27,616	43,436	286,490	357,542

(C) *Partial disposal of shareholding in subsidiaries against consideration*

During the year 2021, the Group transferred a portion of its shareholding in certain subsidiaries for a consideration of AED 6,617,392 thousand. Following is a summary of the reduction in shareholding:

	Al Seer Marine	*Multiply Group (i)*	*WFC Group(ii)*	*Al Tamouh Investment*	*Bedashing*	*Total*
Reduction in shareholding (%)	40.1%	59.03%	30%	46.64%	15.57%	
Carrying value of the shareholding disposed-off *(AED '000)*	124,425	4,051,449	41,604	711,064	16,505	4,945,047
Less: consideration received *(AED '000)*	(164,000)	(5,592,700)	(68,922)	(711,064)	(80,706)	(6,617,392)
Difference recognised directly in equity *(AED '000)*	(39,575)	(1,541,251)	(27,318)	-	(64,201)	(1,672,345)

(i) Effective 30 September 2021, the Group disposed 58.29% of its ownership interest in Multiply for a consideration of AED 5,519,700 thousand, which includes cash of AED 1,834,100 thousand and 135,999,999 shares of Alpha Dhabi.

Further, the consideration received includes AED 73,000 thousand being the fair value of 15,572,937 shares of Multiply given as a consideration to acquire 50% of Viola (note 6.2(b)).

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(b) Reduction in shareholding of subsidiaries in the prior year continued

(C) *Partial disposal of shareholding in subsidiaries against consideration* continued

(ii) During 2021, the Group disposed of a 30% ownership interest in WFC Group in exchange for acquiring 50% ownership in Connect. The consideration represents the fair value of the 50% ownership in Connect being acquired (note 6.6(b)(B)).

(D) *Partial disposal of shareholding in subsidiaries due to reorganisation*

During 2021, the Group's shareholding in certain subsidiaries decreased as a result of reorganization of subsidiaries within the Group. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	WFC Group	*Alpha Dhabi*	*Al Seer Marine*	*Pal Cooling*	*Pure Health*	*Tamween Group*	*Total*
Reduction in shareholding (%)	10.50%	0.95%	0.02%	10%	17.10%	25.59%	
Carrying value of the shareholding disposed-off *(AED '000)*	14,561	131,240	66	62,172	138,684	199,976	546,699
Difference recognised directly in equity *(AED '000)*	14,561	131,240	66	62,172	138,684	199,976	546,699

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 5,849,288 thousand for the year ended 31 December 2021.

6.6 Increase in shareholding of subsidiaries (acquisition of NCI)

6.6(a) Increase in shareholding (acquisition of NCI) during the year

(A) *Increase of shareholding in subsidiaries due to business combination*

During the year, the Group's shareholding in certain subsidiaries increased as a result of business combinations. Following is a summary of the increase in shareholding:

	Reem Ready Mix	***Q Holding***	***Alpha Dhabi***	***Aldar***	***Total***
Increase in shareholding (%)	10.31%	0.57%	0.002%	0.29%	
Carrying value of the shareholding acquired *(AED '000)*	7,340	38,301	438	76,470	122,549
Less: fair value of shareholding acquired *(AED '000)*	(35,534)	(318,610)	(9,652)	(275,305)	(639,101)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**(28,194)**	**(280,309)**	**(9,214)**	**(198,835)**	**(516,552)**

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

(B) *Increase of shareholding in subsidiaries due to reorganisation*

During the year, the Group's shareholding in the following subsidiaries increased as a result of reorganisation. Following is a summary of the increase in shareholding:

	Pure Health Medical Supplies LLC	***Ghitha Holding PJSC***	***PAL 4 Solar Energy LLC***	***Mirak***	***Total***
Increase in effective shareholding (%)	4.39%	13.34%	2.79%	20%	
Carrying value of the shareholding acquired *(AED '000)*	100,227	252,759	(17)	(3,901)	349,068
Less: consideration *(AED '000)*	-	(191,504)	-	(10,000)	(201,504)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**100,227**	**61,255**	**(17)**	**(13,901)**	**147,564**

(C) *Increase of shareholding in subsidiaries without consideration*

During the year, the Group received a 29% shareholding in Somerian Health LLC from a third party for no consideration. Following is the summary of increase in shareholding:

	Somerian Health LLC
Increase in shareholding (%)	29%
Carrying value of the shareholding acquired *(AED '000)*	101,949
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**101,949**

(D) *Increase of shareholding in subsidiaries against cash consideration*

During the year, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 821,397 thousand. Following is the summary of the increase in shareholding:

	Multiply Group PJSC	*Q Holding PSC*	*Mawarid Holding LLC*	*Total*
Increase in shareholding (%)	0.05%	0.001%	20%	
Carrying value of the shareholding acquired *(AED '000)*	7,625	93	512,236	519,954
Less: consideration paid	(20,985)	(412)	(800,000)	(821,397)
Difference recognised directly in merger, acquisition and other reserves *(AED '000)*	**(13,360)**	**(319)**	**(287,764)**	**(301,443)**

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

(E) *Increase of shareholding in subsidiaries against consideration*

Effective 1 October 2022, Pure Health Holding LLC entered into an agreement with a third party to acquire multiple businesses (note 6.2(a)), which also included the acquisition of a 27% ownership interest in Pure Medical Supplies LLC ("PHMS"), for a consideration of AED 3,591,000 thousand. The transaction resulted in an increase in the Group's effective shareholding in PHMS by 6.71%. Following is the summary of increase in shareholding:

	PHMS
Increase in shareholding (%)	27%
Carrying value of the shareholding acquired *(AED '000)*	2,143,100
Less consideration *(AED '000)*	(1,934,795)
Difference recognised directly in merger, acquisition and other reserve *(AED '000)*	**208,305**

At the General Assembly Meeting held on 9 November 2022, the shareholders approved the acquisition of non-controlling interests in Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC ("Entities") for a consideration of AED 151,560,938 thousand settled in the form of newly issued shares (note 20). The transaction was executed and completed on 25 November 2022. The Entities also have shareholding in other subsidiaries of the Group, where the effective shareholding increased as a result of the transaction. Following is the summary of increase in shareholding:

	Alpha Dhabi Holding PJSC	***Multiply Group PJSC***	***Al Seer Marine***	***Q Holding PSC***	***Aldar Properties PJSC***	***Ghitha Holding PJSC***	***Palms Sports PJSC***	***Easy Lease***	***Total***
Increase in shareholding (%)	43.28%	27.10%	36.05%	8.84%	0.42%	1.27%	3.21%	1.94%	
Carrying value of the shareholding acquired *(AED '000)*	13,135,130	7,862,006	1,624,385	1,144,552	115,646	24,860	12,807	2,186	23,921,572
Less consideration *(AED '000)*									(151,560,938)
Difference recognised directly in merger, acquisition and other reserve *(AED '000)*									**(127,639,366)**

The increase in shareholding of certain subsidiaries, both from business combination and reorganisation of subsidiaries, resulted in a decrease of non-controlling interest by AED 27,158,192 thousand for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries(acquisition of NCI) continued

6.6(b) Increase in shareholding (acquisition of NCI) in the prior year

(A) Increase of shareholding in subsidiaries due to business combination

During 2021, the Group's shareholding in certain subsidiaries increased as a result of business combinations and due to changes in shareholding in certain subsidiaries. Following is a summary of the increase in shareholding:

	Easy Lease	*Palms Sports*	*Zee Stores*	*Century*	*ADMG*	*NMDC*	*Multiply*	*Total*
Increase in shareholding (%)	2.01%	3.34%	3.11%	5.90%	0.05%	1.53%	0.16%	
Carrying value of the shareholding acquired *(AED '000)*	1,085	7,703	7,624	390	5	89,291	9,563	115,661
Difference recognised directly in equity *(AED '000)*	1,085	7,703	7,624	390	5	89,291	9,563	115,661

(B) Increase of shareholding in subsidiaries against consideration

During 2021, the Group increased its shareholding in certain subsidiaries for a consideration of AED 4,511,861 thousand. Following is a summary of the increase in shareholding:

	NMDC	*Alpha Dhabi(i)*	*Zee Stores*	*Al Seer Marine*	*Connect (ii)*	*Multiply*	*Others**	*Total*
Increase in shareholding (%)	0.63%	1.37%	0.08%	0.06%	50%	0.87%	8.30%	
Carrying value of the shareholding acquired *(AED '000)*	29,932	174,168	246	264	4,943	23,635	609	233,797
Less: consideration paid	(43,474)	(4,211,634)	(9,537)	(30,000)	(68,922)	(146,172)	(2,122)	(4,511,861)
Difference recognised directly in equity *(AED '000)*	(13,542)	(4,037,466)	(9,291)	(29,736)	(63,979)	(122,537)	(1,513)	(4,278,064)

* Others include increase in shareholding of Aafaq, Easy Lease, Palms Sports and Yallow.

(i) Included in the consideration are 135,999,999 shares, having a fair value of AED 3,685,600 thousand acquired as a consideration for disposing 58.29% of the Group's ownership interest in Multiply Group LLC (note 6.5(b)(C)).

(ii) During the year 2021, the Group acquired 50% ownership of Connect in exchange for 30% ownership in WFC Group. The consideration represents the fair value of the 30% ownership in WFC Group (note 6.5(b)(C)).

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(b) Increase in shareholding (acquisition of NCI) in the prior year continued

(C) Increase in shareholding without consideration

During 2021, the Group received a 10% shareholding of Multiply Group LLC from a related party under common control for no consideration. Following is a summary of the increase in shareholding:

	Multiply Group LLC
Increase in shareholding (%)	**10%**
Carrying value of the shareholding acquired *(AED '000)*	128,877
Difference recognised directly in equity *(AED '000)*	128,877

The increase in shareholding of certain subsidiaries, both from business combination and through purchase of additional shares, resulted in a decrease of non-controlling interest by AED 478,335 thousand for the year ended 31 December 2021.

7 PROPERTY, PLANT AND EQUIPMENT

	Land AED'000	*Building and leasehold improvements AED'000*	*Plant and machinery AED'000*	*Furniture, fixtures and equipment AED'000*	*Barges support vessels, dredgers and vehicles AED'000*	*Bearer plants AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:								
At 1 January 2021	110,620	540,949	1,073,057	115,784	114,764	6,157	293,524	2,254,855
Acquired in business combination (note 6)	269,834	2,348,486	2,591,232	911,907	6,932,588	-	1,086,816	14,140,863
Additions during the year	4,467	46,960	124,699	45,697	225,387	20,677	484,851	952,738
Disposals during the year	-	(46,665)	(26,100)	(21,649)	(71,544)	-	(355)	(166,313)
Transfer from capital work in progress	-	156,992	108,153	9,533	-	-	(274,678)	-
Transferred to biological assets	-	-	-	-	-	-	(6,156)	(6,156)
Derecognition on disposal of subsidiaries (note 6.4(b))	-	(23,850)	(31,578)	(14,278)	(5,220)	-	(801)	(75,727)
Transferred to assets held for sale (note 19.1)	-	(27,417)	-	(25,979)	(831)	-	-	(54,227)
Exchange differences	123	418	(2,638)	(698)	1,501	28	(459)	(1,725)
At 31 December 2021	385,044	2,995,873	3,836,825	1,020,317	7,196,645	26,862	1,582,742	17,044,308
At 1 January 2022	385,044	2,995,873	3,836,825	1,020,317	7,196,645	26,862	1,582,742	17,044,308
Acquired in business combination (note 6)	-	10,553,990	4,510,878	2,713,868	176,941	-	249,788	18,205,465
Additions during the year	-	1,885,747	282,657	194,156	1,334,901	34,859	1,628,446	5,360,766
Disposals during the year	-	(22,507)	(301,919)	(127,425)	(641,325)	-	(1,919)	(1,095,095)
Transfer to investments in associates (note 10 (viii))	-	(2,303)	-	(237)	(83,546)	-	-	(86,086)
Transfer to investments properties (note 9)	-	(464,319)	-	-	-	-	(10,262)	(474,581)
Transfer to inventories	-	-	(6,009)	-	-	-	-	(6,009)
Transfer from intangible assets (note 8)	-	-	-	2,959	-	-	-	2,959
Transfer to intangible assets (note 8)	-	-	-	-	-	-	(463)	(463)
Derecognition on disposal of subsidiaries (note 6.4(a))	-	(246)	-	(7,344)	(2,012)	-	-	(9,602)
Transfer from capital work in progress	-	132,394	706,790	71,510	68,198	-	(978,892)	-
Reclassifications	-	(2,750)	130,559	(150,727)	20,258	-	(15)	(2,675)
Transferred to assets held for sale (note 19.1)	-	-	-	-	-	-	(137,215)	(137,215)
Write-off during the year	-	(5,904)	(22,755)	(98)	-	-	(3,106)	(31,863)
Exchange differences	(43,165)	(53,385)	(13,016)	(8,368)	(9,171)	(18,025)	(30,782)	(175,912)
At 31 December 2022	**341,879**	**15,016,590**	**9,124,010**	**3,708,611**	**8,060,889**	**43,696**	**2,298,322**	**38,593,997**

7 PROPERTY, PLANT AND EQUIPMENT continued

	Land AED'000	Building and leasehold improvements AED'000	Plant and machinery AED'000	Furniture, fixtures and equipment AED'000	Barges support vessels, dredgers and vehicles AED'000	Bearer plants AED'000	Capital work in progress AED'000	Total AED'000
Accumulated depreciation and impairment:								
At 1 January 2021	-	242,838	277,053	95,204	66,618	-	-	681,713
Acquired in business combination (note 6)	-	1,005,354	953,360	721,499	3,886,844	-	-	6,567,057
Charge for the year	-	90,452	244,560	55,429	248,431	-	-	638,872
Impairment loss for the year (note 31)	-	35,238	12,471	11,709	441	-	-	59,859
Derecognition on disposal of subsidiaries (note 6.4(b))	-	(8,967)	(10,240)	(11,665)	(3,401)	-	-	(34,273)
Transferred to assets held for sale (note 19.1)	-	(27,417)	-	(25,979)	(831)	-	-	(54,227)
Relating to disposals	-	(40,904)	(25,730)	(14,593)	(66,895)	-	-	(148,122)
Exchange differences	-	26	(89)	(243)	(16)	-	-	(322)
At 31 December 2021	-	1,296,620	1,451,385	831,361	4,131,191	-	-	7,710,557
At 1 January 2022	-	1,296,620	1,451,385	831,361	4,131,191	-	-	7,710,557
Acquired in business combination (note 6)	-	6,009,091	3,045,604	2,095,989	122,335	-	11,060	11,284,079
Charge for the year	-	376,935	472,705	212,351	403,508	-	-	1,465,499
Impairment loss for the year (note 31)	-	12,143	23,215	2,022	-	-	357,085	394,465
Reversal of impairment (note 31)	-	(312,362)	-	-	-	-	-	(312,362)
Derecognition on disposal of subsidiaries (note 6.4(a))	-	(39)	-	(4,539)	(1,714)	-	-	(6,292)
Reclassification	-	195	92,977	(143,544)	50,659	-	-	287
Transferred to investments in associates (note 10 (viii))	-	(1,245)	-	(186)	(61,018)	-	-	(62,449)
Transferred to investments properties (note 9)	-	(358,364)	-	-	-	-	-	(358,364)
Transferred from intangible assets (note 8)	-	-	-	2,711	-	-	-	2,711
Relating to disposals	-	(14,107)	(295,810)	(124,208)	(553,221)	-	-	(987,346)
Write-off during the year	-	(393)	(7,793)	-	-	-	-	(8,186)
Exchange differences	-	(15,956)	(7,220)	(5,338)	(2,212)	-	-	(30,726)
At 31 December 2022	**-**	**6,992,518**	**4,775,063**	**2,866,619**	**4,089,528**	**-**	**368,145**	**19,091,873**
Carrying amount:								
At 31 December 2022	**341,879**	**8,024,072**	**4,348,947**	**841,992**	**3,971,361**	**43,696**	**1,930,177**	**19,502,124**
At 31 December 2021	385,044	1,699,253	2,385,440	188,956	3,065,454	26,862	1,582,742	9,333,751

7 PROPERTY, PLANT AND EQUIPMENT continued

As at 31 December 2022, capital work in progress mainly comprises of construction of a district cooling plant in Dubai Investment Park, expansion of capacity of plants, development and enhancement of hospitality and leisure facilities and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers, medical machinery and equipment, which are not finalised and ready for use as of 31 December 2022 (2021: district cooling plant in Dubai Investment Park, expansion of capacity of plants, construction of hotels in Traditional Souq area and “Kasr Al Bahar” in Morocco, construction of labour camp in United Arab Emirates, and construction of mixed use residential/ commercial buildings).

During the year ended 31 December 2022, the Group capitalised finance costs related to its borrowings of AED 8,485 thousand (2021: AED 3,267 thousand). The capitalisation rate used to determine these finance costs was EIBOR +3%.

Included in additions during the year:

- During the year, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel and Double Tree by Hilton Hotel (Ras Al-Khaimah, UAE), resulting in additions to property, plant and equipment of AED 767,528 thousand and AED 697,978 thousand respectively.

- During the year, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the hotel building of Nurai Island Hotel, resulting in additions to property, plant and equipment of AED 232,966 thousand.

  In accordance with the requirements of IFRS 3 Business Combinations, the above were accounted as acquisitions of assets, as substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset (note 6.3(a))

During the year, the Group transferred buildings classified under property, plant and equipment with a carrying value of AED 116,217 thousand to investment properties due to change in use (note 9).

Certain land and buildings classified as property, plant and equipment are pledged as security against borrowings (note 24).

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2022	*2021*
	AED’000	*AED’000*
Cost of revenue (note 31)	**992,143**	557,676
General and administrative expenses (note 32)	**460,775**	68,718
Selling and distribution expenses (note 33)	**11,311**	8,537
Biological assets (note 15)	**1,270**	3,826
Development work-in-progress (note 16)	**-**	115
	1,465,499	638,872

7 PROPERTY, PLANT AND EQUIPMENT continued

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows;

	2022 ***AED'000***	*2021* *AED'000*
Impairment of capital work in progress[(i)]	**357,085**	-
Impairment of healthcare related assets	**23,215**	12,047
Impairment of assets related to discontinued operations	**-**	32,021
Impairment of other assets	**14,165**	15,791
Total impairment – cost of revenue (note 31)	**394,465**	59,859
Reversal of impairment loss – cost of revenue[(ii)] (note 31)	**(312,362)**	-
Net impairment during the year	**82,103**	59,859

(i) During the year, the Group conducted impairment assessments on certain ongoing projects classified under capital work in progress, which resulted in the following impairments:

	Traditional Souk building[(a)] *AED'000*	*Kasr Al Bahr hotel[(b)]* *AED'000*	*Others* *AED'000*	***Total*** ***AED'000***
Balance at 1 January 2022	169,702	442,412	-	**612,114**
Additions	3,766	171,392	5,760	**180,918**
Impairment	(36,253)	(315,072)	(5,760)	**(357,085)**
	137,215	298,732	-	**435,947**
Transferred to assets held for sale (note 19.1)	(137,215)	-	-	**(137,215)**
Balance at 31 December 2022	-	298,732	-	**298,732**

(a) During the year, Q Holding PSC, a subsidiary, entered into an agreement with a buyer for the sale of the Traditional Souk building. Accordingly, an amount of AED 137,215 thousand was transferred to assets held for sale in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations." Prior to the transfer, the Group performed an impairment assessment on the building and recorded an impairment of AED 36,253 thousand.

(b) During the year, the Group performed an impairment assessment on Kasr Al Bahr hotel in Morocco, which is currently being constructed and recorded under capital work in progress. Accordingly, the Group recorded an impairment amounting to AED 315,072 thousand in the consolidated statement of profit or loss. The impairment was determined by reference to a discounted cash flow method performed by an independent valuer, using a growth rate of 2% and a discount rate of 8.5%.

(ii) During the year, the Group carried out a review of recoverable amount of its hotel properties due to a change in the estimates used to determine the hotel properties' recoverable amount since the last impairment was recognised. The review resulted in a reversal of impairment loss of AED 312,362 thousand. The reversal of impairment mainly relates to improved cashflows and profitability resulting from improved market conditions. The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method, using exit yield of 7.5% to 9.5% and a discount rate of 9.5% to 11.5%.

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill AED'000	*Brand names AED'000*	*Concession rights AED'000*	*Customer relationships AED'000*	*Customer contracts AED'000*	*Trademarks AED'000*	*Trade license AED'000*	*Lease benefits AED'000*	*Software and others AED'000*	*Total AED'000*
At 1 January 2022	**885,381**	**163,286**	**73,874**	**105,204**	**1,147,883**	**15,144**	**12,408**	**-**	**39,532**	**2,442,712**
Relating to business combinations (note 6.1(a) & 6.2(a))	**3,297,616**	**3,210,925**	**-**	**1,157,717**	**592,535**	**754**	**11,000**	**972,784**	**206,262**	**9,449,593**
Additions during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92,169**	**92,169**
Settlement of pre-existing rights(i)	**1,040,438**	**-**	**-**	**-**	**(1,040,438)**	**-**	**-**	**-**	**-**	**-**
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b))	**18,314**	**-**	**-**	**-**	**(44,602)**	**-**	**-**	**-**	**-**	**(26,288)**
Transferred to property, plant and equipment (note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(248)**	**(248)**
Transferred from property, plant and equipment (note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**463**	**463**
Write-off	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,441)**	**(6,441)**
Amortisation during the year	**-**	**(27,710)**	**(2,162)**	**(55,420)**	**(160,765)**	**(285)**	**(1,699)**	**(1,591)**	**(52,668)**	**(302,300)**
Others	**(493)**	**(185)**	**-**	**96**	**-**	**-**	**-**	**-**	**-**	**(582)**
Exchange differences	**(25,480)**	**139**	**-**	**(1,263)**	**(6,797)**	**-**	**-**	**-**	**798**	**(32,603)**
At 31 December 2022	**5,215,776**	**3,346,455**	**71,712**	**1,206,334**	**487,816**	**15,613**	**21,709**	**971,193**	**279,867**	**11,616,475**
At 1 January 2021	138,544	30,804	76,036	169,492	77,317	-	-	-	15,211	507,404
Relating to business combinations (note 6.1(b) & 6.2(b))	748,635	138,687	-	163,535	1,139,800	15,218	14,108	-	23,708	2,243,691
Additions during the year	-	-	-	-	-	-	-	-	28,041	28,041
Derecognition on disposal of subsidiaries (note 6.4(b))	(1,798)	-	-	(130,647)	(62,767)	-	-	-	(18,240)	(213,452)
Amortisation during the year	-	(6,205)	(2,162)	(97,176)	(6,467)	(74)	(1,700)	-	(9,188)	(122,972)
At 31 December 2021	885,381	163,286	73,874	105,204	1,147,883	15,144	12,408	-	39,532	2,442,712

(i) During the year, the acquisition of SEHA resulted in settlements of pre-existing rights relating to customer contracts recognised during 2021 from the acquisitions of Rafed and Union71. On the acquisition date of SEHA, management carried out an assessment of the contracts and determined that the contracts have no favorable or unfavorable components and that the pricing of the contracts are comparable to current market transactions. Accordingly, no gain or loss was recognised in the consolidated statement of profit or loss. The amount recognised as customer contracts as of the acquisition date of SEHA of AED 1,040,438 thousand was adjusted against goodwill.

8 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2022	*2021*
	AED'000	*AED'000*
Cost of revenue (note 31)	**109,569**	93,305
General and administrative expenses (note 32)	**192,731**	29,667
	302,300	122,972

Goodwill
Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required against goodwill at reporting date (2021: AED nil).

Brand names
Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Concession rights
In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Customer contracts and customer relationship
These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trademarks
Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trade license
Trade license mainly includes the following:

- License of an acquired subsidiary, Royal Horizon Holding LLC, that allows the use of the name "Fazaa" for its retail stores. The license has a useful life of 8 years; and
- License of an acquired subsidiary, National Health Insurance Company PJSC ("Daman"), that allows them to carry out insurance related activities. The license has an indefinite useful life.

Lease benefits
Lease benefits represents the future economic benefits in the form of favorable lease arrangements the Group acquired in business combinations. These represent leases of hospitals, medical centers and retail shops having a useful life of 6 - 15 years.

8 INTANGIBLE ASSETS AND GOODWILL continued

During the year ended 31 December 2022, management performed its annual impairment review of goodwill and certain intangible assets with indefinite useful life, using the discounted cashflow models companies' approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 1.1% - 12% (2021: 2%); and
- Discount rate: 9.7% - 16% (2021: 8.1% - 16%).

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2022.

9 INVESTMENT PROPERTIES

	Land AED'000	*Leased properties AED'000*	*Properties under development AED'000*	*Total AED'000*
2022				
Cost:				
At 1 January 2022	2,157,188	5,305,003	1,354,941	8,817,132
Acquired in business combinations (note 6)	613,361	18,091,487	1,622,906	20,327,754
Additions during the year	464	4,939,630	260,759	5,200,853
Transfer from properties under development	-	754,631	(754,631)	-
Transfer to assets held for sale (note 19.1)	-	-	(734,090)	(734,090)
Transfer to inventories (note 13)	(67,702)	(57,120)	(17,122)	(141,944)
Transfer from development work in progress (note 16)	-	24,949	-	24,949
Transfer to development work in progress (note 16)	(952,300)	-	(441,399)	(1,393,699)
Transfer from property, plant and equipment (note 7)	-	474,581	-	474,581
Disposed during the year	-	(226,792)	-	(226,792)
Foreign currency exchange	-	(66,093)	(48,690)	(114,783)
At 31 December 2022	**1,751,011**	**29,240,276**	**1,242,674**	**32,233,961**
Accumulated depreciation and impairment:				
At 1 January 2022	37,045	642,126	211,059	890,230
Acquired in business combinations (note 6)	-	2,796	-	2,796
Transfer from property, plant and equipment (note 7)	-	358,364	-	358,364
Charge for the year	-	687,205	-	687,205
Relating to disposals	-	(72,300)	-	(72,300)
Impairment loss for the year (note 31)	175,953	212,603	376,984	765,540
At 31 December 2022	**212,998**	**1,830,794**	**588,043**	**2,631,835**
Net carrying amount:				
At 31 December 2022	**1,538,013**	**27,409,482**	**654,631**	**29,602,126**

9 INVESTMENT PROPERTIES continued

	Land AED'000	*Leased properties AED'000*	*Properties under development AED'000*	*Total AED'000*
2021				
Cost:				
At 1 January 2021	135,213	1,655,975	212,763	2,003,951
Acquired in business combinations (note 6)	1,943,168	3,881,469	1,227,479	7,052,116
Addition during the year	78,807	5,289	604	84,700
Transfer from properties under development	-	85,905	(85,905)	-
Transfer to assets held for sale (note 19)	-	(261,835)	-	(261,835)
Transfer to inventories (note 13)	-	(61,696)	-	(61,696)
Write off	-	(104)	-	(104)
At 31 December 2021	2,157,188	5,305,003	1,354,941	8,817,132
Accumulated depreciation and impairment:				
At 1 January 2021	36,891	462,280	211,059	710,230
Acquired in business combinations (note 6d)	154	177,517	5,120	182,791
Charge for the year	-	64,819	-	64,819
Impairment loss for the year (note 31)	-	645	-	645
Transfer from properties under development	-	5,120	(5,120)	-
Transfer to assets held for sale (note 19)	-	(35,881)	-	(35,881)
Transfer to inventories (note 13)	-	(32,374)	-	(32,374)
At 31 December 2021	37,045	642,126	211,059	890,230
Net carrying amount:				
At 31 December 2021	2,120,143	4,662,877	1,143,882	7,926,902

Included in additions during the year:

- During the year, Aldar Investment Properties LLC, a subsidiary, acquired a 100% ownership interest in Confluence Partners (HQ) RSC Ltd. ("Confluence"), resulting in additions to investment properties of AED 4,373,000 thousand. Confluence owns the Abu Dhabi Global Market towers located in Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).

- During the year, Aldar Investment Properties LLC, a subsidiary, acquired 60% ownership interest in Al Maryah Property Holdings Limited, an entity that owns Al Marayah Tower. The transaction resulted in additions to investment properties of AED 481,500 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).

9 INVESTMENT PROPERTIES continued

Land
During the year, impairment loss amounting to AED 175,953 thousand on land was recorded by the Group (2021: nil).

A market-based valuation suggests that the fair value of the Group's plots of land approximates AED 1,614 million at 31 December 2022 (2021: AED 2,177 million).

Land fair valued at AED 283 million (2021: AED 468 million) is pledged against borrowings (note 24).

Leased properties
Leased properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2022 amounted to AED 29.45 billion (2021: AED 5.19 billion). As a result of the valuation, impairment of AED 212,603 thousand was recorded during the year (2021: AED 645 thousand).

Impairment losses were derived from the following properties:

	2022 AED'000	*2021 AED'000*
Moon Flower(i)	**154,990**	-
Construction Workers Residential City(ii)	**42,366**	-
Other properties	**15,247**	645
Net impairment during the year	**212,603**	645

(i) The fair value of the Moon Flower project, performed by an independent external valuer, resulted in an impairment loss of AED 154,990 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 7.51%, which resulted in a fair value of AED 2,050,000 thousand.

(ii) The fair value of the Construction Workers Residential City project, performed by an independent external valuer, resulted in an impairment loss of AED 42,366 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 7.60%, which resulted in a fair value of AED 80,600 thousand.

Leased properties fair valued at AED 7,055 million (2021: AED 3,626 million) are pledged against borrowings (note 24).

Properties under development
Properties under development comprise of land and buildings under construction, where the Group has approved plan to develop commercial and residential properties.

Properties under development amounting to AED 656,772 thousand (2021: AED 168,000 thousand) are pledged against borrowings (note 24).

During the year, the Group conducted impairment assessments on its ongoing projects classified as properties under development, which resulted in the following impairments:

	2022 AED'000	*2021 AED'000*
Traditional Souk(i)	**260,768**	-
Reem residential towers	**116,216**	-
	376,984	-

9 INVESTMENT PROPERTIES continued

(i) The construction of the Traditional Souq with a balance of AED 734,090 thousand was transferred to assets held for sale in line with the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," as the Group resolved to sell the related properties under development and not continue with its original intended use. Prior to the transfer, the Group performed an impairment assessment and based on the assessment recorded an impairment provision of AED 260,768 thousand.

The fair value of the Group's investment properties as at 31 December 2022 and 2021 has been arrived by management by reference to valuation carried out on the respective dates by independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

The following table shows the fair value analysis of assets by level of the fair value hierarchy for the year ended 31 December:

	Level 1	*Level 2*	*Level 3*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*
31 December 2022				
Investment properties				
(excluding properties under development)	-	**3,821,457**	**27,248,589**	**31,070,046**
31 December 2021				
Investment properties				
(excluding properties under development)	-	2,177,387	5,187,546	7,364,933

There were no transfers between level 1, level 2 and level 3 fair values during current and previous year.

9 INVESTMENT PROPERTIES continued

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

Property	*Valuation technique*	*Significant unobservable inputs*
Land	Sales comparison	- Sales rate: AED 2 – 402 / sq.ft (2021: AED 2 - 931/sq. ft); and - Acquisition fee: 2.25% (2021: 2%).
Leased properties	Sales comparison	- Estimated rental value per annum, for the different leased properties, is as follows: ▪ Residential properties: AED 900 – 335,000 per unit (2021: nil); ▪ Commercial properties: AED 47/sq. ft. - AED 1,200/sq. ft. (2021: nil); ▪ Retail: AED 92/sq. ft. – AED 1,250/sq. ft. (2021: nil); and ▪ Car park: AED 572 – 6,300 per unit (2021: nil). - Operating expenses: 3% - 35% of market rent (2021: nil); and - Terminal capitalisation rate: 7.2% - 8.75% (2021: nil).
Leased properties	Discounted cash flow (DCF)	- Estimated rental value per annum, for the different leased properties, is as follows: ▪ Residential properties: AED 19,200 - 275,000 per unit (2021: AED 19,200 - 210,000 per unit); ▪ Commercial properties: AED 70/sq. ft. - 3,750/sq. ft. (2021: AED 80/sq. ft. - AED 108/sq. ft.); ▪ Retail: AED 460/sq. ft. - 7,500/sq. ft. (2021: 97/sq. ft. - AED 108/sq. ft.); and ▪ Labour camp: AED 250 - 610 Per person (2021: AED 580 per person) and AED 156 million per year. - Operating expenses: AED 193 /sq. ft. - AED 366/sq. ft; - Labour Camp operating expense: ▪ Rent charge: AED 2,682,764 to 4,309,737 per year (2021: AED 3,190,131 to 4,309,737 per year) ▪ Variable rent: AED 15 to 16 per person (2021: AED 15 per person) - Discount rate: 7.25% - 10.5% (2021: 8% - 10.5%); and - Terminal capitalisation rate: 6.51% - 10% (2021: 8% - 9.5%).

9 INVESTMENT PROPERTIES continued

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2022 **AED'000**	2021 AED'000
Cost of revenue (note 31)	**683,375**	64,819
General and administrative expenses (note 32)	**3,830**	-
	687,205	64,819

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties are as follows:

	2022 **AED**	2021 AED
Rental income	**1,910,507**	176,634
Direct operating expenses	**(566,686)**	(104,789)
	1,343,821	71,845

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest* 2022	*Ownership interest* 2021
Associates:				
Tafseer Contracting & General Maintenance Company LLC (i)	Real estate enterprise investment, development, institution and management	UAE	-	20%
Emirates Refreshments P.S.C (ii)	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	**21%**	20.04%
Canal Sugar S.A.E	Sugar farming and production	Egypt	**33%**	33%
Principia SAS	Engineering and consultancy services	France	**33%**	33%
Al Jazira Technical Solutions & Consulting LLC	Consulting in computer devices and equipment	UAE	**35%**	35%
Response Plus Holding PJSC	Healthcare services and medical facilities	UAE	**36.15%**	36.16%
Sawaeed Holding PJSC	Manpower and investment solutions	UAE	**36.69%**	36.69%
NRTC Food Holding LLC (iii)	Commercial enterprises investment, institution and management	UAE	-	41%
Aldar Properties PJSC (iv)	Real estate enterprise investment, development, institution and management	UAE	-	31.11%
Esyasoft Holding Ltd. (v)	Meter data management, billing and collection management, mobility software and big data analytics	UAE	-	-
Al Bustan Farms Limited	Agriculture enterprise investment	Mozambique	**30%**	30%

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest*	
			2022	*2021*
Associates: continued				
Lynx Technology Group Ltd. (vi)	Custom software application development services and IT consulting services	British Virgin Islands	**25%**	-
Iskandar Holdings Limited*	Real estate enterprise	Cayman Islands	**19%**	-
Al Sdeirah Real Estate Investment*	Real estate enterprise	UAE	**30%**	-
Abu Dhabi Finance PJSC*	Finance company	UAE	**32%**	-
Mena Tour*	Professional and amateur development golf tour	UAE	**40%**	-
Invictus Investment Company PLC (vi)	Holding company	UAE	**22.96%**	-
Royal Gardens for Investment Property Co.*	Real estate development	Egypt	**20%**	-
Deco Vision Company – WLL (vii)	Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.	UAE	**45%**	-
Burjeel Holding PLC** (vi)	Medical related services.	UAE	**14.55%**	-
Bayanat AI PLC** (vi)	Data collection, analysis, storing and recovering, survey planning and information and maps management systems.		**15.03%**	-
Lulo Bank S.A** (vi)	Online banking services.	Columbia	**46.16%**	-
Gordon Technologies LLC (x)	Sale of drilling equipments, downhole tools, technology and related services.	United States of America	**25%**	-
Joint ventures:				
Safeen Survey and Subsea Services LLC (viii)	Survey and diving business	UAE	**49%**	-
Lazio Real Estate Investment LLC	Real estate enterprise investment, development, institution and management	UAE	**65%**	65%
Progressive Real Estate Dev. LLC	Real estate enterprise investment, development, institution and management	UAE	**70%**	70%
China Railway Construction	Construction	UAE	**49%**	49%
The Challenge Egyptian Emirates Marine Dredging Company	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction	Egypt	**49%**	49%
Eltizam Asset Management LLC	Services management holding company	UAE	**50%**	50%
Agriculture Investment Holding Company (Ethmar) Ltd. (ix)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	UAE	**-**	50%
EDE Research Institute LLC	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions	UAE	**50%**	50%

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership interest*	
			2022	*2021*
Joint ventures: continued				
Emirates International Gas LLC	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant	UAE	**50%**	50%
Al Qudra Sports Management LLC	Facilities management and sports services.	UAE	**50%**	50%
Al Qudra ICSM (i)	Import and export and trading of oil and gas related material	UAE	**-**	51%
Al Qudra Addoha pour L'Investissement Immobilier	Import and export and trading of oil and gas related material	UAE	**50%**	50%
ABGC DMCC (x)	Activities related to shipping lines of freight and passenger transportation, ship charter, sea freight and passenger charters, sea cargo services, ship management and operation and freight broker	UAE	**51%**	-
WIO Holding Restricted Ltd. (x)	Digital Banking services	UAE	**51%**	-
Exceed Holding for Sports LLC (x)	Sport enterprises investment, institution and management	UAE	**50%**	-
Al Raha International Integrated Facilities Management LLC*	Facilities management	UAE	**50%**	-
Royal House LLC*	Hotel operations	UAE	**50%**	-
Palmyra SODIC Real Estate Development*	Real estate development	Syria	**50%**	-
Deyafah Holding Limited (x)	SPV Special Purpose Vehicle	UAE	**50%**	-
Kalyon Enerjij Yatirimlari A.S ** (xi)	Clean and renewable energy related projects.	Turkey	**50%**	-
Sky Go Transport of Goods LLC (vi)	Engaged in air transportation for goods using unmanned aerial vehicles (Drones).	UAE	**50%**	-
Munich Health Daman Holding Limited *	Investing and consulting.	UAE	**49%**	-
MW Energy (x)	Development and renewal of energy related projects.	UAE	**50%**	-
Mawarid Desert Control LLC (x)	Agriculture and landscaping services.	UAE	**50%**	-

* These became associates or joint ventures of the Group during the year as a result of business combination.

** The investments are accounted for based on provisional fair values / net asset values, which will be finalised within 12 months from the date of acquisition.

(i) Tafseer Contracting & General Maintenance Company LLC ("Tafseer") and Al Qudra ICSM

During the year, the liquidation of Tafseer and Al Qudra ICSM were completed, and both entities were formally dissolved. The impact on liquidation amounted to a loss of AED 510 thousand.

(ii) Emirates Refreshments P.S.C ("Emirates Refreshments")

During the year, Emirates Refreshments issued new shares to its existing shareholders, in which the Group acquired an additional 0.96% shareholding for a consideration of AED 61,058 thousand.

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(iii) NRTC Food Holding LLC ("NRTC")

Effective 1 October 2022, the Group obtained control of NRTC and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	AED'000
Fair value of previously held equity interest (note 6.2 (a))	**273,198**
Carrying value of previously held equity interest	**(183,198)**
Fair value gain on revaluation of previously held equity interest	**90,000**

(iv) Aldar Properties PJSC ("Aldar")

During the year, an additional 1.86% shareholding in Aldar was transferred to the Group for nil consideration, increasing the total shareholding to 32.97%. The additional interest has been recorded as acquisition under common control given that the Company and the transferor are ultimately controlled by the same party before and after the transfer. The Group recognised the fair value of the additional shareholding amounting to AED 754,820 thousand within the merger and acquisition reserve.

Effective 11 April 2022, the Group obtained control of Aldar and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	AED'000
Fair value of previously held equity interest (note 6.2 (a))	**13,404,976**
Carrying value of previously held equity interest	**(10,662,711)**
Fair value gain on revaluation of previously held equity interest	**2,742,265**

(v) Esyasoft Holding Ltd. ("Esyasoft")

During the year, Esyasoft, previously classified as an investment in financial assets (note 11.2), became an associate due to the increase in the Group's shareholding by 20%, which was transferred for no consideration on 7 January 2022. On 1 June 2022, the Group obtained control over Esyasoft through acquiring an additional 21% equity interest. Accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	AED'000
Fair value of previously held equity interest (note 6.2 (a))	**26,250**
Carrying value of previously held equity interest	**(9,836)**
Fair value gain on revaluation of previously held equity interest	**16,414**

(vi) Lynx Technology Group Ltd ("Lynx Technology"), Invictus Investment Company PLC ("Invictus"), Burjeel Holding PLC ("Burjeel"), Bayanat AI PLC ("Bayanat"), Lulo Bank S.A ("Lulo Bank") and Sky Go Transport of Goods LLC ("Sky Go")

During the year, the Group acquired a 25% shareholding in Lynx Technology, 23.53% shareholding in Invictus, 15% shareholding in Burjeel, 15% shareholding in Bayanat, 46.16% shareholding in Lulo and 50% shareholding in Sky Go for a consideration of AED 3,680 thousand, AED 568,171 thousand, AED 1,502,221 thousand, AED 435,082 thousand, AED 735,000 thousand and AED 3,675 thousand, respectively.

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(vii) Deco Vision Company – WLL ("Deco Vision")

During the year, the Group acquired a 45% shareholding in Deco Vision for nil consideration which has been recorded as an acquisition under common control given that the Company and the associate are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the consolidated financial statements using the pooling of interest method, and accordingly, the Group recognised the investment in associate based on its carrying value on the date of acquisition of AED 28,544 thousand. The Group recognised the excess of the carrying value over the consideration paid within merger, acquisition and other reserves.

(viii) Safeen Survey and Subsea Services LLC ("Safeen")

During the year, the Group incorporated Safeen as a joint venture with Abu Dhabi Ports as a partner. The Group made an in-kind contribution to Safeen with a transfer of its Diving and Subsea Division property, plant and equipment with a carrying value of AED 23,637 thousand (note 7), employees and revenue contracts. The Group measured its 49% interest at a fair value of AED 140,067 thousand, resulting in a gain of AED 116,430 thousand (note 34).

(ix) Agriculture Investment Holding Company ("Ethmar") Ltd.

On 1 April 2022, the Group disposed of its investment in Ethmar to a related party for a consideration of AED 101,000 thousand.

Gain on disposal of investment in a joint venture is calculated as follows:

	AED'000
Carrying value of the investment at the beginning of the year	**101,014**
Share of loss for the year	**(30,316)**
Share of other comprehensive loss for the year	**(7,077)**
Carrying value at the date of disposal	**63,621**
Less: sale consideration	**(101,000)**
Gain on disposal	**(37,379)**

(x) ABGC DMCC ("ABGC"), WIO Holding Restricted Ltd ("WIO Holding"), Exceed Holding for Sports LLC ("Exceed"), Gordon Technologies ("Gordon"), MW Energy, Mawarid Desert Control LLC ("Mawarid Desert") and Deyafah Holding Limited ("Deyafah")

ABGC, WIO Holding, Exceed, Gordon, MW Energy and Mawarid Desert were incorporated by the Group during the year. The Group injected their share of capital of AED 250 thousand, AED 847,167 thousand, AED 150 thousand, AED 54,558 thousand, AED 25 thousand and AED 150 thousand, respectively. Further, an additional contribution was paid to ABGC and Gordon amounting to AED 15,814 thousand and AED 550,880 thousand, respectively. Further, the Group incorporated Deyafah during the year, a dormant entity, where the share capital is yet to be injected.

(xi) Kalyon Enerjij Yatirimlari A.S ("Kalyon")

During the year, the Group acquired a 50% shareholding in Kalyon for a consideration of AED 1,852,958 thousand. According to the sale and purchase agreement, the consideration is payable in two equal tranches, where at the reporting date an amount of AED 932,371 thousand has been settled, with the remaining balance being recorded in the consolidated financial position under due to related parties.

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Movements in investment in associates and joint ventures are as follows:

	2022 ***AED'000***	*2021* *AED'000*
At 1 January	**12,103,106**	438,733
Acquired in business combinations (note 6.1(a) & 6.1(b))	**155,726**	480,382
Additions during the year(i)	**7,624,954**	11,407,654
Disposals during the year(ii)	**(920,652)**	(42,546)
Transferred to investment in subsidiaries(iii)	**(10,891,279)**	(299,413)
Share of profit for the year	**423,551**	672,186
Share of other comprehensive loss for the year	**(23,587)**	-
Foreign exchange translation	**(113,383)**	-
Impairment loss, net(iv) (note 32)	**(177,731)**	-
Dividend received during the year	**(526,393)**	(553,890)
At 31 December	**7,654,312**	12,103,106

(i) Included in additions during the year are:

2022:

- AED 9,188 thousand, being the fair value of the previously held interest in Esyasoft Holding Ltd. at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.2).

- AED 61,496 thousand advance paid during 2021 to ABGC, which was included in trade and other receivables in 2021.

- AED 140,067 thousand, being the fair value of the non-monetary assets contributed to Safeen (note 10 (viii)).

- AED 28,544 thousand and AED 754,820 thousand relating to Deco Vision and Aldar respectively, that were transferred from related parties under common control.

- AED 920,587 thousand, being the second tranche of Kalyon consideration, which is recorded in the consolidated financial position under due to related parties.

2021:

- AED 96,169 thousand, being the fair value of the previously held interest in Sawaeed Holding PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.1).

- AED 4,426,477 thousand, being the fair value of the previously held interest in Aldar Properties PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11).

- Investment in Aldar Properties PJSC, acquired during the year from a related party under common control and recorded at fair value of AED 5,331,829 thousand (note 6.3(b)).

- AED 101,500 thousand, being the fair value of the remaining 50% interest in Eltizam Asset Management LLC, which was previously a wholly owned subsidiary of the Group (note 6.4(b)).

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(ii) Included in disposals during the year are:

- AED 800,000 thousand received by the Group from EDE Research Institute LLC ("EDE"), being the reduction in the additional capital contributed. As per the resolution passed in the General Assembly meeting held on 26 August 2022, an amount of AED 800,000 thousand recorded by EDE as additional capital contribution, is to be repaid to the Group in four equal monthly instalments starting from September 2022. As of 31 December 2022, the full amount was recovered by the Group.

- AED 32,000 thousand received by the Group as a capital reduction in Abu Dhabi Finance PJSC.

(iii) Included within transfers to investment in subsidiaries is an amount of AED 35,534 thousand relating to Reem Ready Mix LLC, which was acquired upon acquisition of RAKCIC (note 6.6(A)).

(iv) During the year, the Group performed impairment assessment for investments in associates and joint ventures and concluded the following:

	AED'000
Impairment of Canal Sugar S.A.E	**143,078**
Impairment of EDE Research Institute LLC	**42,000**
Reversal of impairment of Abu Dhabi Finance PJSC	**(7,347)**
	177,731

Summary of fair value gain on revaluation of previously held equity interests:

	2022 AED'000	*2021 AED'000*
NRTC Food Holding LLC (note 10(iii))	**90,000**	-
Aldar Properties PJSC (note 10(iv))	**2,742,265**	-
Esyasoft Holding Ltd. (note 10(v))	**16,414**	-
Viola Communications LLC (note 6.2(b))	**-**	40,988
	2,848,679	40,988

Contingencies and commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows:

	2022 AED'000	*2021 AED'000*
Letters of guarantees, letter of credits and contingencies	**211,372**	701,502
Capital commitments	**2,946**	3,470,234
Operating lease commitments	**-**	1,592,616

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Kalyon Enerji AED'000	*Burjeel Holding AED'000*	*Lulo Bank AED'000*	*WIO Holding AED'000*	*Gordon Technologies AED'000*	*Invictus PLC AED'000*	*Bayanat AI PLC AED'000*	*RPH AED'000*	*EDE AED'000*	*Eltizam AED'000*	*Safeen AED'000*	*Sawaeed AED'000*	*Canal Sugar AED'000*	*Others AED'000*	*Total AED'000*	*2021 AED'000*
Non-current asset	**3,483,981**	**3,082,247**	**-**	**11,525**	**1,337,515**	**6,623**	**22,856**	**60,386**	**-**	**101,925**	**285,851**	**181,065**	**2,227,347**	**438,557**	**11,239,878**	26,858,769
Current assets	**267,162**	**1,603,256**	**851,124**	**2,468,526**	**258,357**	**2,688,027**	**1,485,234**	**261,101**	**412,881**	**509,239**	**-**	**207,748**	**217,294**	**2,144,227**	**13,374,176**	31,316,867
Non-current liabilities	**(2,859,415)**	**(2,131,619)**	**-**	**-**	**(9,264)**	**-**	**(5,693)**	**(10,768)**	**(206)**	**(30,592)**	**-**	**(41,074)**	**(1,747,505)**	**(121,468)**	**(6,957,604)**	(11,290,846)
Current liabilities	**(270,392)**	**(1,436,036)**	**(35,494)**	**(634,074)**	**(97,431)**	**(1,666,063)**	**(420,710)**	**(80,105)**	**(18,983)**	**(275,089)**	**-**	**(30,871)**	**(281,091)**	**(1,534,211)**	**(6,780,550)**	(15,569,491)
Equity (100%)	**621,336**	**1,117,848**	**815,630**	**1,845,977**	**1,489,177**	**1,028,587**	**1,081,687**	**230,614**	**393,692**	**305,483**	**285,851**	**316,868**	**416,045**	**927,105**	**10,875,900**	31,315,299
Less: non-controlling interests	**(40,425)**	**(33,467)**	**-**	**(646,092)**	**-**	**-**	**-**	**-**	**-**	**(5,417)**	**-**	**(1,773)**	**-**	**-**	**(727,174)**	(746,615)
Equity attributable to the owners of the entities	**580,911**	**1,084,381**	**815,630**	**1,199,885**	**1,489,177**	**1,028,587**	**1,081,687**	**230,614**	**393,692**	**300,066**	**285,851**	**315,095**	**416,045**	**927,105**	**10,148,726**	**30,568,684**
Group percentage holding	**50%**	**14.55%**	**46.16%**	**51%**	**25%**	**22.96%**	**15.03%**	**36.15%**	**50%**	**50%**	**49%**	**36.69%**	**33%**			
Group's share in net assets	**290,456**	**157,777**	**376,495**	**611,941**	**372,294**	**236,164**	**162,578**	**83,367**	**196,846**	**150,033**	**140,067**	**115,608**	**137,295**	**323,896**	**3,354,817**	9,890,410
Group's carrying amount of the investment (including goodwill)	**1,838,425**	**1,521,184**	**733,025**	**696,658**	**616,032**	**599,278**	**434,648**	**237,169**	**197,466**	**176,817**	**140,067**	**110,980**	**-**	**352,563**	**7,654,312**	12,103,106

Summarised statements of profit or loss:

	Kalyon Enerji AED'000	*Burjeel Holding AED'000*	*Lulo Bank AED'000*	*WIO Holding AED'000*	*Gordon Technologies AED'000*	*Invictus PLC AED'000*	*Bayanat AI PLC AED'000*	*RPH AED'000*	*EDE AED'000*	*Eltizam AED'000*	*Safeen AED'000*	*Sawaeed AED'000*	*Canal Sugar AED'000*	*Others* AED'000*	*Total AED'000*	*2021 AED'000*
Revenue	**108,685**	**1,092,453**	**3,334**	**24,339**	**149,190**	**3,483,672**	**209,484**	**321,013**	**1,516,197**	**818,979**	**-**	**122,773**	**166,658**	**4,732,843**	**12,749,620**	3,819,757
(Loss) profit from operations	**(29,066)**	**149,501**	**(4,278)**	**(453,763)**	**41,424**	**197,534**	**18,450**	**37,015**	**869,904**	**53,096**	**-**	**(15,575)**	**(262,031)**	**606,683**	**1,208,894**	2,911,413
Less: (loss) profit attributable to non-controlling interests	**-**	**5,603**	**-**	**(158,647)**	**-**	**-**	**-**	**-**	**-**	**1,063**	**-**	**(288)**	**-**	**19,900**	**(132,369)**	-
(Loss) profit attributable to the owners of the Company	**(29,066)**	**143,898**	**(4,278)**	**(295,116)**	**41,424**	**197,534**	**18,450**	**37,015**	**869,904**	**52,033**	**-**	**(15,287)**	**(262,031)**	**586,783**	**1,341,263**	2,911,413
Group percentage holding	**50%**	**14.55%**	**46.16%**	**51%**	**25%**	**22.96%**	**15.03%**	**36.15%**	**50%**	**50%**	**49%**	**36.69%**	**33%**			
Group's share of (loss) profit	**(14,533)**	**20,937**	**(1,975)**	**(150,509)**	**10,356**	**45,354**	**2,773**	**13,381**	**434,952**	**26,017**	**-**	**(5,609)**	**(86,470)**	**128,877**	**423,551**	672,186

* Others include revenue, profit attributable to the owners of the Company and Group's share of profit of AED 2,683,205 thousand, AED 667,910 thousand and AED 170,517 thousand respectively, from Aldar Properties PJSC that was accounted as an investment in associate prior to the date control was achieved (i.e. 11 April 2022).

11 INVESTMENT IN FINANCIAL ASSETS

	Notes	*2022* *AED'000*	*2021* *AED'000*
Investments carried at fair value through other comprehensive income	11.1	**1,788,035**	1,143,972
Investments carried at fair value through profit or loss	11.2	**56,774,667**	9,096,931
Investments carried at amortised cost	11.3	**229,509**	-
		58,792,211	10,240,903

Disclosed in the consolidated statement of financial position as follows:

	2022 *AED'000*	*2021* *AED'000*
Current	**32,176,907**	9,096,931
Non-current	**26,615,304**	1,143,972
	58,792,211	10,240,903

11.1 Investments carried at fair value through other comprehensive income

	2022 *AED'000*	*2021* *AED'000*
Quoted equity investments	**355,657**	622,878
Unquoted equity investments	**1,343,237**	547,646
Quoted sukuks	**-**	490,014
Other debt instruments	**89,141**	8
	1,788,035	1,660,546
Less: transferred to investments related to a subsidiary held for sale	**-**	(516,574)
	1,788,035	1,143,972

Management of the Group has elected to designate these investments in financial instruments as fair value through other comprehensive income, as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The geographical distribution of investments is as follows:

	2022 *AED'000*	*2021* *AED'000*
Inside the UAE	**542,011**	860,186
Outside the UAE	**1,246,024**	800,360
	1,788,035	1,660,546
Less: transferred to investments related to a subsidiary held for sale	**-**	(516,574)
	1,788,035	1,143,972

11 INVESTMENT IN FINANCIAL ASSETS continued

11.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 42. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2022			*2021*		
	Sukuks and debt instruments AED'000	***Equity securities AED'000***	***Total AED'000***	*Sukuks and debt instruments AED'000*	*Equity securities AED'000*	*Total AED'000*
At 1 January	**-**	**1,143,972**	**1,143,972**	-	447,057	447,057
Additions	**3,435**	**1,030,157**	**1,033,592**	11,668	96,577	108,245
Acquired in business combinations (note 6.1 & 6.2)	**82,114**	**348,532**	**430,646**	561,482	4,198,634	4,760,116
Disposals	**-**	**(56,085)**	**(56,085)**	(78,875)	(230,321)	(309,196)
Transfer to investment in associates (note 10)	**-**	**-**	**-**	-	(4,107,271)	(4,107,271)
Transfer to investment in subsidiaries(i)	**-**	**(283,234)**	**(283,234)**	-	(8,172)	(8,172)
Foreign exchange loss	**-**	**(586)**	**(586)**	-	-	-
Changes in fair value	**3,592**	**(483,862)**	**(480,270)**	(4,253)	774,020	769,767
	89,141	**1,698,894**	**1,788,035**	490,022	1,170,524	1,660,546
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	**-**	**-**	**-**	(490,022)	(26,552)	(516,574)
At 31 December	**89,141**	**1,698,894**	**1,788,035**	-	1,143,972	1,143,972

As of 31 December 2022, investment in shares with a fair value of AED 1,152 thousand (2021: AED 29,937 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

(i) Represents the following:

	AED'000
Previously held interest in Ras Al Khaimah Cement Investment PJSC (note 6.6(a))	**12,162**
Q Holding PJSC shares acquired in business combination (note 6.6(a)(A))	**261,420**
Alpha Dhabi Holding PJSC shares acquired through business combination (note 6.6(a)(A))	**9,652**
	283,234

11.2 Investments carried at fair value through profit or loss

	2022 AED'000	*2021 AED'000*
Quoted equity investments	**46,264,412**	1,920,333
Unquoted equity investments	**10,510,255**	7,576,453
	56,774,667	9,496,786
Less: transferred to investments related to a subsidiary held for sale	**-**	(399,855)
	56,774,667	9,096,931

11 INVESTMENT IN FINANCIAL ASSETS continued

11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	2022 **AED'000**	2021 AED'000
Inside the UAE	**35,468,464**	1,912,198
Outside the UAE	**21,306,203**	7,584,588
	56,774,667	9,496,786
Less: transferred to investments related to a subsidiary held for sale	**-**	(399,855)
	56,774,667	9,096,931

As of 31 December 2022, shares with a fair value of AED 28,368,654 thousand (2021: nil), are pledged as security against borrowings (note 24).

The investments are recorded at fair value using the valuation techniques as disclosed in note 42. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2022			2021
	Debt Instruments AED'000	**Equity Securities AED'000**	**Total AED'000**	Equity Securities AED'000
At 1 January	**-**	**9,096,931**	**9,096,931**	622,525
Additions[i]	**236**	**24,637,905**	**24,638,141**	6,995,311
Acquired in business combinations (note 6.1 & 6.2)	**-**	**3,699,827**	**3,699,827**	629,512
Derecognition on disposal of a subsidiary	**-**	**-**	**-**	(3,039)
Disposals during the year	**(5,831)**	**(1,525,978)**	**(1,531,809)**	(4,034)
Transferred to investment in subsidiaries[ii]	**-**	**(332,495)**	**(332,495)**	(599,743)
Transferred to investment in associates (note 10)	**-**	**(9,188)**	**(9,188)**	(415,375)
Foreign exchange loss	**-**	**(816,516)**	**(816,516)**	-
Changes in fair value (note 34)	**5,595**	**22,024,181**	**22,029,776**	2,271,629
	-	**56,774,667**	**56,774,667**	9,496,786
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	**-**	**-**	**-**	(399,855)
At 31 December	**-**	**56,774,667**	**56,774,667**	9,096,931

(i) Included in the additions of 2021, are investments acquired from a related party under common control for a consideration of AED 1. Given that the related party and the Group are ultimately controlled by the same party, the acquisitions are accounted for as additional contribution made by the Ultimate Parent Company. Accordingly, at acquisition, these investments were recorded at their fair value of AED 4,976,271, and the excess of the fair value over the consideration paid was recognised within equity under merger, acquisition and other reserves.

(ii) Represents the following:

	AED'000
Q Holding PJSC shares acquired in business combination (note 6.6(a)(A))	**57,190**
Aldar Holding PJSC shares acquired through business combination (note 6.6(a)(A))	**275,305**
	332,495

11 INVESTMENT IN FINANCIAL ASSETS continued

11.3 Investments carried at amortised cost

	2022 AED'000	*2021 AED'000*
Debt instruments	**229,509**	-

Treasury bills are stated at amortised cost using the effective profit rate method.

The geographical distribution of investments is as follows:

	2022 AED'000	*2021 AED'000*
Inside the UAE	**19,389**	-
Outside the UAE	**210,120**	-
	229,509	-

Movement in investment in financial assets carried at amortised cost is as follows:

	2022 AED'000	*2021 AED'000*
At 1 January	**-**	-
Acquired in business combinations (note 6)	**192,115**	-
Additions	**454,532**	-
Disposals	**(375,799)**	-
Reversal of allowance for expected credit losses	**20**	-
Foreign exchange loss	**(41,359)**	-
At 31 December	**229,509**	-

12 INTEREST IN JOINT OPERATIONS

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

	2022	2021
Joint operations		
Technip – NPCC – Satah Full Field	**50%**	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	**40%**	40%
NPCC – TECHNIP UL-2	**50%**	50%
NPCC – TECHNIP AGFA	**50%**	50%
NPCC - Technip JV - US GAS CAP Feed	**50%**	50%
WOW Hydrate Limited	**50%**	-%

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

	2022 AED '000	2021 AED '000
Total assets	**60,008**	140,801
Total liabilities	**40,468**	27,804
Net assets	**19,540**	112,997
Total revenue	**11,033**	2,225
Profit (loss) for the year	**10,663**	(15,981)

13 INVENTORIES

	2022 AED'000	2021 AED'000
Land plots held for sale	**8,163,029**	-
Real estate properties	**2,992,350**	5,427
Medical supplies	**1,011,159**	315,584
Packing and raw material	**188,559**	76,976
Household furniture	**151,750**	71,566
Other finished goods	**152,820**	36,016
Food and its related non-food items	**75,753**	26,241
Fish and fish products	**33,176**	30,646
Poultry products	**3,324**	5,893
Spares and consumables	**676,730**	600,802
	13,448,650	1,169,151
Goods in transit	**17,561**	11,858
Work in progress	**22,287**	-
Less: allowance for slow moving inventories	**(487,127)**	(281,658)
	13,001,371	899,351

13 INVENTORIES continued

Movement in allowance for slow moving inventories is as follows:

	2022 ***AED'000***	*2021* *AED'000*
At 1 January	**281,658**	27,547
Acquired in business combinations	**215,575**	65,401
Charge for the year	**21,117**	188,710
Write-off during the year	**(31,223)**	-
At 31 December	**487,127**	281,658

As at 31 December 2022, there were inventories amounting to AED 538,304 thousand (2021: nil) mortgaged as security against a borrowing (note 24).

As of 31 December 2022, AED 5,034 thousand of completed properties were committed under a settlement agreement (2021: AED 5,034 thousand) and are recorded at the realisable value. All properties are located in the United Arab Emirates.

During the year, investment properties amounting to AED 141,944 thousand (note 9) and development work-in progress amounting to AED 206,280 (note 16) were transferred to inventories (2021: AED 29,322 thousand transferred from investment properties to inventories (note 9)). An amount of AED 300,224 thousand were sold during the year and recognised as direct cost.

During the year, land plots held for sale amounting to AED 426,622 thousand (note 16) were transferred to development work in progress, as management intends to develop these lands for future sale (2021: nil).

Allowance for slow moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2022 ***AED'000***	*2021* *AED'000*
Cost of revenue (note 31)	**-**	185,900
General and administrative expenses (note 32)	**21,117**	2,810
	21,117	188,710

14 TRADE AND OTHER RECEIVABLES

	2022 AED'000	2021 AED'000
Trade receivables	**12,137,267**	7,131,404
Due from policy holders	**1,046,248**	-
Less: allowance for expected credit losses	**(1,110,771)**	(433,312)
	12,072,744	6,698,092
Advances to suppliers and sub-contractors	**4,044,447**	1,498,057
Margin receivables, net(i)	**2,110,218**	1,259,891
Receivable under sale purchase agreements(ii)	**1,983,110**	-
Government funded programs receivables	**1,740,078**	-
Prepayments	**948,389**	373,332
Subsidy receivable from Government(iii)	**961,380**	-
Retention receivables, net	**734,838**	510,558
Advances paid towards investments	**720,478**	-
Reinsurance receivables	**199,780**	-
Unbilled revenue	**145,804**	113,813
Receivables relating to project finance	**144,125**	-
Accrued interest/ profit receivable	**54,410**	343
Deferred commission expense	**33,481**	-
Due from security markets	**20,342**	6,901
Deposits and other receivables	**2,901,210**	949,820
	28,814,834	11,410,807
Less: non-current portion	**(2,674,851)**	(200,411)
	26,139,983	11,210,396

Non-current portion consists of the following:

	2022 AED'000	2021 AED'000
Receivable under sale purchase agreement(ii)	**1,647,558**	-
Trade receivables, net of allowance for expected credit losses	**761,571**	130,424
Receivables relating to project finance	**135,262**	-
Retention receivable, net of allowance for expected credit losses	**54,303**	69,987
Other non-current receivables	**76,157**	-
	2,674,851	200,411

(i) Margin receivables relate to receivable from customers from margin trading services. As at 31 December 2022, the securities available in the margin trading account amounted to AED 6,849,921 thousand (2021: AED 4,657,646 thousand), which are held as collateral against the margin receivables. Provision for impairment on margin trade receivables as of 31 December 2022 amounts to AED 43 thousand (2021: 43 thousand).

(ii) During the year, the Group entered into an agreement to acquire equity shares. As per the agreement, the Group is entitled to receive a guaranteed return over a period of time reduced by any dividends that may be declared and paid by the investee. Accordingly, the Group recognised a non-current receivable of AED 1.94 billion on the transaction date, using a discount rate of 8%, with a corresponding deferred income.

14 TRADE AND OTHER RECEIVABLES continued

(iii) Movement in subsidy receivable from Government, relating to an insurance product offered by a subsidiary of the Group, is as follows:

	2022 AED'000	*2021 AED'000*
Balance at 1 January	**-**	-
Acquired in business combination	**930,159**	-
Subsidy earned (note 34)	**208,414**	-
Funds collected	**(177,193)**	-
Balance at 31 December	**961,380**	-

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates 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.

Below is the information about the credit risk exposure on the Group's trade receivables:

	Total AED'000	*Not past due AED'000*	*<30 days AED'000*	*31-60 days AED'000*	*61-120 days AED'000*	*121-360 days AED'000*	*>360 days AED'000*
31 December 2022							
Expected credit loss rate		**0.89%**	**1.01%**	**5.91%**	**5.32%**	**11.27%**	**38.31%**
Estimated total gross carrying amount at default	**13,183,515**	**5,300,508**	**1,511,656**	**982,605**	**1,423,494**	**2,237,250**	**1,728,002**
Life time ECL	**1,110,771**	**47,423**	**15,279**	**58,109**	**75,692**	**252,227**	**662,041**
31 December 2021							
Expected credit loss rate		0.53%	2.38%	2.43%	4.93%	15.17%	32.14%
Estimated total gross carrying amount at default	7,131,404	3,417,025	307,864	1,033,150	515,705	1,413,315	444,345
Life time ECL	433,312	18,113	7,342	25,125	25,445	214,455	142,832

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	2022 AED'000	*2021 AED'000*
Balance at 1 January	**433,312**	122,001
Acquired in business combinations	**507,566**	250,728
Charge for the year (note 32)	**266,994**	111,686
Derecognition on disposal of subsidiaries	**(3,602)**	(8,187)
Transfer from ECL on balances due from related parties (note 35.1)	**1,959**	-
Written off during the year	**(95,458)**	(39,359)
	1,110,771	436,869
Less: provision for expected credit losses related to a subsidiary transferred to assets held for sale	**-**	(3,557)
Balance at 31 December	**1,110,771**	433,312

15 BIOLOGICAL ASSETS

	2022 *AED'000*	*2021* *AED'000*
Plants	**273**	389
Livestock	**84,648**	30,247
	84,921	30,636

Movement in biological assets is as follows:

	2022 *AED'000*	*2021* *AED'000*
At 1 January	**30,636**	5,480
Acquired in business combinations (note 6.1)	**22,916**	19,848
Additions	**7,691**	3,814
Depreciation capitalised (note 7)	**1,270**	3,826
Disposals	**(1,054)**	(1,092)
Amortisation expense of livestock (note 31)	**(5,870)**	(6,870)
Change in fair value (note 34)	**29,332**	5,630
At 31 December	**84,921**	30,636

Biological assets are classified in the consolidated statement of financial position as follows:

	2022 *AED'000*	*2021* *AED'000*
Current	**57,913**	5,363
Non-current	**27,008**	25,273
	84,921	30,636

Biological assets include plants and livestock. Plants mainly comprises of growing crops which are carried at cost. Livestock comprises of herd of sheep and fish which are carried at fair value, chicken livestock and shrimps which are carried at cost.

Chicken livestock:
Chicken livestock which are carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Fish, caviar and shrimps live stock:
Biological assets include mature fish and its caviar, juvenile fish and shrimps, which are farmed by the Group. Shrimps are carried at acquisition cost plus costs incurred post acquisition for feeds and chemicals until the age of 6 months which is considered to be the economic productivity period. After this period, shrimps are sold to outside parties except for mother shrimps which are expected to produce larvae.

Agricultural produce, i.e. larval shrimps and juveniles, is measured at fair value less costs to sell at the point of production from the Company's biological assets. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and retailers.

15 BIOLOGICAL ASSETS continued

Fish, caviar and Shrimps live stock: continued
Fish are considered as 'mature' when it weighs between 500 grams to 2,000 grams, while juvenile species weighs between 2 grams to 15 grams. All matured fish are measured on initial recognition and at end of each reporting period at fair values less estimated costs to sell. Shrimps are carried at acquisition cost plus costs incurred post acquisition for feeds and chemicals until the age of 6 months, which is considered to be the economic productivity period.

Caviar that the sturgeon fish produces are fair valued on the basis of the bio mass relative to the relative of the weight of the fish on current market prices of similar type of assets. Costs to sell include commission to brokers and retailers. After harvest, the caviar produced from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory.

Sheep:
Sheep are measured at fair value less costs to sell. The fair values are determined based on current market prices of similar type of assets.

16 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

	2022	*2021*
	AED'000	*AED'000*
At 1 January	**1,737,183**	1,025,466
Acquired in business combinations (note 6.2(a))	**3,678,915**	694,022
Additions during the year	**2,651,727**	24,326
Transferred from investment properties (note 9)	**1,393,699**	-
Transferred from inventories (note 13)	**426,622**	-
Depreciation capitalised (note 7)	**-**	115
Derecognition on disposal of a subsidiary (note 6.4(b))	**-**	(6,746)
Transferred to investment properties (note 9)	**(24,949)**	-
Transferred to inventories (note 13)	**(206,280)**	-
Recognised in direct costs of properties sold	**(1,804,757)**	-
Write-off of project costs (note 31)	**(37,715)**	-
Foreign exchange difference	**(824,047)**	-
	6,990,398	1,737,183
Less: provision for impairment	**(622,850)**	(387,359)
At 31 December	**6,367,548**	1,349,824

There are no borrowing costs included in the additions during the year (2021: nil).

Certain lands are mortgaged as securities against borrowings (note 24).

16 DEVELOPMENT WORK-IN-PROGRESS continued

Movement in provision for impairment is as follows:

	2022 *AED'000*	*2021* *AED'000*
At 1 January	**387,359**	345,154
Acquired in business combination	**-**	42,205
Charge for the year[(i)] (note 31)	**261,363**	-
Reversal during the year (note 31)	**(25,872)**	-
At 31 December	**622,850**	387,359

(i) During the year, the Group determined the net realisable value of its development work in progress and concluded that the carrying value was higher than the net realisable value for certain projects and accordingly a provision of impairment amounting to AED 261,363 thousand (2021: nil) was recorded. The estimates of net realisable values are based on the most reliable evidence available at the reporting date.

17 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under 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.

	2022 *AED'000*	*2021* *AED'000*
Contract assets	**6,115,434**	5,274,112
Contract costs[(i)]	**1,708,665**	690,834
Reinsurance contract assets (note 28)	**394,127**	-
	8,218,226	5,964,946
Less: allowance for expected credit losses	**(89,970)**	(103,478)
	8,128,256	5,861,468

(i) Contract costs represents costs incurred on projects, on which the Group is not contractually entitled to recognise revenue until various work packages are completed and handed over. While the work packages are yet to be handed over up to 31 December 2022, commencing from the year 2023, a number of packages are scheduled to be completed and handed over, which will result in winding down of the balance throughout the remaining contractual period.

Disclosed in the consolidated statement of financial position as follows:

	2022 *AED'000*	*2021* *AED'000*
Current	**8,128,256**	5,201,530
Non-current	**-**	659,938
	8,128,256	5,861,468

17 CONTRACT ASSETS continued

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

	2022 *AED'000*	*2021* *AED'000*
At 1 January	**103,478**	7,378
Acquired in business combinations	-	40,040
(Reversal) charge for the year, net (note 32)	**(14,285)**	348,288
Transfer from allowance from expected credit losses against amounts due from related parties	**777**	-
Written off during the year	**-**	(292,228)
At 31 December	**89,970**	103,478

18 CASH AND CASH EQUIVALENTS

	2022 *AED'000*	*2021* *AED'000*
Cash on hand	**28,281**	23,461
Bank balances:		
Current and call accounts	**18,963,877**	13,867,365
Group's bank accounts for clients' deposits(i)	**4,741,008**	2,537,208
Term deposits	**13,287,836**	3,668,020
Margin accounts	**16,380**	8,940
Wakala deposits with Islamic financial institutions	**223,816**	173,272
Less: allowance for expected credit loss	**(31,056)**	(31,684)
Cash and bank balances	**37,230,142**	20,246,582
Less: term deposits and margin accounts with an original maturity of more than three months	**(4,097,079)**	(884,890)
Less: restricted cash(ii)	**(5,540,613)**	(38,274)
Less: Wakala deposits with Islamic financial institutions	**(171,617)**	(173,272)
Less: Group's bank accounts for clients' deposits	**(4,741,008)**	(2,537,208)
Less: bank overdrafts (note 24)	**(38,688)**	(382,795)
	22,641,137	16,230,143
Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)	**2,048**	247,975
Cash and cash equivalents	**22,643,185**	16,478,118

(i) In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("ESCA"), a subsidiary of the Group maintains separate bank accounts for advances received from its customers ("clients' deposits"). The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients' deposits by the Group is restricted, they have been presented on the consolidated statement of financial position as notified by ESCA.

(ii) Restricted cash mainly includes an amount of AED 2,970,712 thousand, which are deposited into escrow accounts representing cash received from customers against the sale of development properties. The remaining balance of restricted cash mainly represent balances designated against government projects and dividends payable for which separate bank accounts are maintained.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirham and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2022 *AED'000*	*2021* *AED'000*
Assets held for sale – buildings (note 19.1)	**1,256,424**	394,250
Discontinued operations (note 19.2)	**683,327**	3,822,389
	1,939,751	4,216,639
Liabilities directly associated with discontinued operations (note 19.2)	**8,015**	2,196,432

19.1 Assets held for sale – buildings

Buildings
The buyer and a subsidiary of the Group, Al Tamouh Investments Company LLC, entered into a sale and purchase agreement of one of its assets, having a net book value of AED 385,119 thousand. As at 31 December 2022, the sale was not complete and expected to be completed within 2023.

Property, plant and equipment and investment properties
During the year, Q Holding PSC, a subsidiary, committed based on a sale and purchase agreement to sell its property, plant and equipment and investment properties relating to the Traditional Souq project with carrying value of AED 137,215 thousand and AED 734,090 thousand respectively. As at reporting date, the sale was not complete and is expected to be completed within 2023.

The movement during the year is as follows:

	2022 *AED'000*	*2021* *AED'000*
At 1 January	**394,250**	376,730
Additions during the year	**-**	-
Transfer from investment properties(i) (note 9)	**734,090**	8,762
Transfer from property, plant and equipment (note 7)	**137,215**	-
Completed sale during the year(i)	**(9,131)**	-
Reversal of impairment during the year (note 31)	**-**	8,758
At 31 December	**1,256,424**	394,250

(i) During 2021, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. During 2022, the units were sold in full.

19.2 Discontinued operations

Paragon Malls LLC ("Paragon")
On 31 October 2020, the Group signed a sale and purchase agreement to sell the subsidiary, Paragon Mall LLC (note 19.1). During 2021, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2022, the sale was not complete and expected to completed within 2023.

Holiday Inn Abu Dhabi ("Holiday Inn")
Holiday Inn Abu Dhabi, a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Q Holding PSC *(formerly "Al Qudra Holding PJSC")* in the prior year. Prior to acquisition, the buyer and Q Holding entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly, the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 31 December 2022.

19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

19.2 Discontinued operations continued

Aafaq Islamic Finance PSC ("Aafaq")
On 24 November 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance PSC, a subsidiary. As at 1 July 2022, the sale was completed and Aafaq was disposed (note 6.4(a)).

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2022 and 2021 are as follows:

	Paragon 2022 AED'000	***Holiday Inn 2022 AED'000***	***Total 2022 AED'000***	*Paragon 2021 AED'000*	*Holiday Inn 2021 AED'000*	*Aafaq 2021 AED'000*	*Total 2021 AED'000*
ASSETS							
Property, plant and equipment – building	**503,096**	**162,080**	**665,176**	503,096	162,080	-	665,176
Investment properties	-	-	-	-	-	217,192	217,192
Investments in financial assets	-	-	-	-	-	916,429	916,429
Receivables from Islamic financing activities	-	-	-	-	-	1,657,097	1,657,097
Trade and other receivables	**9,859**	**5,930**	**15,789**	9,752	5,930	32,201	47,883
Wakala deposits with Islamic financial institutions	-	-	-	-	-	43,736	43,736
Inventories	-	**223**	**223**	-	223	-	223
Due from related parties	-	**91**	**91**	-	91	26,587	26,678
Cash and cash equivalents	-	**2,048**	**2,048**	561	2,048	245,366	247,975
TOTAL ASSETS	**512,955**	**170,372**	**683,327**	513,409	170,372	3,138,608	3,822,389
LIABILITIES							
Employees' end of service benefits	-	**867**	**867**	-	867	5,908	6,775
Borrowings	-	-	-	-	-	200,000	200,000
Margin against letter of guarantee	-	-	-	-	-	901,440	901,440
Lease liabilities	-	-	-	-	-	1,991	1,991
Contract liabilities	**408**	-	**408**	498	-	-	498
Trade and other payables	-	**6,740**	**6,740**	-	6,740	1,078,988	1,085,728
TOTAL LIABILITIES	**408**	**7,607**	**8,015**	498	7,607	2,188,327	2,196,432
NET ASSETS	**512,547**	**162,765**	**675,312**	512,911	162,765	950,281	1,625,957

Building held for sale with a carrying value of AED 162,080 thousand (2021: AED 162,080 thousand) are mortgaged as security against borrowings (note 24).

The results of operations of the discontinued subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

20 SHARE CAPITAL

	2022 AED'000	*2021 AED'000*
Authorised issued and fully paid		
2,193,540 thousand shares of AED 1 each (31 December 2020: 1,821,429 thousand shares of AED 1 each)	**2,193,540**	1,821,429

In their General Assembly Meeting held on 9 November 2022, the shareholders approved to increase the share capital of the Company from AED 1,821,429 thousand to AED 2,193,540 thousand, through the issuance of 372,111 thousand new shares with a fair value of AED 151,560,938 thousand in order to acquire additional shareholding in existing subsidiaries, namely Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (note 6.6(a)(E). The issuance of the new shares resulted in a share premium of AED 151,188,827 thousand. The transaction was executed and completed on 25 November 2022.

20 SHARE CAPITAL continued

	AED '000	*AED '000*
Additional shareholding acquired at carrying value[(i)]	**23,921,572**	**-**
Additional shareholding acquired at fair value[(i)]	**-**	**138,690,392**
Fair value of newly issued shares	**(151,560,938)**	**(151,560,938)**
	(127,639,366)	**(12,870,546)**

(i) The fair value of the additional shareholding acquired in subsidiaries on 25 November 2022 (i.e. the acquisition date) amounted to AED 138,690,392 thousand as compared to the carrying value of AED 23,921,572 thousand. As required by IFRS, the carrying values of the additional shareholding acquired was used to account for the transaction.

The impact on the Group's equity was as follows:

	Prior to the transaction AED'000	*Impact of the transaction AED'000*	*Post the transaction AED'000*
Share capital	**1,821,429**	**372,111**	**2,193,540**
Share premium	**-**	**151,188,827**	**151,188,827**
Merger, acquisition and other reserves	**17,738,956**	**(127,639,366)**	**(109,900,410)**
	19,560,385	**23,921,572**	**43,481,957**

The net impact from the transaction was a net increase in equity of AED 23,921,572 thousand with an equal decrease in non-controlling interests.

In the next Annual General Meeting planned to be held subsequent to year end, the Board of Directors will propose transferring a portion of the share premium to settle the negative merger, acquisition and other reserves.

21 STATUTORY RESERVE

In accordance with UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

22 HYBRID EQUITY INSTRUMENTS

Aldar Investment Properties LLC, a subsidiary acquired during the year, had issued hybrid equity instruments in two tranches to an investor ("Noteholder") worth USD 500 million (the "Notes"). The first tranche amounting to USD 310.5 million was received during March 2022 and the second tranche of USD 189.5 million was received during April 2022.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest of 5.625% with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest of 5.625% with a reset after 15 years

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

22 HYBRID EQUITY INSTRUMENTS continued

Transaction costs amounting to AED 20,604 thousand related to issuance of the Notes were recorded directly in equity.

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

	2022 **AED'000**	2021 AED'000
Acquired in business combinations (note 6.2(b))	**1,126,639**	-
Proceeds from issuance of second tranche	**689,007**	-
	1,815,646	-

During the year, the Group paid a coupon amounting to AED 51,645 thousand on the hybrid instrument.

23 EMPLOYEES' END OF SERVICE BENEFITS

	2022 **AED'000**	2021 AED'000
At 1 January	**809,804**	114,889
Acquired in business combinations (note 6.1 & 6.2)	**1,816,532**	713,215
Charge for the year	**303,005**	162,101
Actuarial loss recognised in other comprehensive income(i)	**35,748**	-
Derecognition on disposal of subsidiaries (note 6.4(a))	**(2,858)**	(14,500)
Paid during the year	**(191,528)**	(159,993)
Transfer from related parties	**551**	-
	2,771,254	815,712
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	**-**	(5,908)
	2,771,254	809,804

(i) During the year, the Group acquired Abu Dhabi Health Services Company PJSC ("SEHA"), which provides end of service benefits (defined benefit obligations) to its eligible employees. The actuarial valuation of the present value of the defined benefit obligations was carried out at 31 December 2022 by an actuary registered in the UAE. The present value of defined benefit obligations and the related current and past service cost were measured using the projected unit credit method.

Below are the significant assumptions used:

	2022	2021
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 ended 31 December 2022 includes current service cost of AED 27,129 thousand (2021: nil) and net interest cost of AED 13,945 thousand (2021: nil).

23 EMPLOYEES' END OF SERVICE BENEFITS continued

Actuarial loss recognised in the consolidated statement of other comprehensive income includes the following:

	2022 ***AED'000***	*2021* *AED'000*
Actuarial loss arising from experience adjustments	**11,821**	-
Actuarial loss arising from changes in financial assumptions	**23,927**	-
	35,748	-

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:

	2022		*2021*	
	Increase AED'000	***Decrease AED'000***	*Increase AED'000*	*Decrease AED'000*
Discount rate (0.5%)	**(360)**	**373**	-	-
Annual rate of salary increase (0.5%)	**(439)**	**517**	-	-
Voluntary termination rate (2%)	**3,109**	**(3,691)**	-	-

24 BORROWINGS

Movement in borrowings during the year is as follows:

	2022 ***AED'000***	*2021* *AED'000*
Balance at 1 January	**8,421,423**	1,125,476
Acquired in business combinations (note 6.1 & 6.2)	**5,654,889**	8,408,909
Drawdowns during the year	**33,572,235**	1,126,482
Derecognition on disposal of a subsidiary (note 6.4(a))	**(3,429)**	(50,276)
Foreign exchange difference	**(174,229)**	(16,181)
Repayments during the year	**(11,151,447)**	(1,972,987)
	36,319,442	8,621,423
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	**-**	(200,000)
	36,319,442	8,421,423
Less: unamortised transaction cost	**(52,725)**	(13,486)
Balance at 31 December	**36,266,717**	8,407,937

Disclosed in the consolidated statement of financial position as follows:

	2022 ***AED'000***	*2021* *AED'000*
Non-current portion	**33,829,725**	6,749,087
Current portion	**2,436,992**	1,658,850
	36,266,717	8,407,937

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	***2022 AED'000***	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term loan 1	EIBOR + 3%	March 2025	**40,437**	56,437	Quarterly	To finance the construction of a factory	Corporate guarantee and mortgage over the asset
Term loan 2	EIBOR + 1.85%	December 2023	**10,640**	25,431	Semi-annual	To finance the construction of a plant	Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party
Term loan 3	EIBOR + 1.85%	December 2024	**111,885**	137,481	Annual	To finance the construction of a plant	Personal guarantee of a related party and mortgage of the asset
Term loan 4	EIBOR + 1.85%	September 2030	**95,648**	41,607	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 5	EIBOR + 1.85%	December 2027	**139,106**	154,788	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 6	6.90%	May 2022	**-**	6	Monthly	To finance the purchase of motor vehicles	Mortgage over the asset
Term loan 7	3.25% - 4.41%	November 2025	**33,517**	19,423	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank, assignment of insurance policy over financed motorcycles and motor vehicles.
Term loan 8	3.25%	November 2024	**6,783**	4,906	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 9	EIBOR + 2.8%	September 2024	**100,753**	158,353	Quarterly	Project financing	Assignment of project proceeds and first degree mortgage over certain properties
Term loan 10	EIBOR + 3%	March 2029	**219,084**	233,512	Quarterly	To finance the construction of residential apartments	Assignment of property proceeds and a first degree mortgage over the asset
Term Loan 11	EIBOR + 2%	September 2025	**31,439**	42,135	Semi- annual	Project financing	Corporate guarantees of related parties, mortgage over certain properties, including assignment of insurance policy of and rental proceeds from the mortgaged properties
Term Loan 12	EIBOR + 3%	December 2031	**-**	1,308,822	Quarterly	Project financing	Mortgage over the assets, corporate guarantees and assignment of rental proceeds

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	*2022 AED'000*	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term Loan 13	EIBOR + 3%	December 2031	**-**	250,000	Quarterly	Project financing	Mortgage over the assets, corporate guarantees and assignment of rental proceeds
Term Loan 14	EIBOR + 2.5% - 3%	December 2028	**239,708**	248,322	Quarterly	General corporate purpose	First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Baniyas Project (as and when the project is awarded)
Term Loan 15	EIBOR + 2.5%	June 2030	**110,608**	121,077	Quarterly	General corporate purpose	Unsecured
Term Loan 16	EIBOR + 2.5%	October 2023	**78,613**	102,613	Quarterly	General corporate purpose`	Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties
Term Loan 17	EIBOR + 2.25%	December 2023	**24,000**	66,812	Quarterly	Project financing	Irrevocable corporate guarantees and assignment of rental proceeds
Term Loan 18	EIBOR + 2.65%	December 2026	**441,698**	573,417	Quarterly	General corporate purpose	Corporate guarantee
Term Loan 19	LIBOR + 0.90%	March 2027	**1,109,155**	1,373,589	Quarterly	To finance the purchase of vessels	Mortgage over the assets acquired.
Term Loan 20	EIBOR + 1.15%	December 2026	**217,414**	249,414	Quarterly	To finance the purchase of a machinery	Mortgage over the asset acquired and assignment of insurance policy of the asset acquired.
Term Loan 21	2.75%	December 2025	**194,295**	234,018	Annual	General corporate purpose	Mortgage over the assets
Term Loan 22	2.5%	October 2028	**367,500**	367,500	Semi-annual	General corporate purpose	Unsecured
Term Loan 23	EIBOR + 1.85%	February 2028	**234,445**	274,459	Semi-annual	To finance the purchase of a property	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 24	2%	April 2024	**1,500,000**	1,500,000	Lumpsum payment at maturity	To finance the investment in financial asset	Custody of financial instruments covering minimum of 200% of the facility amount and assignment of related dividend proceeds.
Term loan 25	EIBOR + 2%	September 2025	**30,557**	30,727	Quarterly	To finance the purchase of machinery and equipment	Assignment of receivables
Term loan 26	3.6% - EIBOR + 1.9%	December 2029	**85,821**	97,365	Quarterly	To finance the purchase of equipment and vehicles	Corporate guarantees, mortgage over the assets and assignment of insurance policy of the mortgaged assets

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	***2022 AED'000***	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term loan 27	6 months EIBOR +2%	September 2026	**69,999**	-	Quarterly	To finance the construction of warehouse	Mortgage over investment property.
Term loan 28	3.4%	September 2024	**161**	-	Monthly	To finance the purchase of vehicles	Mortgage over the asset
Term loan 29	LIBOR + 2.25%	January 2032	**84,574**	-	Quarterly	Project financing	Mortgage of investment property
Term loan 30	3 months EIBOR + 3.5%	November 2036	**294,316**	-	Quarterly	Investment purposes	Mortgage of properties
Term loan 31	2.85% - 3.5%	February 2027	**1,819,354**	-	Two equal instalments during 2025 and 2027	Investment purposes and to finance acquisition of vessels	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends.
Term loan 32	6 month EIBOR + 1.70%	May 2027	**2,760,000**	-	Two equal instalments during May 2025 and May 2027	Investment purposes	Pledge of shares covering minimum of 154% of the facility amount.
Term loan 33	1 month EIBOR + 0.88%	May 2032	**436,169**	-	Quarterly	Finance acquisition of vessels	Mortgage of vessel acquired.
Term loan 34	EIBOR + 1%	March 2025	**419,949**	-	Revolving facility	To refinance existing debts & General Corporate purposes	Mortgage of land plots in Reem Island
Term loan 35	EIBOR + 2%	March 2025	**295,305**	-	Revolving facility	General Corporate purposes	Unsecured
Term loan 36	EIBOR + 1.2% - 1.4%	March 2027	**(4,427)**	-	Revolving facility	General Corporate purposes	Unsecured
Term loan 37	EIBOR + 1%	March 2025	**469,166**	-	Revolving facility	General Corporate purposes	Mortgage of commercial property
Term loan 38	EIBOR + 1% - 1.3%	March 2027	**1,173,750**	-	Revolving facility	General Corporate purposes	Unsecured

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	*2022 AED'000*	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term loan 39	EIBOR + 1% - 1.3%	March 2027	**(4,306)**	-	Revolving facility	General Corporate purposes	Mortgage of commercial & residential property
Term loan 40	EIBOR + 1%	June 2026	**297,319**	-	Revolving facility	General Corporate purposes	Mortgage of commercial property
Term loan 41	3 month EIBOR + 2.25%	October 2027	**94,626**	-	Semi-annual	General Corporate purposes	Assignment of receivables and insurance policies.
Term loan 42	CBE Corridor + 0.9%	October 2027	**81,578**	-	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 43	CBE Corridor + 1.2% - 1.5%	December 2031	**189,058**	-	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 44	CBE Corridor + 0.7%	December 2024	**29,814**	-	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 45	CBE Corridor + 0.7% - 0.85%	June 2027	**131,618**	-	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 46	CBE Corridor + 1%	June 2028	**37,172**	-	Based on collection of assigned receivables	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 47	3.32%	December 2028	**944,986**	-	Semi-annual	To refinance existing debts.	Mortgage of properties and pledge of shares.
Term loan 48	EIBOR + 2.50%	January 2027	**108,460**	-	Semi-annual	To finance construction project.	Mortgage of land plot.
Term loan 49	EIBOR + 2.50%	January 2030	**71,265**	-	Semi-annual	To finance construction project.	Mortgage of land plot.
Term loan 50	3.2%	June 2032	**199,268**	-	Two equal instalments one in 2031 and the second in 2032	Investment purposes	Pledge of shares covering minimum of 170% of the facility amount and assignment of related dividends.

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	*2022 AED'000*	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term loan 51	3.5%	April 2027	**1,837,500**	-	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 52	3.5%	April 2027	**1,837,500**	-	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 53	3.5%	April 2027	**3,675,000**	-	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 54	SOFR + Variable Margin	October 2023	**60,039**	-	Bullet payment on maturity.	Investment purposes and working capital purposes.	Mortgage of assets.
Term loan 55	3 month EIBOR +2%	October 2023	**1,207**	-	Revolving facility	To support working capital.	Corporate guarantee
Term loan 56	3 month EIBOR +0.95%	September 2027	**995,055**	-	Bullet payment on maturity.	General corporate purposes	Unsecured
Term loan 57	3 month EIBOR +0.9%	September 2027	**497,560**	-	Revolving facility	General corporate purposes	Unsecured
Term loan 58	3 month EIBOR +0.95%	September 2027	**995,250**	-	Bullet payment on maturity.	General corporate purposes	Unsecured
Term loan 59	5.5%	July 2024	**1,307**	-	Monthly	To support working capital.	Post dated cheques.
Term loan 60	5.6%	September 2025	**24,955**	-	Monthly	To fund acquisition of new subsidiary.	Corporate guarantee of subsidiaries of the Company
Term loan 61	2.25%	April 2025	**1,162**	-	Monthly	To finance purchase of motor vehicle.	Mortgage over the asset.

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	***2022 AED'000***	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Term loan 62	3.88%	July 2027	**5,996,150**	-	Semi-annual	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 63	3.88%	August 2025	**1,000,000**	-	Semi-annual	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 64	4.2%	August 2027	**496,674**	-	Semi-annual	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 65	3 months EIBOR +0.85%	September 2025	**499,684**	-	Semi-annual	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 66	EIBOR + 2.25%	September 2026	**5,600**	-	Semi-annual	To finance the acquisition of properties.	Mortgage of acquired properties.
Term loan 67	EIBOR +0.91%	December 2027	**500,000**	-	Annual	Investment purposes	Mortgage over the acquired investment and assignment of related dividends.
Term loan 68	3 months EIBOR + 0.95%	September 2027	**398,055**	-	Bullet payment on maturity.	General corporate purposes	Unsecured
Term loan 69	3 months EIBOR + 0.95%	November 2023	**499,555**	-	Bullet payment on maturity.	General corporate purposes	Mortgage of commercial properties.
Term loan 70	5.33%	February 2027	**367,500**	-	Two equal instalments in February 2025 and February 2027	Acquisition of VLCC (Elandra Everest/ Acrux)	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends.
Term loan 71	5.03%	December 2027	**750,000**	-	Annual	Investment purposes	Pledge of acquired investments.
Short term loan I	EIBOR + 1.3%	Matured	-	16,667	Bullet payment on maturity	To meet working capital requirement	Unsecured
Short term loan II	LIBOR + 1.9%	Matured	**-**	317,496	Bullet payment on maturity	Project financing	Corporate guarantee and assignment of receivables
Short term loan III	EIBOR + 3%	150 days	**9,582**	-	Bullet payment on maturity	Working capital requirements	Corporate guarantee and assignment of insurance policy.
Short term loan IV	EIBOR + 3.5%	90-120 days	**4,771**	-	Bullet payment on maturity	Working capital requirements	Personal and corporate guarantees and assignment of receivables.

24 BORROWINGS continued

Borrowings from financial institutions	*Interest rates*	*Maturity*	***2022 AED'000***	*2021 AED'000*	*Instalments*	*Purpose*	*Security*
Short term loan V	EIBOR + 3%	30-90 days	**1,159**	-	Bullet payment on maturity	To finance the construction of waste heat recovery plant	Pledge over the asset and assignment of comprehensive insurance policy on waste heat recovery plant.
Short term loan VI	14%	May 2023	**195**	-	Monthly	To finance purchase of inventory	Cheque in favor of bank covering 120% of principal amount.
Short term loan VII	10%	April 2023	**500**	-	Bullet payment on maturity	Working capital requirement	Unsecured.
Short term loan VIII	SONIA+ Variable margin	October 2023	**112,265**	-	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan IX	SOFR + Variable margin	October 2023	**36,828**	-	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan X	SONIA+ Variable margin	October 2023	**13,331**	-	Quarterly	To support working capital	Mortgage over assets
Short term loan XI	EIBOR + 2.25%	April 2023	**2,602**	-	Quarterly	To support working capital.	Corporate and personal guarantee.
Short term loan XII	EIBOR + 2.25%	March 2023	**6,803**	-	Annual	To support working capital.	Corporate and personal guarantee.
Short term loan XIII	EIBOR + 3%	April 2023	**2,613**	-	Quarterly	To support working capital.	Corporate and personal guarantee.
Short term loan XIV	4%	October 2023	**8,887**	-	Two equal instalments in April and October 2023	To support working capital.	Unsecured.
Trust receipts	Various rates	Various	**166,460**	18,765			
Bank overdraft	EIBOR + margin	90 to 180 days	**38,688**	382,795		To meet working capital requirements and daily operations.	Partially secured against approved payment certificates
Total borrowings			**36,266,717**	8,407,937			

24 BORROWINGS continued

Term loan 12, 13 and 47
During 2022, a subsidiary of the Group entered into an Islamic loan facility agreement amounting to AED 1,050 million (term loan 47) by restructuring term loans 12 and 13 in order to finance the construction of Traditional Souq and the Moon Flower Real Estate labor camp. The facility carries a fixed profit rate of 3.32% per annum and is repayable in 14 semi-annual instalments of AED 65 million each, starting from 30 June 2022 up to 31 December 2028 and the balance to be paid with a bullet repayment at the end of the loan period.

Term loan 36 and 39
Both loan facilities were taken by a subsidiary, Aldar Properties PJSC ("Aldar"), where no drawdowns were taken as at 31 December 2022. Further, Aldar paid the transactions costs relating to both loans.

Borrowing cost included in the cost of qualifying assets for the year was AED 8,485 thousand (31 December 2021: AED 3,267 thousand).

Borrowings are denoted in the following currencies:

	2022	*2021*
	AED'000	*AED'000*
United Arab Emirates Dirham (AED)	**33,810,603**	6,115,334
United States Dollar (USD)	**1,755,524**	2,292,603
Egyptian Pound (EGP)	**469,240**	-
Great Britain Pound (GBP)	**231,350**	-
	36,266,717	8,407,937

Movement of unamortised transaction cost during the year is as follows:

	2022	*2021*
	AED'000	*AED'000*
Balance at 1 January	**13,486**	7,696
Acquired in business combinations	**28,372**	7,400
Paid during the year	**23,071**	-
Amortised during the year (note 38)	**(12,067)**	(1,610)
Foreign exchange difference	**(137)**	-
	52,725	13,486

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	2022	*2021*
	AED'000	*AED'000*
On demand	**38,688**	363,124
Less than 3 months	**521,096**	444,045
After 3 months but no more than 12 months	**2,689,488**	910,765
After one but not more than five years	**35,769,955**	5,534,509
More than 5 years	**1,216,468**	1,778,211
	40,235,695	9,030,654

25 NON-CONVERTIBLE SUKUK

A subsidiary of the Group acquired during the year, had issued the following non-convertible sukuks:

Sukuk launched in 2018 ("Sukuk 1")
On 1 October 2018, Aldar Sukuk Ltd., a subsidiary acquired during the year, issued non-convertible sukuk for a total value of AED 1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 4.750% per annum payable semi-annually and due for repayment in September 2025.

	2022 AED'000	*2021 AED'000*
Acquired in business combinations (note 6.2(a))	**1,900,622**	-
Accrued profits	**58,164**	-
Amortisation of issue costs	**3,442**	-
Other movement	**(78,432)**	-
Less: settled during the year	**(36,352)**	-
	1,847,444	-

Sukuk launched in 2019 ("Sukuk 2")
On 22 October 2019, Aldar Sukuk (No.2) Ltd., a subsidiary acquired during the year, issued non-convertible sukuk for a total value of AED1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 3.875% per annum payable semi-annually and due for repayment in October 2029.

	2022 AED'000	*2021 AED'000*
Acquired in business combinations (note 6.2(a))	**1,831,759**	-
Accrued profits	**41,518**	-
Amortisation of issue costs	**1,418**	-
Other movement	**18,891**	-
Less: settled during the year	**(59,114)**	-
	1,834,472	-

Non-convertible sukuks are disclosed in the consolidated statement of financial position as follows:

Current portion	**37,104**	-
Non-current portion	**3,644,812**	-
	3,681,916	-

26 DERIVATIVE FINANCIAL INSTRUMENTS

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings, the Group 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:

	Fix leg on instrument	*Notional amount AED'000*	*Assets AED'000*	*Liabilities AED'000*
31 December 2022				
- Foreign exchange forward contracts		**644,445**	**-**	**(47,236)**
- Interest rate swaps	**0.80% - 2.82%**	**2,023,578**	**248,792**	**-**
			248,792	**(47,236)**
31 December 2021				
- Foreign exchange forward contracts		265,971	-	(5,351)
- Interest rate swaps	0.80%	686,758	6,403	(288)
			6,403	(5,639)

Derivatives not designated as hedging instruments:

	Fix leg on instrument	*Notional amount AED'000*	*Assets AED'000*	*Liabilities AED'000*
31 December 2022				
- Interest rate swaps	**4.27%**	**470,314**	**-**	**(2,935)**
31 December 2021				
- Interest rate swaps	4.27%	553,605	-	(39,925)

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

	Assets		*Liabilities*	
	2022	*2021*	***2022***	*2021*
	AED'000	*AED'000*	***AED'000***	*AED'000*
Current	**41,747**	6,403	**50,171**	26,005
Non-current	**207,045**	-	**-**	19,559
	248,792	6,403	**50,171**	45,564

27 TRADE AND OTHER PAYABLES

	2022 AED'000	2021 AED'000
Provisions, accruals and other payables	**18,874,455**	6,646,887
Trade payables	**5,276,185**	5,080,480
Payable to customers relating to brokerage business	**4,123,980**	2,190,642
Retention payable	**2,526,422**	497,754
Payables related to government funded programs	**1,870,024**	-
Deferred income	**1,818,655**	-
Insurance and reinsurance payables	**984,236**	-
Payable to a government authority for purchase of lands	**778,469**	-
Deferred government grant	**42,143**	-
	36,294,569	14,415,763
Less: non-current portion	**(3,334,080)**	(65,201)
	32,960,489	14,350,562

Non-current portion consists of the following:

	2022 AED'000	2021 AED'000
Deferred income	**1,431,594**	-
Payable to a government authority for purchase of lands	**713,253**	-
Retention payable	**678,996**	2,693
Deferred government grant	**42,143**	-
Trade payables	**15,013**	-
Other payables	**453,081**	62,508
	3,334,080	65,201

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade payables.

28 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

	2022 AED'000	2021 AED'000
Amounts received in advance from customers	**6,051,115**	2,393,417
Amounts related to construction contracts	**3,489,106**	452,998
Amounts related to insurance contracts[(i)]	**2,482,806**	-
	12,023,027	2,846,415

Contract liabilities are disclosed in the consolidated statement of financial position as:

	2022 AED'000	2021 AED'000
Non-current portion	**-**	83,663
Current portion	**12,023,027**	2,762,752
	12,023,027	2,846,415

28 CONTRACT LIABILITIES continued

(i) Amounts related to insurance contracts relate to a subsidiary acquired during the year, National Health Insurance Company (Daman) PJSC.

	2022 *AED'000*	*2021* *AED'000*
Insurance contract liabilities		
Claims incurred but not reported and claims reported but not approved	**1,019,789**	-
Unearned premiums	**1,451,286**	-
Unallocated loss adjustment expense reserve	**11,731**	-
Total liabilities as of year end	**2,482,806**	-
Reinsurance contract assets		
Reinsurance share of claims incurred but not reported and claims reported but not approved	**(178,831)**	-
Reinsurance share of profit commission	**(7,799)**	-
Reinsurance share of unearned premiums	**(207,497)**	-
Total reinsurance contract assets as of year end (note 17)	**(394,127)**	-
Insurance contract liabilities - net		
Claims incurred but not reported and claims reported but not approved (net)	**840,958**	-
Unearned premiums (net)	**1,243,789**	-
Unallocated loss adjustment expense reserve (net)	**11,731**	-
Net insurance contract liabilities	**2,096,478**	-

The gross and net claims incurred but not reported and claims reported but not approved, in addition to the unallocated loss adjustment expense reserve, were calculated by the Group's independent actuary.

Movement in the insurance contract liabilities (gross and net) during the year were as follows:

	Gross *AED'000*	*Reinsurance* *AED'000*	*Net* *AED'000*
Claims (including ULAE)			
Balance at 1 January 2022	**-**	**-**	**-**
Acquired in business combinations	**970,890**	**(178,305)**	**792,585**
Claims incurred during the year	**1,343,784**	**(189,568)**	**1,154,216**
Claims settled during the year	**(1,283,154)**	**189,042**	**(1,094,112)**
Balance at 31 December 2022	**1,031,520**	**(178,831)**	**852,689**
Premiums			
Balance at 1 January 2022	**-**	**-**	**-**
Acquired in business combinations	**1,938,188**	**(283,061)**	**1,655,127**
Written during the year	**761,991**	**(117,827)**	**644,164**
Earned during the year	**(1,248,893)**	**193,391**	**(1,055,502)**
Balance at 31 December 2022	**1,451,286**	**(207,497)**	**1,243,789**

29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED'000	*Warehouses, office spaces, shops and cinema halls AED'000*	*Others AED'000*	*Total AED '000*
2022				
At 1 January 2022	**600,214**	**369,838**	**761**	**970,813**
Acquired in business combinations (note 6.1(a) & 6.2(a))	**381,950**	**337,447**	**7,291**	**726,688**
Additions	**70,837**	**1,482,774**	**12,613**	**1,566,224**
Depreciation expense	**(56,797)**	**(162,377)**	**(5,289)**	**(224,463)**
Derecognition on disposal of subsidiaries (note 6.4(a))	**-**	**(1,070)**	**-**	**(1,070)**
Termination of a lease	**(6,885)**	**(9,194)**	**(62)**	**(16,141)**
Lease modifications	**7,634**	**1,226**	**-**	**8,860**
Eliminated on acquisition of subsidiary[(i)]	**-**	**(75,089)**	**-**	**(75,089)**
Exchange difference	**(18)**	**(1,405)**	**392**	**(1,031)**
At 31 December 2022	**996,935**	**1,942,150**	**15,706**	**2,954,791**
2021				
At 1 January 2021	27,095	60,231	1,105	88,431
Acquired in business combinations (note 6.1(b) & 6.2(b))	580,620	262,261	15,945	858,826
Additions	12,451	125,318	-	137,769
Depreciation expense	(19,933)	(53,637)	(1,162)	(74,732)
Derecognition on disposal of subsidiaries	-	(13,009)	-	(13,009)
Termination of a lease	-	-	(15,127)	(15,127)
Lease modifications	(19)	(7,823)	-	(7,842)
Impairment (note 31)	-	(3,503)	-	(3,503)
At 31 December 2021	600,214	369,838	761	970,813

Right of use assets with a carrying value of AED 54,232 thousand (2021: AED 57,001) are mortgaged as security against borrowings (note 24).

Lease liabilities:

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

	2022 AED'000	*2021 AED'000*
As at 1 January	**994,535**	88,509
Acquired in business combinations (note 6)	**757,876**	863,207
Additions during the year	**1,552,858**	136,057
Interest expense (note 38)	**89,491**	28,508
Repayments made during the year	**(228,178)**	(80,883)
Derecognition on disposal of subsidiaries (note 6.4)	**(1,133)**	(13,241)
Termination of a lease	**(13,643)**	(12,681)
Lease modifications	**8,860**	(9,102)
Eliminated on acquisition of a subsidiary [(i)]	**(83,479)**	-
Covid-19 related rent concessions (note 34)	**(386)**	(3,848)
Exchange difference	**(4,356)**	-
Transfer to assets held for sale (note 19.2)	**-**	(1,991)
As at 31 December	**3,072,445**	994,535

29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

(i) Represents elimination of a lease of Pure Health Holding LLC ("Lessee"), which become an intercompany lease, after the acquisition of Aldar Properties PJSC ("Lessor") (2021: Palms Sports PJSC ("Lessee"), which became an intercompany lease, after the acquisition of Al Tamouh Investment Company LLC ("Lessor")).

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

	2022 AED'000	*2021 AED'000*
Non-current portion	**2,814,243**	876,906
Current portion	**258,202**	117,629
	3,072,445	994,535

Maturity analysis of lease liabilities is disclosed in note 44.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2022 AED'000	*2021 AED'000*
Depreciation expense (included in cost of revenue) (note 31)	**48,841**	22,271
Depreciation expense (included in general and administrative expenses) (note 32)	**146,974**	27,214
Depreciation expense (included in selling and distribution expenses) (note 33)	**28,648**	25,204
Expense relating to short-term leases	**324,308**	53,363
Interest expense on lease liabilities (included in finance cost) (note 38)	**89,491**	28,508
(Loss) gain on termination of a lease and lease modifications	**(3,375)**	3,706
Impairment loss on right of use assets (note 31)	**-**	3,503
Covid-19 related rent concessions adjustment (note 34)	**(386)**	(3,848)
	634,501	159,921

During the year, no depreciation of right-of-use assets (2021: AED 43 thousand) and interest expense on lease liabilities (2021: AED 67 thousand) were capitalised to capital work in progress within property, plant and equipment.

30 REVENUE

	2022 AED '000	2021 AED '000
Type of goods or services		
Healthcare and other medical supplies	**13,128,693**	10,818,675
Marine and dredging revenue	**10,685,339**	5,652,967
Construction and related services revenue	**8,632,015**	5,953,344
Developing of properties	**4,085,237**	-
Food and related non-consumable items	**2,989,961**	1,700,097
Rental income	**2,829,719**	1,100,765
Hospitality and leisure revenue	**1,177,786**	251,817
Management of properties, facilities and development projects	**1,414,517**	411,254
Premiums and other insurance related revenue	**1,050,133**	-
Information technology related revenue	**862,691**	65,249
Sale of properties and land	**714,088**	23,380
Coaching and training services	**619,483**	407,176
Education and related services	**453,160**	-
Sale of cosmetics and related personal care services	**360,500**	74,703
Sale of furniture	**311,249**	237,295
Manpower and consultancy services	**289,161**	586,716
District cooling services	**287,477**	352,264
Revenue from brokerage services	**206,419**	164,703
Delivery services	**110,274**	57,044
Media and marketing services	**107,362**	57,064
Revenue from Islamic financing activities	**83,637**	186,536
Sale of industrial equipment	**63,417**	86,841
Others	**483,815**	374,600
	50,946,133	28,562,490
Timing of revenue recognition		
Revenue at a point in time	**22,631,563**	16,654,361
Revenue over time	**28,314,570**	11,908,129
	50,946,133	28,562,490
Geographical markets		
UAE	**44,061,745**	25,228,219
Outside the UAE	**6,884,388**	3,334,271
	50,946,133	28,562,490

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

	2022 AED '000	2021 AED '000
Within one year	**33,158,848**	14,708,515
After one but no more than five years	**24,254,532**	23,657,910
More than five years	**28,102,004**	15,133,573
	85,515,384	53,499,998

31 COST OF REVENUE

	2022 AED '000	2021 AED '000
Staff costs	**6,299,365**	2,727,921
Cost of healthcare and other medical supplies	**2,890,209**	1,971,414
Cost related to consumer products	**1,772,195**	1,069,144
Other direct materials and charges	**14,671,547**	7,625,592
Subcontracting and maintenance costs	**8,831,489**	3,507,896
Depreciation (note 7, 9 & 29)	**1,724,359**	644,766
Insurance claims incurred	**1,014,506**	-
Impairment of non-financial assets[(i)]	**1,120,849**	55,249
Allowance for slow moving inventories (note 13)	**-**	185,900
Cost related to sale of furniture	**139,467**	113,707
Amortisation (note 8 & 15)	**115,439**	100,175
Supply of installation of water desalination	**22,252**	83,977
Asset management costs	**54,001**	46,876
Cost incurred on leased properties	**56,059**	35,196
Cost of properties and land sold	**40,926**	33,102
Royalty fees	**14,929**	14,427
Others	**501,253**	171,521
	39,268,845	18,386,863

(i) The breakup of impairment of non-financial assets is as follows:

	2022 AED '000	2021 AED '000
Impairment loss on property, plant and equipment (note 7)	**394,465**	59,859
Reversal of impairment loss on property, plant and equipment (note 7)	**(312,362)**	-
Impairment loss on investment properties (note 9)	**765,540**	645
Impairment loss on development work in progress (note 16)	**261,363**	-
Reversal of impairment loss on development work in progress (note 16)	**(25,872)**	-
Write-off of project costs in development work in progress (note 16)	**37,715**	-
Impairment loss on right of use assets (note 29)	**-**	3,503
(Reversal of) impairment loss on assets held for sale - buildings (note 19.1)	**-**	(8,758)
	1,120,849	55,249

32 GENERAL AND ADMINISTRATIVE EXPENSES

	2022 AED '000	2021 AED '000
Staff costs	**3,371,413**	1,132,379
Rent, utilities and communication	**443,366**	129,175
Government fees, professional and legal expenses	**384,013**	120,458
Allowance for expected credit loss (note 14, 17 & 35)	**450,628**	462,159
Depreciation (note 7, 9 & 29)	**611,579**	95,932
Amortisation (note 8)	**192,731**	29,667
Allowance for slow moving inventories (note 13)	**21,117**	2,810
Impairment [(i)]	**178,791**	-
Other expenses	**1,980,165**	261,132
	7,633,803	2,233,712

32 GENERAL AND ADMINISTRATIVE EXPENSES continued

(i) The breakup of impairment of other assets is as follows:

	2022 AED '000	*2021 AED '000*
Net impairment on associates and joint ventures (note 10)	**177,731**	-
Impairment on other assets	**1,060**	-
	178,791	-

33 SELLING AND DISTRIBUTION EXPENSES

	2022 AED '000	*2021 AED '000*
Staff cost	**50,780**	42,502
Sales promotion and marketing	**457,444**	32,260
Rent, utilities and communication	**11,863**	9,909
Freight and other direct selling expenses	**14,800**	4,930
Depreciation (note 7 & 29)	**39,959**	33,741
Other expenses	**16,340**	16,123
	591,186	139,465

34 INVESTMENT AND OTHER INCOME

	2022 AED '000	*2021 AED '000*
Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)	**22,029,776**	2,271,629
Income from government grant(i)	**1,423,331**	-
Interest and dividends income	**840,492**	203,759
Gain on disposal of property, plant and equipment	**326,871**	8,477
Amortisation of deferred income	**116,647**	-
Fair value gain on remeasurement of a joint venture (note 10(viii))	**116,430**	-
Recovery of bad debs written off	**71,496**	518,685
Unwinding of discounting of long-term receivables	**47,808**	27,986
Gain on disposal of investment properties	**27,952**	-
Change in fair value of biological assets (note 15)	**29,332**	5,630
COVID-19 related rent concessions (note 29)	**386**	3,848
Foreign exchange (loss) gain	**(819,291)**	17,899
Others	**582,212**	159,487
	24,793,442	3,217,400

(i) Government grant comprises of funding from the Government of Abu Dhabi mainly for COVID related expenses and equipment amounting to AED 1,214,917 thousand and subsidy income earned during the year amounting to AED 208,414 thousand (note 14).

35 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

35.1 Balances

Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties:	*Nature of relationship*	***2022 AED '000***	*2021 AED '000*
Current:			
Emirates Business Group LLC	Other related party	**760,384**	-
Al Sharqia United General Trading	Other related party	**205,156**	205,140
Murban Holding Limited	Entity under common control	**158,623**	158,618
The Challenge Egyptian Emirates Marine Dredging Company	Joint venture	**132,135**	183,183
Hydra Properties LLC	Entity under common control	**130,833**	130,742
Sampi International Holding Limited	Other related party	**119,347**	-
Meena Holdings LLC	Other related party	**113,947**	113,947
ATGC Transport & GC LLC	Other related party	**108,293**	7,748
Pure Capital Investments LLC	Entity under common control	**104,730**	-
Pal Technology Services LLC	Entity under common control	**59,462**	43,050
Meena Palace	Other related party	**36,888**	29,959
NPC-CRCC	Joint operations	**29,444**	234
Tafseer Contracting & General Maintenance Company LLC	Associate	**28,410**	18,686
Eltizam Asset Management LLC	Associate	**27,715**	33,509
Aldar Ready Mix LLC	Other related party	**24,550**	-
Deco Vision Company WLL	Associate	**19,677**	24
Response Plus Holding PJSC	Associate	**18,000**	-
RG Procurement RSC Limited	Entity under common control	**12,134**	7,742
Malaih Investments LLC	Entity under common control	**10,364**	178
Tafawuq Facilities Management Company LLC	Associate	**8,512**	5,032
EDE Research Institute Limited	Joint venture	**7,412**	19,092
Royal Group Companies Management LLC	Entity under common control	**5,396**	5,359
Chimera Investments LLC	Entity under common control	**621**	57,307
Aldar Properties PJSC(i)	Subsidiary	-	627,403
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	-	3,117
Emirates Refreshment PSC	Associate	-	17,077
Protect 7 Healthcare Sole Proprietorship LLC(i)	Subsidiary	-	50,117
Others		**331,910**	480,229
		2,453,943	2,197,493
Less: allowance for expected credit losses on current portion		**(465,611)**	(301,331)
		1,988,332	1,896,162
Non-current:			
Royal Group Companies Management LLC(ii)	Entity under common control	**951**	951
Royal House LLC	Other related party	**210,918**	-
		211,869	951
Less: allowance for expected credit losses on non-current portion		**(210,918)**	-
		951	951
Total due from related parties, net		**1,989,283**	1,897,113

35 RELATED PARTY TRANSACTIONS AND BALANCES continued

35.1 Balances continued

Due from related parties: continued

(i) During the year, the Group acquired control of Aldar Properties PJSC and Protect 7 Healthcare Sole Proprietorship LLC, which resulted in the balances being eliminated as of 31 December 2022.

(ii) This balance pertains to retention receivables on contracts signed with related parties.

Movement in allowance for expected credit losses of due from related parties is as follows;

	2022 ***AED '000***	*2021* *AED '000*
Balance at 1 January	**301,331**	286,433
Acquired in business combinations	**184,416**	12,713
Charge for the year (note 32)	**197,919**	2,185
Write-off during the year	**(5,178)**	-
Transfer to ECL on trade and other receivables (note 14)	**(1,959)**	-
Balance at 31 December	**676,529**	301,331

Loan to related parties

- The Group has granted a loan to a key management personnel amounting to AED 1.2 million (2021: AED 1.2 million) which is unsecured and non-interest bearing and due in 2023.

- The Group granted a loan to Mirak Royal Nature Fruits & Vegetables LLC amounting to AED 25 million, which is unsecured and non-interest bearing. The loan is repayable on yearly installments of AED 5 million each, commencing on 31 January 2022 with the last installment payable on 31 January 2026. During the year, the Group acquired a controlling interest in Mirak Royal Nature Fruits & Vegetables LLC, which resulted in this balance being eliminated as of 31 December 2022.

Disclosed in the consolidated statement of financial position as follows:

	2022 ***AED '000***	*2021* *AED '000*
Current	**1,200**	6,200
Non-current	**-**	20,000
	1,200	26,200

35 RELATED PARTY TRANSACTIONS AND BALANCES continued

35.1 Balances continued

Due to related parties:	*Nature of relationship*	***2022 AED '000***	*2021 AED '000*
Current			
Kalyon Insaat Sanayi Ve Ticaret A.S.	Joint venture	**920,587**	-
Emirates Business Group LLC	Other related party	**800,000**	-
AH Capital FZE	Other related party	**556,846**	-
EDE Research Institute Limited	Joint venture	**344,198**	713,068
Al Ataa Investment LLC	Other related party	**321,248**	-
ATGC Transport & GC LLC	Other related party	**208,711**	170,506
Al Sharqia United General Trading LLC	Other related party	**125,634**	6,489
Power House Group for Company Management LLC	Entity under common control	**112,247**	128,639
Chimera Investment LLC	Entity under common control	**70,141**	71,286
YAS Finance Holding Limited	Other related party	**54,612**	-
Pal Technology Services LLC	Entity under common control	**51,018**	5,151
Infinity TV FZ LLC	Entity under common control	**44,270**	59,446
Centro Holding LLC	Other related party	**-**	180,000
Royal Group Procurements RSC LTD	Entity under common control	**36,295**	22,442
Seven Emirates Investment and International Trading LLC	Entity under common control	**35,782**	6,399
Royal Group Management LLC	Entity under common control	**22,929**	23,026
Dentro Investment LLC	Other related party	**-**	180,000
EBG Private investment LLC	Other related party	**-**	126,000
Abu Dhabi United Group Investment and Development	Entity under common control	**8,200**	50,645
Infinity Wave Holding	Entity under common control	**-**	31,220
Royal Group Holding LLC	Entity under common control	**4,184**	2,348
Al Jaraf Travel & Tourism	Entity under common control	**2,288**	1,343
Others		**621,327**	363,120
		4,340,517	2,141,128
Non-current			
Bunya Enterprises LLC	Joint venture	**-**	16,530
Royal Group Holding LLC	Entity under common control	**2,520**	2,520
H2O Interior Design LLC	Entity under common control	**613**	613
		3,133	19,663
Total due to related parties		**4,343,650**	2,160,791

Loan from related parties:	*Nature of relationship*	***2022 AED '000***	*2021 AED '000*
Royal Group Holding LLC(i)	Entity under common control	**40,995**	41,001
Aafaq Islamic Finance PSC(ii)	Other related party	**39,178**	-
RG Treasury Holding LLC(iii)	Entity under common control	**13,300**	13,300
Aldar Properties PJSC(iv)	Subsidiary	**-**	7,623
Chimera Investment LLC(v)	Entity under common control	**-**	885,240
RG Procurement RSC Ltd(vi)	Entity under common control	**-**	121,832
		93,473	1,068,996

Disclosed in the consolidated statement of financial position as follows:

	2022 AED '000	*2021 AED '000*
Non-current	**43,007**	57,232
Current	**50,466**	1,011,764
	93,473	1,068,996

35 RELATED PARTY TRANSACTIONS AND BALANCES continued

35.1 Balances continued

Loan from related parties: continued

(i) A subsidiary of the Group obtained a loan from Royal Group Holding LLC, to finance 20% of the total cost of a district cooling plant project in Abu Dhabi. Principal portion of the loan is repayable in 4 equal annual instalments starting from 31 December 2023 and the interest portion is repayable in 12 annual instalments starting 31 December 2018. The loan is secured by a mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment.

(ii) Prior to its acquisition by the Group, Mawarid Holding Investment LLC ("Mawarid"), obtained a loan from its subsidiary, Aafaq Islamic Finance PSC ("Aafaq"), which was disposed during the year. As a result of Aafaq being deconsolidated by the Group, the loan balance that was previously being eliminated is presented as a loan from related party as at 31 December 2022.

(iii) A subsidiary of the Group obtained a loan from RG Treasury Holding LLC, to support the working capital requirements. The loan is repayable in 2025 The loan doesn't carry any interest.

(iv) During July 2013, a loan was obtained from Aldar Properties PJSC, which does not carry interest and is repayable in 8 yearly instalments commencing on l April 2016 and ending on l April 2023. During the year, the Group acquired control of Aldar Properties PJSC, which resulted in the balance being eliminated as of 31 December 2022.

(v) A subsidiary of the Group obtained a loan from Chimera Investment LLC ("Chimera") amounting to AED 885,240 thousand, to finance the purchase of specialised medical equipment that is used in the operation of a joint venture of the Group. The loan is unsecured, interest free and repayable on demand. During the year, Chimera resolved to waive the outstanding loan balance, which in turn was accounted for as contributed capital.

(vi) In 2021, a subsidiary of the Group obtained an interest free loan from RG Procurement RSC Ltd ("RG Procurement") amounting to AED 121,832 thousand (2021: AED 121,832 thousand). During the year, RG Procurement, resolved to waive the outstanding loan balance, which in turn was accounted for as contributed capital. The non-controlling interest share of the contributed capital amounted to AED 67,057 thousand.

35.2 Transactions

During the year, the Group entered into the following transactions with related parties

	2022	*2021*
	AED '000	*AED '000*
Revenue		
Entities under common control	**616,774**	749,178
Joint venture	**331,316**	756,404
Associate	**52,200**	16,772
Other related parties	**463,629**	391,206
	1,463,919	1,913,560
Cost of revenue		
Entities under common control	**57,157**	466,550
Joint venture	**1,516,197**	-
Associate	**5,707**	10,597
Other related parties	**47,375**	3,801
	1,626,436	480,948

35 RELATED PARTY TRANSACTIONS AND BALANCES continued

35.2 Transactions continued

	2022 AED '000	*2021 AED '000*
General and administrative expenses		
Entities under common control	**23,971**	23,575
Associate	**6,396**	10,597
Joint venture	**18,879**	29
	49,246	34,201
Disposal of investment in a joint venture to a related party	**101,000**	-
Disposal of investment in a subsidiary to a related party	**114,300**	-

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

Transactions and balances with a financial institution (other related party):

	2022 AED '000	*2021 AED '000*
Balances with a financial institution	**15,618,285**	16,786,034
Borrowings	**27,139,091**	3,366,800
Interest expense for the year	**581,662**	49,729
Interest income	**52,738**	14,545
Drawdown	**26,497,337**	400,532
Repayment of borrowings	**3,738,119**	843,679

Transactions with related parties were entered into on terms agreed with management.

Key management remuneration

	2022 AED '000	*2021 AED '000*
Salaries and other benefits – short term	**37,437**	37,886
End of service benefits – long term	**1,083**	528

36 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

	2022	*2021*
Profit attributable to owners of the Company (AED '000)	**12,652,578**	7,338,660
Weighted average number of shares (shares in '000)	**1,859,149**	1,821,429
Basic and diluted earnings per share for the year (AED)	**6.81**	4.03

As of 31 December 2022 and 31 December 2021, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

37 CONTINGENT LIABILITIES AND COMMITMENTS

	2022 ***AED '000***	*2021* *AED '000*
Letters of guarantee	**19,567,353**	14,914,601
Letters of credit	**1,176,744**	728,478
Capital commitments	**46,514,089**	4,502,584

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

38 FINANCE COSTS

	2022 ***AED '000***	*2021* *AED '000*
Interest on borrowings	**1,051,191**	133,186
Interest on lease liabilities (note 29)	**89,491**	28,508
Unwinding of discounting of long-term payables	**-**	14,379
Amortisation of transaction costs (note 24)	**12,067**	1,610
Others	**35,510**	11,368
	1,188,259	189,051

39 TAXATION

The Group's subsidiaries in United States of America, Spain, India, Kingdom of Saudi Arabia, Russia, Maldives and Arab Republic of Egypt are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The Group is not subject to income tax in the UAE. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

39 TAXATION continued

The major components of taxation for the years ended 31 December 2022 and 2021 are:

	2022 *AED '000*	*2021* *AED '000*
Consolidated statement of profit or loss		
Income tax:		
Charge for the year	**135,596**	22,749
Adjustments in respect of current income tax of previous year	**(491)**	(10,837)
	135,105	11,912
Deferred tax:		
Relating to origination and reversal of temporary differences	**(46,231)**	708
Income tax expense reported in the consolidated statement of profit or loss	**88,874**	12,620

Consolidated other comprehensive income

	2022 *AED '000*	*2021* *AED '000*
Deferred tax related to items recognised in OCI during in the year:		
Foreign exchange difference on translation of foreign operations	**(13,991)**	-
Deferred income tax charged to OCI	**(13,991)**	-

Reconciliation of tax expense and the accounting profit for 2021 and 2022:

	2022 *AED '000*	*2021* *AED '000*
Accounting profit before tax	**32,660,074**	11,589,976
Income not subject to tax	**(31,933,426)**	(11,339,336)
Accounting profit subject to tax	**726,648**	250,640
At effective tax rate of 11.51% (2021: 9.1%)	**83,671**	22,749
Tax losses	**(12,572)**	-
Temporary differences	**(3,729)**	708
Adjustment related to previous year	**(491)**	(10,837)
Permanent differences	**21,995**	-
Income tax benefit reported in the consolidated statement of profit or loss	**88,874**	12,620

39 TAXATION continued

Deferred tax
Reconciliation of deferred tax assets (net):

	2022	*2021*
	AED '000	*AED '000*
At 1 January	**15,053**	(757)
Acquired in business combination	**(11,227)**	13,443
Foreign currency translation adjustment	**(22,839)**	3,075
Tax income (expense) recognised in profit or loss during the year	**46,231**	(708)
Tax income recognised in OCI during the year	**13,991**	-
At 31 December – assets (net)	**41,209**	15,053

Deferred tax assets (liabilities) relate to the following:

	2022	*2021*
	AED '000	*AED '000*
Deferred tax assets		
Foreign exchange difference on translation of foreign operations	**9,853**	-
Losses available for offsetting against future taxable income	**12,949**	377
Provisions and other	**83,555**	16,561
	106,357	16,938
Deferred tax liabilities		
Accelerated depreciation for tax purposes	**(40,461)**	(1,885)
Others	**(24,687)**	-
	(65,148)	(1,885)

UAE Corporate Tax Law
On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate. A rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (issued at AED 375,000 subsequent to the year end). In addition, there are several other decisions that are yet to be finalised by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. Therefore, pending such important decisions by the Cabinet as at 31 December 2022, the Group has considered that the Law is not substantively enacted from IAS 12 – Income Taxes perspective as at 31 December 2022. The Group shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes.

The Group is currently in the process of assessing the possible impact on its consolidated financial statements, both from a current and deferred tax perspective, once these critical cabinet decisions are issued.

40 SHARE BASED PAYMENTS

On 31 May 2021, ordinary shares of a subsidiary of the Group were granted to certain personnel of the Group for a consideration of AED 6,000 thousand. The share awards did not have any service or performance conditions (‘vesting condition’) and, therefore, vested immediately on the grant date. No share based payments schemes were offered during 2022.

The breakup of the shares awarded is as follows;

	Number of shares of the subsidiaries	
	2022	*2021*
Share awards to certain personnel of the Group	-	12,500,000

During 2021, the fair value at the grant date (being the measurement date) was estimated at AED 4.16 per share, considering the terms and conditions on which the shares were granted. The total fair value of the share awards, less consideration received, amounted to AED 46,000 thousand and was recorded as follows, with a corresponding increase in non-controlling interests:

	Number of shares 2022 No.	***2022 AED ‘000***	*Number of shares 2021 No.*	*2021 AED ‘000*
Charged to general and administrative expenses (staff cost)	-	-	12,500,000	46,000

41 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

Name	*Country of incorporation and operation*	***2022***	*2021*
Alpha Dhabi Holding PJSC	United Arab Emirates	**11.32%**	54.59%
Multiply Group PJSC	United Arab Emirates	**41.58%**	68.23%
Q Holding PSC (formerly “Al Qudra Holding PJSC”)	United Arab Emirates	**48.11%**	46.63%
Ghitha Holding PJSC (formerly “Zee Store PJSC”)	United Arab Emirates	**13.47%**	25.59%
Sirius International Holding Limited	United Arab Emirates	**20.00%**	-
Quant Lase Lab LLC(i)	United Arab Emirates	**-**	20.00%
Apex Holding LLC(ii)	United Arab Emirates	**-**	40.00%

(i) During the year, Quant Lase Lab LLC was transferred under Sirius International Holding Limited, a newly incorporated entity.

(ii) During the year, Apex Holding LLC was transferred under Ghitha Holding PJSC.

41 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2022 AED '000	*2021 AED '000*
Accumulated balances of material non-controlling interests:		
Alpha Dhabi Holding PJSC	**36,882,236**	14,502,427
Multiply Group PJSC	**13,004,655**	8,173,025
Q Holding PSC	**7,498,447**	3,779,715
Ghitha Holding PJSC	**1,499,061**	283,916
Sirius International Holding Limited	**424,942**	-
Quant Lase Lab LLC	**-**	209,819
Apex Holding LLC	**-**	453,860
	59,309,341	27,402,762
Profit (loss) allocated to material non-controlling interests:		
Alpha Dhabi Holding PJSC	**5,954,817**	3,250,518
Multiply Group PJSC	**12,884,871**	94,156
Q Holding PSC	**161,593**	-
Ghitha Holding PJSC	**87,535**	9,307
Sirius International Holding Limited	**(38,428)**	-
Quant Lase Lab LLC	**-**	215,596
Apex Holding LLC	**-**	392,974
	19,050,388	3,962,551

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	Alpha Dhabi AED'000	*Multiply AED'000*	*Q Holding AED'000*	*Ghitha AED'000*	*Sirius AED'000*
31 December 2022					
Revenue	40,049,989	1,125,509	682,407	2,278,565	22,620
Cost of revenue	(30,312,280)	(556,351)	(917,530)	(1,895,244)	(48,868)
General and administrative expenses	(5,216,475)	(237,564)	(314,309)	(241,351)	(54,857)
Gain on bargain purchase	416,372	-	1,865,900	-	-
Fair value gain on previously held equity interest	3,879,900	-	-	90,000	-
Finance cost	(583,798)	(150,081)	(116,443)	(13,382)	(1,907)
Finance and other income	2,442,198	18,381,435	(377,374)	113,557	(97,648)
Taxation	(68,532)			356	-
Profit (loss) for the year	**10,607,374**	**18,562,948**	**822,651**	**332,501**	**(180,660)**
Attributable to non-controlling interests	**5,954,817**	**12,884,871**	**161,593**	**87,535**	**(38,428)**

	Alpha Dhabi AED'000	*Multiply AED'000*	*Apex AED'000*	*Al Qudra AED'000*	*Quant Lase AED'000*	*Zee Store AED'000*
31 December 2021						
Revenue	18,019,025	371,912	1,520,110	-	924,827	545,620
Cost of revenue	(12,338,560)	(161,294)	(881,022)	-	(63,762)	(482,488)
General and administrative expenses	(1,544,143)	(82,374)	(42,043)	-	(2,223)	(34,949)
Gain on bargain purchase	-	-	8,263	-	-	
Finance cost	(116,334)	(5,702)	-	-	(4)	(2,653)
Finance and other income	1,059,966	102,654	402,738	-	219,137	34,181
Income tax expense	(12,392)	-	-	-	-	-
Profit for the year	5,067,562	225,196	1,008,046	-	1,077,975	59,711
Attributable to non-controlling interests	3,250,518	94,156	392,974	-	215,596	9,307

41 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of financial position of material partly-owned subsidiaries:

	Alpha Dhabi *AED'000*	*Multiply* *AED'000*	*Q Holding* *AED'000*	*Ghitha* *AED'000*	*Sirius* *AED'000*
31 December 2022					
Non-current assets	56,145,804	28,125,027	8,906,345	2,475,685	1,832,898
Current assets	74,883,420	13,080,855	10,635,399	2,890,530	1,141,962
Non-current liabilities	(23,461,806)	(9,787,108)	(1,709,480)	(543,303)	(643,229)
Current liabilities	(37,528,458)	(2,038,067)	(3,584,411)	(1,025,799)	(283,207)
Total equity	**70,038,960**	**29,380,707**	**14,247,853**	**3,797,113**	**2,048,424**
Less: non-controlling interest	36,328,703	853,219	955,255	1,271,296	9,272
Less: hybrid equity instruments	1,815,646	-	-	-	-
Equity attributable to the owners of the subsidiaries	**31,894,611**	**28,527,488**	**13,292,598**	**2,525,817**	**2,039,152**
Attributable to:					
Equity holders of parent	**31,341,078**	**16,376,052**	**6,749,406**	**2,298,052**	**1,623,482**
Non-controlling interest	**36,882,236**	**13,004,655**	**7,498,447**	**1,499,061**	**424,942**

	Alpha Dhabi *AED'000*	*Multiply* *AED'000*	*Q Holding* *AED'000*	*Ghitha* *AED'000*	*Quant Lase* *AED'000*	*Apex* *AED'000*
31 December 2021						
Non-current assets	21,507,692	2,057,344	8,062,634	861,409	1,104,514	17,533
Current assets	25,839,659	9,546,418	4,517,911	627,406	835,967	1,321,056
Non-current liabilities	(5,540,080)	(535,956)	(2,255,945)	(79,401)	(14)	(2,308)
Current liabilities	(15,835,690)	(341,776)	(2,679,614)	(446,084)	(891,676)	(185,484)
Total equity	25,971,581	10,726,030	7,644,986	963,330	1,048,791	1,150,797
Less: non-controlling interest	2,954,575	575,529	1,033,098	28,142	-	-
Equity attributable to the owners of the subsidiaries	23,017,006	10,150,501	6,611,888	935,188	1,048,791	1,150,797
Attributable to:						
Equity holders of parent	11,469,154	2,553,005	3,865,271	679,414	839,032	696,937
Non-controlling interest	14,502,427	8,173,025	3,779,715	283,916	209,759	453,860

Summarised cash flow information of material partly-owned subsidiaries:

	Alpha Dhabi *AED'000*	*Multiply* *AED'000*	*Q Holding* *AED'000*	*Ghitha* *AED'000*	*Sirius* *AED'000*
31 December 2022					
Operating	13,362,632	857,155	711,484	156,837	(668,931)
Investing	(10,089,405)	(11,536,617)	(288,151)	(426,362)	752,253
Financing	6,452,035	8,070,277	(791,928)	561,820	744,238
Net increase (decrease) in cash and cash equivalents	**9,725,262**	**(2,609,185)**	**(368,595)**	**292,295**	**827,560**

41 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly-owned subsidiaries: continued

	Alpha Dhabi AED'000	*Multiply AED'000*	*Q Holding AED'000*	*Ghitha AED'000*	*Quant Lase AED'000*	*Apex AED'000*
31 December 2021						
Operating	7,547,262	(35,174)	-	49,396	9,705	235,125
Investing	655,121	(1,558,437)	-	(29,050)	64,493	(129,946)
Financing	(1,528,704)	5,025,607	-	(9,830)	(34,100)	(86)
Net increase in cash and cash equivalents	6,673,679	3,431,996	-	10,516	40,098	105,093

42 FAIR VALUE MEASUREMENT

Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, 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).

Following is the information on how the fair value of the financial assets, financial liabilities and biological assets are determined.

	Fair value as at ***31 December 2022 AED'000***	*31 December 2021 AED'000*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets						
Quoted equity investments – investment in financial assets	**46,620,069**	2,543,211	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted debt investments – investment in financial assets	**-**	490,014	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	**11,853,492**	8,124,099	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unquoted debt investments – investment in financial assets	**89,141**	8	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Derivative financial assets	**248,792**	6,403	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liabilities	**50,171**	45,564	Level 2	Significant observable inputs	None	Not applicable
Non-financial assets						
Biological assets	**84,921**	30,636	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of the levels during the year. The fair values of all other financial assets and liabilities are not materially different from their carrying values at the reporting date.

43 SEGMENTAL ANALYSIS

For operating purposes, the Group is organised into business segments as follows:

Real estate and construction includes construction, development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

Food includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

Asset management includes investments in financial assets and financing activities related to the investment.

Financial services includes brokerage services provided with respect to securities, in addition to health insurance solutions provided in UAE.

Marine and dredging includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included are dredging and its associated land reclamation works.

Healthcare includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Services and other segments mainly comprise of technology, education, leisure & hospitality, communication and entertainment segments as well as a variety of smaller ancillary activities. This includes retail trade of household and office furniture, Islamic financing and other head office expenses.

43 SEGMENTAL ANALYSIS continued

	Real estate and construction		Food		Asset management		Financial services		Marine and dredging		Healthcare		Utilities		Services and other segments		Total	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Revenue	14,234,958	4,567,913	2,328,769	1,711,780	-	-	1,177,156	162,361	11,852,443	6,316,909	12,329,657	11,661,435	287,476	352,262	8,735,674	3,789,830	50,946,133	28,562,490
Cost of sales	(12,236,436)	(3,943,822)	(1,928,838)	(1,332,569)	-	-	(973,355)	-	(10,780,016)	(5,802,016)	(6,717,489)	(4,446,987)	(165,522)	(195,797)	(6,467,189)	(2,665,672)	(39,268,845)	(18,386,863)
Gross profit	1,998,522	624,091	399,931	379,211	-	-	203,801	162,361	1,072,427	514,893	5,612,168	7,214,448	121,954	156,465	2,268,485	1,124,158	11,677,288	10,175,627
Selling and distribution expenses	(367,525)	(11,251)	(55,171)	(49,066)	(489)	-	(101)	-	(490)	-	(30,301)	-	(434)	-	(136,675)	(79,148)	(591,186)	(139,465)
General and administrative expenses	(1,795,238)	(391,531)	(158,627)	(81,614)	(31,290)	(14,677)	(200,734)	(27,976)	(185,412)	(237,906)	(2,225,832)	(842,987)	(51,360)	(16,512)	(2,985,310)	(620,509)	(7,633,803)	(2,233,712)
Investment and other income	(4,984)	201,372	27,358	31,566	21,088,463	2,015,498	343,472	30,077	1,509,929	623,737	1,113,936	(2,054)	4,817	1,293	710,451	315,911	24,793,442	3,217,400
Share of profit (loss) from investment in associates and joint ventures	159,980	39,650	34,486	(5,713)	(3,391)	-	322	-	4,234	7,121	467,243	684,292	(14,535)	-	(224,788)	(53,164)	423,551	672,186
Gain on acquisition of subsidiaries	1,744,528	319	-	-	-	-	406,640	-	-	-	249	-	-	-	31,867	8,489	2,183,284	8,808
(Loss) gain on disposal of subsidiaries	(16,253)	28,785	-	8,658	-	-	-	-	-	6,411	-	-	-	-	107,297	-	91,044	43,854
Fair value gain on revaluation of previously held equity interest	2,742,265	-	90,000	-	-		-		-	-	-	-	-	-	16,414	40,988	2,848,679	40,988
(Loss) gain on disposal of investment in a joint venture and an associate	(510)	-	48,597	-	-	-	-	-	-	-	1,064	(6,659)	-	-	13,960	-	63,111	(6,659)
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	-	-	(7,077)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,077)	-
Finance costs	(507,490)	(61,587)	(11,301)	(14,900)	(312,470)	(1,361)	(3,924)	(635)	(127,684)	(35,096)	(41,649)	(11,638)	(10,946)	(7,306)	(172,795)	(56,528)	(1,188,259)	(189,051)
Taxation	(21,344)	-	356	-	(3,136)	-	-	-	(41,982)	(8,529)	-	-	-	-	(22,768)	(4,091)	(88,874)	(12,620)
Profit (loss) for the year	3,931,951	429,848	368,552	268,142	20,737,687	1,999,460	749,476	163,827	2,231,022	870,631	4,896,878	7,035,402	49,496	133,940	(393,862)	676,106	32,571,200	11,577,356

	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Segment assets	81,861,401	30,976,364	4,420,310	1,701,736	49,902,069	14,612,816	14,803,098	4,397,270	20,546,319	14,056,247	16,106,954	10,588,841	3,270,481	1,412,660	37,123,862	11,234,214	228,034,494	88,980,148
Segment liabilities	34,689,105	10,555,584	1,232,737	375,095	16,878,770	554,063	10,465,075	2,556,003	12,284,235	7,733,544	3,691,883	5,807,339	1,539,216	615,071	17,889,364	4,751,423	98,670,385	32,948,122

44 FINANCIAL RISK MANAGEMENT

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net debt and equity. Net debt is calculated as borrowings, non-convertible sukuk lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and bank balances. Total capital is calculated as 'equity attributable to owners of the Company' as shown in the statement of financial position plus net debt.

	2022	*2021*
	AED '000	*AED '000*
Borrowings	**36,266,717**	8,407,937
Lease liabilities	**3,072,445**	994,535
Loan from related parties	**93,473**	1,068,996
Trade and other payables	**36,294,569**	14,415,763
Non-convertible sukuk	**3,681,916**	-
Contract liabilities	**12,023,027**	2,846,415
Due to related parties	**4,343,650**	2,160,791
Cash and bank balances	**(37,230,142)**	(20,246,582)
Net debt	**58,545,655**	9,647,855
Equity attributable to owners of the Company	**67,860,583**	27,093,661
Net debt and equity (capital)	**126,406,238**	36,741,516
Debt/equity ratio	**0.46**	0.26

Financial instruments risk management objectives and policies
The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and interest rate risk), credit risk, insurance risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Company establishes and oversees the Company's risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities' levels.

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

The Group's Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

44 FINANCIAL RISK MANAGEMENT continued

Market risk management
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

Foreign exchange risk:
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group's net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group's monetary assets and liabilities in major foreign currencies at the reporting date are as follows;

	Assets 2022 AED '000	***Liabilities 2022 AED '000***	***Net Exposure 2022 AED '000***	*Assets 2021 AED '000*	*Liabilities 2021 AED '000*	*Net Exposure 2021 AED '000*
Egyptian Pound ('EGP')	**5,920,099**	**3,816,710**	**2,103,389**	1,560,260	645,778	914,482
Euro ('Eur')	**163,213**	**50,191**	**113,022**	15,898	73,374	(57,476)
Great Britain Pound ('GBP')	**1,193,875**	**672,998**	**520,877**	511,320	3,939	507,381
Moroccan Dirham ('MD')	**221,401**	**223,376**	**(1,975)**	432,665	32,371	400,294
Indian Rupees ('INR')	**10,410,562**	**-**	**10,410,562**	33,646	13,050	20,596
Others	**202,525**	**369,282**	**(166,757)**	912,144	452,755	459,389

Foreign currency sensitivity analysis
The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP and MD. The following table demonstrates the sensitivity of AED on the Group's profit and equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on Equity 2022 AED '000	*Effect on Equity 2021 AED '000*
Egyptian Pound ('EGP')	**105,169**	45,724
Euro ('Eur')	**5,651**	(2,874)
Great Britain Pound ('GBP')	**26,044**	25,369
Moroccan Dirham ('MD')	**(99)**	20,015
Indian Rupees ('INR')	**520,528**	1,030
Others	**(8,338)**	22,969

44 FINANCIAL RISK MANAGEMENT continued

Market risk management continued
Price risk
The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 46,620,069 thousand (2021: AED 3,033,225 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2022 ***AED '000***	*2021* *AED '000*
Impact on the Group's profit for the year (increase/decrease)	**2,313,221**	96,017
Impact on the Group's other comprehensive income for the year (increase/decrease)	**17,783**	55,645

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2022, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 151,976 thousand (2021: AED 62,715 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 and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract.

The notional principal amounts and terms of interest rate swaps are disclosed in note 26.

Credit risk management
Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

44 FINANCIAL RISK MANAGEMENT continued

Insurance risk
The underwriting business of a subsidiary, National Health Insurance Company (Daman) PJSC, is based entirely within the UAE. The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as through the use of reinsurance arrangements.

Reinsurance contracts do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements. The reinsurance strategy of the Group is designed to protect exposures to individual risks and events based in current risk exposures through cost effective insurance agreements.

Frequency and amounts of claims
The frequency and amounts of claims can be affected by several factors. The Group underwrites health insurance business, based on different health insurance products. Some products are subsidised product by the Government of Abu Dhabi. In the case of loss ratio being more than a 100% on the net risk premiums, the Group requests the government of Abu Dhabi to provide a subsidy to cover the losses. In the case of the loss ratio being less than 100% on the net risk premium, the Group is liable to transfer the excess to a specific account.

These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

Managing reinsurance risk
In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Sources of uncertainty in the estimation of future claim payments
Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR).

In estimating the liability for the cost of reported claims not yet paid, the Group considers information on the cost of settling claims with similar characteristics in previous periods.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

44 FINANCIAL RISK MANAGEMENT continued

Insurance risk continued

Sources of uncertainty in the estimation of future claim payments continued

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The gross loss ratios for 2022 was 86% and net loss ratio for 2022 was 96%. Based on the simulations performed, the net profit after a change of 1% in the loss ratio for both gross and net of reinsurance recoveries would not be material for the Group.

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group’s debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets. The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	On demand AED’000	*Less than 3 months AED’000*	*3 to 12 months AED’000*	*1 to 5 years AED’000*	*More than 5 years AED’000*	*Total AED’000*
At 31 December 2022						
Borrowings	**38,688**	**521,096**	**2,689,488**	**35,769,955**	**1,216,468**	**40,235,695**
Lease liabilities	**6,504**	**103,139**	**193,561**	**1,460,037**	**2,114,888**	**3,878,129**
Due to related parties	**663,068**	**687,596**	**2,989,853**	**3,133**	**-**	**4,343,650**
Loan from related parties	**-**	**-**	**50,466**	**43,007**	**-**	**93,473**
Derivative financial instruments	**-**	**50,171**	**-**	**-**	**-**	**50,171**
Non-convertible sukuk	**-**	**-**	**37,104**	**2,161,743**	**2,161,742**	**4,360,589**
Trade and other payables	**103,595**	**17,398,992**	**12,098,024**	**1,793,928**	**-**	**31,394,539**
Total	**811,855**	**18,760,994**	**18,058,496**	**41,231,803**	**5,493,098**	**84,356,246**
At 31 December 2021						
Borrowings	363,124	444,045	910,765	5,534,509	1,778,211	9,030,654
Lease liabilities	323	33,925	76,140	359,479	988,701	1,458,568
Due to related parties	723,356	1,036,683	381,089	19,663	-	2,160,791
Loan from related parties	-	-	1,011,764	57,232	-	1,068,996
Derivative financial instruments		26,005	-	19,559	-	45,564
Trade and other payables	-	9,430,152	208,282	40,560	-	9,678,994
Total	1,086,803	10,970,810	2,588,040	6,031,002	2,766,912	23,443,567

45 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 1,849,124 thousand was declared in 2022 (2021: AED 1,451,522 thousand).

46 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

47 SUBSEQUENT EVENTS

Subsequent to year end, the Group acquired shareholding interest in the following:

- GC Reach Holdco Ltd. ("Reach") - 55% equity interest
  (Reach is involved in providing manpower services within UAE)
- Mustard & Linen Interior Design Holdings Limited ("M&L") - 75% equity interest
  (M&L is involved in operation of a premium interior design business services in UAE)

Further, the Group entered into the following major agreements:

- Purchase of two land plots located on Al Fahid Island in Abu Dhabi, UAE for a total consideration of AED 2.5 billion, payable over a period of five years.
- A strategic partnership with Dubai Holding to develop three communities in Dubai, UAE through a majority owned joint venture which the Group intends to consolidate.
- An investment of AED 110,250 thousand (US$ 30 million) in Chim Fin I PE fund, a financial service and fintech fund.

In addition to the above, the Group announced its intention to the following:

- To invest as a cornerstone investor in the initial public offering of ADNOC Gas PLC.
- To invest as a cornerstone investor in the initial public offering of Presight AI Holding PLC.
- Creating a multi-asset class investment manager, which would be a joint venture between the Company and ADQ.

Major development on investments in financial assets:

The Group holds investments in three of Adani's listed companies, which are classified as investments carried at fair value through profit or loss in the consolidated statement of financial position, and were recorded at their fair value of AED 10,410,563 thousand as at 31 December 2022, resulting in a fair value gain (net of foreign exchange) of AED 2,996,193 thousand, which was recorded in the consolidated statement of profit or loss for the year ended 31 December 2022.

During 2023, as a result of various concerns raised over Adani, there was a significant decline in the share price of Adani companies, including those where the Group has invested. Following is a summary of the Group's investment in Adani companies and the 2023 fair value losses incurred as at the date of issuing the consolidated financial statements (i.e. 10 March 2023):

	10 March 2023 fair value AED'000	*Change in fair value AED'000*
Adani Enterprises Limited	**3,414,765**	**(3,474,025)**
Adani Green Energy Limited	**612,564**	**(1,105,342)**
Adani Transmission Limited	**635,769**	**(1,168,098)**
Total	**4,663,098**	**(5,747,465)**