

ALPHA DHABI HOLDING PJSC

**Reports and consolidated financial
statements for the year
ended 31 December 2024**

ALPHA DHABI HOLDING PJSC

Reports and consolidated financial statements for the year ended 31 December 2024

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Directors' report for the year ended 31 December 2024

The Directors have pleasure in submitting their report together with the audited consolidated financial statements of Alpha Dhabi Holding PJSC ("the Company") and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2024.

Principal activities

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

Results and appropriation of profits

Revenue for the year was AED 63,396 million (2023: AED 45,416 million) and profit attributable to the Owners of the Company for the year was AED 8,888 million (2023: AED 10,680 million). The major movements in retained earnings for the year were:

	AED '000
At 1 January 2024	20,353,498
Profit for the year attributable to the Owners of the Company	8,888,462
Transfer to statutory reserve	(444,423)
Transfer to non-controlling interests on partial disposal of subsidiaries	3,468,871
Dividend paid	(2,000,000)
Others	(460,663)
At 31 December 2024	29,805,745

Directors

The Directors of the Company are as follows:

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

Release

The Directors release the management and the external auditor from any liability in connection with their duties for the year ended 31 December 2024.

**Directors' report
for the year ended 31 December 2024 (continued)**

Approval

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 February 2025.

Acknowledgement

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

for and on behalf of the Board of Directors



Managing Director

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Alpha Dhabi Holding PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key audit matters

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

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Revenue recognition	How our audit addressed the key audit matters
<p>The Group recognized revenue of AED 63,396 million for the year ended 31 December 2024. Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations.</p> <p>The Group's business involves entering into contractual relationships with customers to provide a range of services with a significant proportion of the Group's revenues and profits derived from long term contracts. Also, revenue is quantitatively significant to the consolidated financial statements and requires management to apply significant judgements and make significant estimates when determining the amount of revenue to be recognised.</p> <p>The significant judgements applied and estimates made include determining the stage of completion, the timing of revenue recognition and the calculation of the percentage of completion in applying the Group's revenue recognition policies to long-term contracts entered into by the Group.</p> <p>The nature of these judgements results in them being susceptible to management override and risk that revenue recognized is incorrect.</p> <p>The Group's revenue recognition accounting policy is included in Note 2 to the consolidated financial statements. Critical accounting judgements and key sources of estimation uncertainty are disclosed in Note 4 and details of the amount of revenue recognized during the year are included in Note 32.</p>	<p>We performed the following procedures, inter alia, in respect of revenue recognition:</p> <ul style="list-style-type: none"> • We obtained an understanding of the business process flow and performed walkthroughs to understand the key processes and identify key controls; • We assessed the key controls over revenue to determine if they had been designed and implemented appropriately and tested controls, for significant revenue streams and, where we planned to rely on controls, we determined if they were operating effectively; • We performed a range of audit procedures which included obtaining a sample of contracts, reviewing for variation orders, retrospectively reviewing estimated profit and costs to complete and enquiring of key personnel regarding potential contract losses; • For material contracts identified, we have reviewed the contract terms and verified assumptions made in determining the amount of revenue to be recognised, including consideration of discounts, performance penalties and other cost implications of the contract; • We performed analytical procedures by comparing the current year project margins for certain projects with their prior year margin. If we identified an unexpected margin, we carried out more focused testing on these contracts; • We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and is in accordance with the Group's accounting policy and the requirements of IFRSs; • We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions; and • We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRSs.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Recoverability and impairment of trade receivables and contract assets	How our audit addressed the key audit matters
<p>At 31 December 2024, gross trade receivables and contract assets were AED 12,524 million and AED 12,705 million respectively against which expected credit loss ("ECL") allowances of AED 445 million and AED 164 million respectively were recorded. These assets represent 14% of the total assets presented in the consolidated financial statements and include trade receivable balances of AED 4,107 million which has been outstanding for more than 120 days. Further, contract assets include balances of AED 522 million relating to unsigned or verbal contracts.</p> <p>The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. Management has applied the simplified approach for measurement of ECL allowances for trade receivables and contract assets. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Group's trade collections experience.</p> <p>The directors exercise significant judgement when determining both when and how much to record as the ECL allowance. Because of the significance of these judgements and the size of trade receivables and contract assets, the audit of the allowance for ECL is a key area of focus.</p> <p>We have considered the above matter as a Key Audit Matter due to the identification of significant delays in the collection of receivables which results in the application of significant auditor judgement regarding the accounting estimates made by management in determining the ECL allowance.</p> <p>The Group disclosures are included in Notes 2 and 4 of the consolidated financial statements which outline the accounting policy and critical estimates made and judgements applied for determining the allowance for ECL.</p>	<p>We performed the following procedures in relation to the allowance for expected credit loss:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process and identified the relevant controls over the measurement and determination of the allowance for ECL; • We assessed the design of these controls and determined if they had been implemented appropriately; • We compared the ECL model developed by management against the requirements of IFRSs and reviewed the methodology against accepted best practice; • We tested the arithmetical accuracy of the model; • We performed procedures on individually significant projects, such as substantiating transactions with underlying documents, including contracts and third-party correspondence, final settlement agreements, requests submitted for extension of time, to obtain evidence for the accuracy and valuation of the recorded receivables. • We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also considered the incorporation of forward-looking factors to reflect the impact of future events on expected credit losses; • We agreed the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and • We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other Information

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

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

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

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

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Company has maintained proper books of accounts;
- The financial information included in the Directors' report is consistent with the Group's books of account;
- Note 2, 10 and 12 to the consolidated financial statements discloses the purchases and investments in shares made by the Group during the financial year ended 31 December 2024;
- Note 18 to the consolidated financial statements of the Group discloses material related party balances, transactions and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024; and
- Note 34 reflects the disclosure related to social contributions made during the year.

Deloitte and Touche (M.E.)



Faeza Sohawon
Registration No. 5508
12 February 2025
Abu Dhabi
United Arab Emirates

**Consolidated statement of financial position
as at 31 December 2024**

	Notes	2024 AED '000	2023 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,677,356	14,244,530
Intangible assets	6	2,688,973	2,738,250
Goodwill	7	4,249,695	4,025,991
Biological assets		15,886	19,039
Investment properties	8	24,778,884	24,036,050
Right-of-use assets	9	2,005,252	1,509,516
Investment in associates and joint ventures	10	18,336,419	18,164,155
Investment in financial assets	12	1,026,623	1,050,521
Deferred tax assets	14	131,677	114,300
Trade and other receivables	15	1,812,706	969,239
Total non-current assets		71,723,471	66,871,591
Current assets			
Investment in financial assets	12	13,161,803	6,624,193
Contract assets	13	12,540,636	8,936,145
Trade and other receivables	15	26,307,414	17,442,207
Inventories	16	11,531,142	12,290,915
Development work-in-progress	17	8,087,291	6,614,971
Due from related parties	18	5,387,271	724,550
Cash and bank balances	19	28,780,404	20,183,615
Total current assets		105,795,961	72,816,596
Assets of group held-for-sale	38	-	665,500
		105,795,961	73,482,096
Total assets		177,519,432	140,353,687
EQUITY AND LIABILITIES			
Equity			
Share capital	20	10,000,000	10,000,000
Statutory reserve	21	1,663,847	1,219,424
Merger reserve	22	11,619,043	11,619,043
Other reserves	23	(803,116)	(1,173,328)
Retained earnings		29,805,745	20,353,498
Equity attributable to the Owners of the Company		52,285,519	42,018,637
Hybrid equity instruments	24	1,815,646	1,815,646
Non-controlling interests		38,226,704	32,142,748
Total equity		92,327,869	75,977,031


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

**Consolidated statement of financial position
as at 31 December 2024 (continued)**

	Notes	2024 AED '000	2023 AED '000
Non-current liabilities			
Lease liabilities	9	1,777,313	1,427,687
Provision for employees' end of service benefits	26	1,235,689	1,074,874
Bank borrowings	27	17,364,923	14,016,788
Non-convertible sukuku	28	5,430,838	5,456,856
Deferred tax liabilities	14	560,988	580,112
Trade and other payables	31	4,141,527	4,444,220
Total non-current liabilities		30,511,278	27,000,537
Current liabilities			
Lease liabilities	9	233,270	102,679
Due to related parties	18	1,114,963	969,483
Bank borrowings	27	3,842,511	3,116,582
Non-convertible sukuku	28	1,430,324	46,098
Contract liabilities	30	18,551,787	12,468,416
Current tax liabilities	14	805,260	219,324
Trade and other payables	31	28,702,170	20,419,566
Total current liabilities		54,680,285	37,342,148
Liabilities of group held-for-sale	38	-	33,971
		54,680,285	37,376,119
Total liabilities		85,191,563	64,376,656
Total equity and liabilities		177,519,432	140,353,687



Group Chief Financial Officer



Managing Director



Chairman

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



**Consolidated statement of profit or loss
for the year ended 31 December 2024**

	Notes	2024 AED '000	2023 AED '000
Revenue	32	63,395,936	45,415,595
Direct costs	33	(49,960,433)	(36,068,092)
Gross profit		13,435,503	9,347,503
General, administrative and selling expenses	34	(4,005,942)	(3,956,433)
Share of results of associates and joint ventures	10	607,724	259,993
Impairment of financial and other assets		(67,815)	(434,271)
Other income	35	2,752,814	1,236,764
Government grant income	36	-	330,767
Gain on derecognition of a subsidiary	43	-	7,457,394
Gain on derecognition and partial disposal of investment in associates and joint ventures	10	1,417,680	55,707
Gain on increase of equity of an associate	10	718,185	-
Finance costs, net	37	(676,253)	(385,311)
Profit before tax		14,181,896	13,912,113
Income tax	14	(668,033)	(630,863)
Profit after tax		13,513,863	13,281,250
Profit for the year attributable to:			
Owners of the Company		8,888,462	10,680,323
Non-controlling interests		4,625,401	2,600,927
		13,513,863	13,281,250
Basic and diluted earnings per share (AED)	39	0.88	1.06

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

**Consolidated statement of comprehensive income
for the year ended 31 December 2024**

	Notes	2024 AED '000	2023 AED '000
Profit after tax		13,513,863	13,281,250
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss arising on hedging instruments		(29,353)	(412)
Exchange differences arising on translation of foreign operations		(741,164)	(344,825)
Share of other comprehensive (loss) / income of associates and joint ventures	10	(37,317)	9,403
Net loss on debt instruments, hedging instruments and translation of foreign operations reclassified to profit or loss		(18,466)	(7,795)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain / (loss) on investments in equity instruments designated as FVTOCI		105,750	(573,531)
Share of other comprehensive (loss) / income of associates and joint ventures	10	(18,803)	37,254
Total other comprehensive loss		(739,353)	(879,906)
Total comprehensive income for the year		12,774,510	12,401,344
Total comprehensive income for the year attributable to:			
Owners of the Company		8,659,232	10,041,399
Non-controlling interests		4,115,278	2,359,945
		12,774,510	12,401,344

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

**Consolidated statement of changes in equity
for the year ended 31 December 2024**

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

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

**Consolidated statement of changes in equity
for the year ended 31 December 2024 (continued)**

	Attributable to the Owners of the Group						Hybrid equity instruments AED '000	Non- controlling interests AED '000	Total equity AED '000
	Share capital AED '000	Statutory reserve AED '000	Merger reserve AED '000	Other reserves AED '000	Retained earnings AED '000	Total AED '000			
Balance at 1 January 2024	10,000,000	1,219,424	11,619,043	(1,173,328)	20,353,498	42,018,637	1,815,646	32,142,748	75,977,031
Profit for the year	-	-	-	-	8,888,462	8,888,462	-	4,625,401	13,513,863
Other comprehensive (loss) / income for the year	-	-	-	(250,721)	21,491	(229,230)	-	(510,123)	(739,353)
Total comprehensive (loss) / income for the year	-	-	-	(250,721)	8,909,953	8,659,232	-	4,115,278	12,774,510
Non-controlling interests arising from acquisition of subsidiaries (Note 42)	-	-	-	-	-	-	-	121,475	121,475
Additional contribution from shareholders and non-controlling interests (Note 43)	-	-	-	-	428,993	428,993	-	654,542	1,083,535
Transfer to non-controlling interests on dilution of ownership (Note 43)	-	-	-	8,179	(159,182)	(151,003)	-	151,003	-
Acquisition of non-controlling interests (Note 43)	-	-	-	-	(36,351)	(36,351)	-	(93,711)	(130,062)
Dividend (Note 41)	-	-	-	-	(2,000,000)	(2,000,000)	-	(2,056,157)	(4,056,157)
Coupon paid on hybrid equity instrument (Note 24)	-	-	-	-	(103,289)	(103,289)	-	-	(103,289)
Transfer to non-controlling interests on partial disposal of subsidiaries (Note 43)	-	-	-	429	3,468,871	3,469,300	-	3,191,526	6,660,826
Transfer to statutory reserve	-	444,423	-	-	(444,423)	-	-	-	-
Transfer of reserves to retained earnings	-	-	-	612,325	(612,325)	-	-	-	-
Balance at 31 December 2024	10,000,000	1,663,847	11,619,043	(803,116)	29,805,745	52,285,519	1,815,646	38,226,704	92,327,869

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

**Consolidated statement of cash flows
for the year ended 31 December 2024**

	Notes	2024 AED '000	2023 AED '000
Cash flows from operating activities			
Profit before tax		14,181,896	13,912,113
Adjustment for non-cash charges:			
Depreciation of property, plant and equipment	5	1,391,454	1,198,611
Amortisation of intangible assets	6	241,901	202,390
Depreciation of right-of-use assets	9	195,580	153,830
Depreciation of investment properties	8	664,473	684,085
Provision for employees' end of service benefits	26	344,542	247,546
Re-measurement of biological assets		(2,620)	2,558
Share of results of associates and joint ventures	10, 38	(607,724)	(306,872)
Gain on derecognition and partial disposal of associates and joint ventures	10	(1,417,680)	(55,707)
Interest expense on lease liabilities	9	101,051	66,281
(Gain) / loss on disposal of property, plant and equipment		(4,100)	1,906
Gain on lease modifications and cancellations	9	(31,706)	(12,852)
Net changes in fair value of derivative financial instruments		(5,419)	5,468
Net changes in fair value of investments carried at fair value through profit or loss (FVTPL")	35	(1,561,895)	(13,996)
Gain on disposal of investment properties		(128,874)	(7,741)
Finance income	37	(1,072,774)	(740,602)
Finance costs	37	1,648,023	1,059,632
Impairment of intangible assets	6	6,618	11,054
Impairment of investment properties	8	260,244	118,021
(Reversal) / charge of impairment of development work-in-progress	17	(29,564)	480
Impairment of goodwill	7	-	2,867
Gain on bargain purchase of subsidiaries	42	-	(1,502)
Gain on bargain purchase of associates and joint ventures	35	-	(100,080)
Dividend income	35	(641,771)	(170,375)
Write-off of property, plant and equipment	5	414	155
Write-off of development work-in-progress	17	18,329	133,216
Write-off of intangible assets	6	235	878
Provision for slow moving and obsolete inventories	16	28,654	50,048
Amortisation of borrowing costs	27	(19,600)	(7,322)
Amortisation of non-convertible sukuk	28	1,424	10,972
Gain on derecognition of a subsidiary	43	-	(7,457,394)
Reversal of provision against debt instrument at amortised cost	12	(242)	-
Gain on disposal of subsidiaries	38	(2,671)	-
Gain on increase in equity of an associate	10	(718,185)	-
Other income		(18,733)	(7,657)
Impairment of financial and other assets		67,959	434,271
Impairment of property, plant and equipment	5	13,855	-
Operating cashflows before movement in working capital		12,903,094	9,414,282

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

**Consolidated statement of cash flows
for the year ended 31 December 2024 (continued)**

	Notes	2024 AED '000	2023 AED '000
Movement in working capital			
Inventories		(999,113)	(132,882)
Trade and other receivables		(6,116,871)	(5,377,618)
Contract assets		(3,616,512)	(3,624,865)
Due from related parties		(4,733,200)	681,189
Development work-in-progress		(722,739)	(1,378,230)
Contract liabilities		6,077,165	4,634,206
Trade and other payables		7,639,724	2,105,224
Due to related parties		145,556	(74,366)
Cash generated from operating activities		10,577,104	6,246,940
Employees' end of service benefits paid	26	(184,101)	(218,607)
Income tax paid	14	(111,292)	(72,721)
Net cash generated from operating activities		10,281,711	5,955,612
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(3,074,677)	(2,538,794)
Cash given up on disposal of a subsidiary	38	(2,678)	-
Cash given up on derecognition of a subsidiary		-	(5,502,398)
Cash acquired on acquisition of subsidiaries	42	93,331	649,512
Proceeds from disposal of property, plant and equipment		26,369	19,264
Purchases of investment properties	8	(1,751,318)	(1,457,978)
Proceeds from disposal of investment properties		364,747	149,958
Proceeds from disposal of investments in financial assets		982,059	734,825
Purchases of intangible assets	6	(52,522)	(95,425)
Proceeds from disposal of biological assets		5,773	5,411
Dividend received from associates and joint ventures	10	43,683	43,505
Dividend income received	35	641,771	170,375
Purchases of investments in associates and joint ventures		(1,138,044)	(1,302,453)
Proceeds from disposal of investments in associates and joint ventures		-	15,914
Proceeds from disposal of subsidiaries		4,996,995	-
Purchases of investments in financial assets	12	(1,833,680)	(2,990,061)
Deposit placed with banks		(457,465)	1,859,750
Net movement in restricted cash		1,820,232	(1,482,853)
Finance income received		1,041,208	636,911
Cash paid on acquisition of assets		(6,679)	(124,665)
Cash paid on acquisition of subsidiaries	42	(433,725)	(1,986,771)
Cash paid for purchase of additional stake in subsidiaries	43	(130,062)	-
Advances given for the acquisition of investment property under development		(1,885,858)	-
Net cash used in investing activities		(750,540)	(13,195,973)

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

**Consolidated statement of cash flows
for the year ended 31 December 2024 (continued)**

	Notes	2024 AED '000	2023 AED '000
Cash flows from financing activities			
Repayment of bank borrowings		(8,941,091)	(6,561,275)
Proceeds from borrowings		13,106,565	8,971,969
Dividend paid to holders of non-controlling interests		(2,056,157)	(1,159,356)
Coupon paid on hybrid equity instruments	24	(103,289)	(103,289)
Repayment of loan to holders of non-controlling interests		-	(10,000)
Finance costs paid		(1,616,237)	(1,022,799)
Payment of lease liabilities	9	(268,999)	(135,975)
Additional contribution from non-controlling interest		458,735	246,042
Redemption of non-convertible sukuk		(455,878)	
Proceeds from non-convertible sukuk	28	1,824,553	1,801,074
Dividends paid	41	(2,000,000)	-
Receipt for derivative financial instruments		11,926	184,059
Net cash (used in) / generated from financing activities		(39,872)	2,210,450
Net increase / (decrease) in cash and cash equivalents		9,491,299	(5,029,911)
Effect of foreign exchange rate changes		332,438	145,312
Cash and cash equivalents at the beginning of the year		12,060,583	16,945,182
Cash and cash equivalents at the end of the year	19	21,884,320	12,060,583
Non-cash transactions:			
Derecognition of subsidiary on loss of control	43	-	11,957,944
Fair value of derivative adjusted against hedge item	28	(18,393)	-
Carrying value of the investment in an associate derecognised on dilution	10	2,621,199	-
Additions to investment in financial assets	12	4,038,879	-
Additions to investment in associates and joint ventures		1,388,997	-

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

**Consolidated statement of cash flows
for the year ended 31 December 2024 (continued)**

	Notes	2024 AED '000	2023 AED '000
Partial disposal of a subsidiary		1,781,000	-
Contribution by a shareholder	42	-	1,013,000
Additions to investment properties	8	456,834	243,504
Property, plant and equipment	5	624,800	40,290

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024****1 General information**

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies****2.1 Basis of preparation****Statement of compliance**

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

Accounting convention

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

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

Functional and presentation currency

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

Going concern

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

Basis of consolidation

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.1 Basis of preparation (continued)****Basis of consolidation (continued)**

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

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

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

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Alpha Dhabi Commercial Investment-Sole Proprietorship LLC	100%	100%	Investment holding
Alpha Dhabi Construction Holding L.L.C.	51%	100%	Investment holding
Alpha Dhabi Health Holding. L.L.C.	100%	100%	Investment holding
Alpha Dhabi Hospitality Holding L.L.C.	100%	100%	Investment holding
Alpha Dhabi Industries Holding L.L.C.	100%	100%	Investment holding
Alpha Dhabi Partners Holding L.L.C.	100%	100%	Investment holding
Alpha Dhabi Investment Management LLC	100%	100%	Management services
Alpha Dhabi Energy Holding LLC	100%	100%	Investment holding
ADH Investments RSC Ltd	100%	100%	Investment holding
Alpha Dhabi Climate Capital RSC LTD (Previously known as "ADH Green RSC LTD")	100%	100%	Investment holding
ADH IFI RSC LTD	100%	100%	Investment holding
ADH Hospitality RSC LTD	100%	100%	Investment holding

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Alpha Dhabi Real Estate Holding L.L.C	100%	100%	Investment holding
Trojan Construction Group – Sole Proprietorship LLC	51%	100%	Investment holding
Murban Energy Limited	100%	100%	Investment holding
Mawarid Holding Investment LLC	90%	90%	Investment holding
Aldar Properties PJSC	32%	32%	Real estate and investment holding
Sogno Commercial Investment Sole Proprietorship LLC	100%	100%	Investment holding
Was Two Commercial Investment Sole Proprietorship LLC	100%	100%	Investment holding
Sublime Commercial Investment - Sole Proprietorship LLC	100%	100%	Investment holding
C D Properties - Sole Proprietorship LLC	100%	100%	Investment holding
Emirates Gateway Security Services LLC	95%	95%	Security services
Sublime Two Sole Proprietorship LLC	100%	100%	Investment holding
Sogno Two Sole Proprietorship LLC	100%	100%	Investment holding
Sogno Three Sole Proprietorship LLC	100%	100%	Investment holding
Trojan General Contracting LLC	51%	100%	Construction contracting
National Projects and Construction LLC	51%	100%	Infrastructure construction and related projects
Royal Advance Electromechanical LLC	51%	100%	Electromechanical services
Al Maha Modular Industries LLC	51%	100%	Pre-cast structure manufacturing
Hi-Tech Concrete Products LLC	51%	100%	Building of projects and general contracting
Reem Emirates Aluminum LLC	51%	100%	Manufacture and installation of aluminum and glass products
Phoenix Timber Factory LLC	51%	100%	Manufacture of timber products

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Reem Ready Mix LLC	31%	60%	Concrete mixing and supply
Trojan Property Investments LLC	51%	100%	Real estate investments
7E - Sole Proprietorship LLC	51%	100%	Building, project management, property management services, design services and security systems consultancy
Mais Interior Design LLC	31%	60%	Interior designing
Trojan Tunnelling – Sole Proprietorship LLC	51%	100%	Bridge and tunneling contracting
Trojan Alsahra General Transport – L.L.C – O.P.C	51%	100%	Transportation services
Trojan General Trading LLC	51%	100%	General trading
Etihad International Hospitality LLC - Sole Proprietorship	100%	100%	Hospitality services, cleaning services, gas field facilities services and catering
Abu Dhabi United Hospitality-Sole Proprietorship L.L.C	100%	100%	Tourism investments, restaurants management and catering
St.Regis Saadiyat Island Resort Abu Dhabi	100%	100%	Hotels and resort ownership
Al Wathba A Luxury Collection Desert Resort & Spa – Sole Proprietorship L.L.C	100%	100%	Hotel and resort ownership
Le Noir Cafe – Sole Proprietorship L.L.C.	100%	100%	Catering, hospitality services and restaurants
Int'l Fresh Harvest Fruits and Vegetables Trading - Sole Proprietorship LLC	100%	100%	Trading of foodstuff
ADMO Lifestyle Holding Limited	57%	51%	Investment holding
ADMO One Holding Limited	57%	51%	Holding company
Nammos Restaurant LLC	36%	32%	Restaurant services
ADMO Hospitality Holding Limited	57%	51%	Holding company
C 2 R Real Estate Investment - Sole Proprietorship L.L.C.	100%	100%	Real estate investment, development, institution and management

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Barari Natural Resources LLC	90%	90%	Forest and park management, parks construction and maintenance
Telal Resort LLC	90%	90%	Management of resorts and operation of recreational preservations
Aqua Power Technology LLC	90%	90%	Trading in agricultural machinery and equipment
Campaign Facilities Management Services LLC	90%	90%	Facilities management
Emirates Safety Laboratory LLC	90%	90%	Compliance certification for building construction products
Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship L.L.C.	90%	90%	Investment and management of tourist enterprises and agricultural enterprises.
Mawarid Hotels and hospitality LLC	90%	90%	Management of hotels, tourist resorts and hotel apartments
Mawarid Services Company LLC	90%	90%	Facilities management services, agricultural land cultivation, wholesale of plants and trees.
Al Ain Fodder Factory LLC	90%	90%	Manufacture animal feed
Khidmah Sole Proprietorship LLC	21%	21%	Management and leasing of real estate
Saadiyat Accommodation Village - Sole Proprietorship LLC	28%	28%	Accommodation services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Dicon Projects LLC (formerly “Dicon Business LLC”)	90%	90%	Administrative services for businessmen
Dicon of Twafouq Services LLC	90%	90%	Operating Twafouq service centres
Mawarid Desert Control L.L.C.	90%	90%	Land preparation and irrigation systems works and maintenance
Desert Control Liquid Natural Clay LLC	90%	90%	Land preparation and irrigation systems works and maintenance
Aldar Education – Sole Proprietorship LLC	32%	32%	Education services
Aldar Hotels & Hospitality - Sole Proprietorship L.L.C.	32%	32%	Hospitality services
Aldar Marinas Sole Proprietorship LLC	32%	32%	Managing and operating marinas, sports clubs and marine machinery
Provis – Real Estate Management – Sole Proprietorship LLC	21%	21%	Management and leasing of real estate
PROVIS Real Estate Brokers LLC	21%	21%	Real estate brokerage
Yas Links - Sole Proprietorship L.L.C.	32%	32%	Ownership and management of golf courses and golf clubs
Pivot Engineering & General Contracting Co WLL	21%	21%	Engineering and general construction works
Aldar Investment Properties LLC	28%	28%	Real estate services and the operation of hotels
Aldar Investment Holding Restricted Limited	28%	28%	Special purpose vehicle, proprietary asset management company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Cloud Spaces Sole Proprietorship LLC	32%	32%	Real estate lease and management services
Eastern Mangroves Marina - Sole Proprietorship L.L.C.	32%	32%	Managing and operating marinas
Marsa Al Bateen - Sole Proprietorship L.L.C.	32%	32%	Managing and operating marinas
Advanced Real Estate Services - Sole Proprietorship LLC	32%	32%	Real estate services
Provis International Limited (formerly "Aldar Investments Limited")	28%	28%	Investment holding
Pacific Owners Association Management Services LLC	21%	21%	Management of owners' associations
Aldar Ventures International Holdings RSC Limited	32%	32%	Investment holding
Aldar Projects LLC	32%	32%	Project management services
Tasareeh Engineer Services - Sole Proprietorship LLC	32%	32%	Development consultancy
Aldar Investment Management Limited	32%	32%	Assets management
Asteco Property Management LLC	21%	21%	Property management services
Aldar Logistics – Sole Proprietorship LLC	32%	32%	Real estate lease and management services
The Gateway Engineering Services - Sole Proprietorship LLC	32%	32%	Development consultancy
Al Seih Real Estate Management LLC	29%	29%	Investment management and leasing of real estate.
Seih Sdeirah Real Estate LLC	29%	29%	Property rental and management; real estate projects investment
Saadiyat Grove - Sole Proprietorship LLC	32%	32%	Real estate development
Aldar Logistics Holding Limited	22%	22%	Investment holding

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Twafq Projects Development Property Sole Proprietorship LLC	20%	20%	Real estate lease and management services
Abu Dhabi Business Hub LLC - Sole Proprietorship LLC	20%	20%	Real estate lease and management services
Aldar Lifestyle - Sole Proprietorship L.L.C.	32%	32%	Hospitality services
Al Shohub Private School – Sole Proprietorship LLC	32%	32%	Educational services
Pactive Sustainable Solutions LLC	21%	21%	Facilities management
Mace Macro Technical Services LLC (Khidmah Elite Technical Services)	21%	21%	Facilities management
Spark Security Services LLC	21%	21%	Security services
Aldar Island Hotel - Sole Proprietorship LLC	32%	32%	Hospitality services
Doubletree by Hilton Resort & Spa Marjan Island LLC	32%	32%	Hospitality services
Confluence Partners (HQ) RSC LTD	28%	28%	Managing real estate
Aldar Hansel SPV Restricted Ltd	16%	16%	Real estate development
SAGA International Owners Association Management LLC	21%	21%	Property management services
Saga OA DMCC	21%	21%	Property management services
Al Maryah Property Holdings Limited	17%	17%	Real estate holding
Rixos Bab Al Bahr Resorts	32%	32%	Hospitality services
Mustard & Linen Interior Design Holdings Ltd	24%	24%	Premium interior design business
Aldar Estates Holding Limited	21%	21%	Special purpose vehicles

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Aldar Estates Investment – Sole Proprietorship LLC	21%	21%	Real estate development
Kent College LLC FZ	32%	32%	Education services
Kent Nursery LLC-FZ	32%	32%	Education services
Basatin Holding SPV Ltd	15%	15%	Landscaping services
Virginia International Private School – Sole Proprietorship LLC	32%	32%	Education services
Aurora Holding Company Limited	16%	16%	Special purpose vehicle
Aurora SPV 1 LLC	16%	16%	Real estate development
Aurora SPV 2 LLC	16%	16%	Real estate development
Aurora SPV 3 LLC	16%	16%	Real estate development
Eltizam Asset Management Estate LLC - Sole Proprietorship L.L.C	21%	21%	Real estate lease and management services
800 TEK Facilities Management LLC	21%	21%	Event management services, lifeguard services, façade cleaning, management and operation of public utilities.
EAMG Services Holdings Limited	21%	21%	Holding company
East - O Holdings Limited	21%	21%	Holding company
Eltizam Asset Management Estate LLC	21%	21%	Holding company
Falcon Investments LLC	21%	19%	Real estate lease and management services, commercial enterprises investment, institution and management
Fixis Technical Services LLC	21%	21%	Facilities maintenance services
IFM Holdings Limited	21%	21%	Holding company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Inspire Building Management Services LLC	21%	21%	Facilities management and buildings general maintenance
Inspire Integrated Facilities Management LLC	21%	21%	Facilities management and buildings general maintenance
Inspire Integrated Services LLC (Abu Dhabi)	21%	21%	Facilities management and buildings general maintenance
Inspire Integrated Services LLC (Dubai)	21%	21%	Facilities management and buildings general maintenance
Inspire Integrated Solutions Holding Ltd	21%	21%	Holding company
Inspire Integrated Solutions Ltd	21%	21%	Real estate management services
IREC Holdings Limited	21%	21%	Holding company
King Field Owners Association Management Services LLC - Sole Proprietorship LLC	21%	21%	Management and supervision services for owners' associations
Kingfield Communities Management LLC	21%	21%	Community and property management services
Kingfield Owners Association Management Services LLC	21%	21%	Operation, management, and maintenance of community and property.
MENA Real Estate Solutions LLC	21%	21%	Real estate services
National Investor Property Management LLC	21%	21%	Real estate services
Omnibus Real Estate Brokerage Sole Proprietorship LLC	21%	21%	Real estate services
Oriontek Innovations LLC	21%	21%	Real estate services
Data Intelligence Technology Consultancy LLC	21%	21%	Information technology systems installation and maintenance
Estates Centralized Support Services - L.L.C - O.P.C (previously: Teslam Asset Management Estate L.L.C.)	21%	21%	Outsourcing and shared support services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Three 60 Communities Management for Owners Associations LLC	21%	21%	Management and supervision services for owners' associations
FAB Properties Sole Proprietorship LLC	21%	21%	Real estate services
Aldar Development Holdings Limited	32%	32%	Holding ownership
The Sustainable Investment YAS - Sole Proprietorship LLC	32%	32%	Real estate development
The Sustainable Investment Company SPV Limited	32%	32%	Special purpose vehicle
Aldar Hamra Holdings Limited	32%	32%	Special purpose vehicle
AMI Properties Holding Limited	19%	19%	Special purpose vehicle
Aldar Development (UK) Holdings Limited	32%	32%	Residents' management company
ADMO Hotel Management Holding Limited	57%	51%	Hotels management
Enigma Commercial Investment - Sole Proprietorship LLC	100%	100%	Investment holding
NMDC Group PJSC (formerly "National Marine Dredging Company PJSC")	67%	68%	Engineering, procurement and construction contracting, dredging contracts and associated land reclamation works
NMDC Energy PJSC (formerly "National Petroleum Construction Company PJSC" (NPCC))	52%	68%	Engineering, procurement and construction contracts
Emarat Europe Fast Building Technology System Factory LLC	67%	68%	Manufacturing and supply of precast concrete
ADEC Engineering Consultancy LLC	67%	68%	Civil, architectural, drilling and marine engineering consultancy services
Sandstorm Motor Vehicles Manufacturing LLC	65%	65%	Motor vehicles manufacturing

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Perfect Alpha Auto Services LLC	65%	65%	Motor Vehicle repairing
W Solar Investment - Sole Proprietorship LLC	100%	100%	Renewable energy power plant installation and maintenance
NMDC Logistics and Technical Services - LLC - S.P.C*	67%	-	Logistics and technical Services
Emarat Europe General Contracting - LLC - O.P.C*	67%	-	Building project contracting
W Solar Investment SPV RSC LTD*	100%	-	Special purpose vehicle
APAM Owners Association Management	21%	21%	Owners association
Aldar Training Academy - Sole Proprietorship LLC	32%	32%	Education
Saadiyat Beach Club - Sole Proprietorship L.L.C.	32%	32%	Hospitality
Yas Acres Golf and Country Club - Sole Proprietorship L.L.C.	32%	32%	Hospitality
Tilal Liwa Real Estate Investments LLC	32%	32%	Hospitality
W Yas Island Hotel - Sole Proprietorship L.L.C.	32%	32%	Hospitality
Cranleigh School Abu Dhabi - Sole Proprietorship L.L.C.	32%	32%	Education
Provis Owners Association Management Services – Sole Proprietorship LLC	21%	21%	Owners association
Provis Integrated Management Services – Sole Proprietorship LLC	21%	21%	Contract management services
Mace Macro Owners Association Management LLC	21%	21%	Property management services
Varia Property Management LLC	21%	21%	Real estate and property management services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Varia Services LLC	21%	21%	Real estate and property management services
APAM Real Estate Management	21%	21%	Real estate and property management services
Khidmah Saudi Company Limited	21%	21%	Facilities management services
The Hub Lifeguard Services L.L.C	21%	21%	Lifeguard services
Aldar Holdings 2 Limited	32%	32%	Holding company
Aldar Holdings 4 Limited	32%	32%	Holding company
Aldar Development - LLC - OPC	32%	32%	Real estate development and sale
Mustard & Linen Interior Design – Sole Proprietorship L.L.C	24%	24%	Interior design implementation
Aldar Academies – Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Academies – Al Yasmina School LLC	32%	32%	Education service provider
Al Forsan Nursery – Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Nurseries – Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Managed Schools – Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Charter Schools – Sole Proprietorship LLC	32%	32%	Education service provider
Aldar International Schools - Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Schools - Sole Proprietorship LLC	32%	32%	Education service provider
Aldar Emirates Schools – Sole Proprietorship LLC	32%	32%	Education service provider

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Basatin Landscaping - Sole Proprietorship LLC	15%	15%	Landscaping services
Basatin Foliage Landscaping Sole Proprietorship LLC	15%	15%	Landscaping services
East O Technology Solutions - Sole Proprietorship L.L.C.	21%	21%	Computer systems and software designing
Provis International Ltd. (ADGM)	21%	21%	Real estate activities with own or leased property
KAF Cramps and Labour Accommodation Management Sole Proprietorship LLC	21%	21%	Camps and labour Accommodation Management
Staybridge Suites Yas Island - Sole Proprietorship LLC	32%	32%	Deluxe hotel apartments
Saadiyat Beach Club Restaurant - La Salle - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Saadiyat Beach Club Restaurant - Safina - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Saadiyat Beach Club Restaurant - Cabana9 - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Amici Restaurant	32%	32%	Restaurant business
Angar Restaurant	32%	32%	Restaurant business
Rush Night Club - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Skylite Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Bistro Restaurant	32%	32%	Restaurant business
Fifth Street Café	32%	32%	Restaurant business
Up and Below Restaurant	32%	32%	Restaurant business
Hub Kitchen - Sole Proprietorship L.L.C	32%	32%	Restaurant business

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Jing Asia Restaurant - Sole Proprietorship LLC	32%	32%	Restaurant business
Views Lobby Lounge - Sole Proprietorship LLC	32%	32%	Restaurant business
Sundowners Bar - Sole Proprietorship LLC	32%	32%	Restaurant business
Stills Restaurant - Sole Proprietorship LLC	32%	32%	Restaurant business
Barouk Restaurant - Sole Proprietorship LLC	32%	32%	Restaurant business
Crown Senses Massage - Sole Proprietorship LLC	32%	32%	Relaxation center
Amerigos Restaurant And Bar - L.L.C - O.P.C	32%	32%	Restaurant business
Mint Restaurant - L.L.C - O.P.C	32%	32%	Restaurant business
Sands Pool Bar - L.L.C - O.P.C	32%	32%	Restaurant business
Asymmetri Restaurant - L.L.C - O.P.C	32%	32%	Restaurant business
Yas Belgian Restaurant - L.L.C - O.P.C	32%	32%	Restaurant business
Fast Track Bar - L.L.C - O.P.C	32%	32%	Restaurant business
Filini Restaurant - L.L.C - O.P.C	32%	32%	Restaurant business
Courtyard By Marriot WTC	32%	32%	Hotel business
Shams Pool Bar - L.L.C - O.P.C	32%	32%	Restaurant business
C Deli Restaurant - Branch 2	32%	32%	Restaurant business
C Mondo Café 2	32%	32%	Restaurant business
C Taste Restaurant - Branch 2	32%	32%	Restaurant business
Aquarius Pool Bar Yas - L.L.C - O.P.C	32%	32%	Restaurant business

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Blue Grill Restaurant- L.L.C - O.P.C	32%	32%	Restaurant business
Choices Restaurant- L.L.C - O.P.C	32%	32%	Restaurant business
Island Cafe- L.L.C - O.P.C	32%	32%	Restaurant business
Rangoli Restaurant- L.L.C - O.P.C	32%	32%	Restaurant business
Y Bar - L.L.C - O.P.C	32%	32%	Restaurant business
Crowne Plaza Hotel Yas Island - Sole Proprietorship LLC	32%	32%	Hospitality services
Park Inn Yas Island Hotel - Sole Proprietorship LLC	32%	32%	Hospitality services
Radisson Blu Hotel Yas Island - Sole Proprietorship LLC	32%	32%	Hospitality services
Yas Island Rotana Hotel - Sole Proprietorship LLC	32%	32%	Hospitality services
Centro Yas Island Hotel by Rotana - Sole Proprietorship L.L.C.	32%	32%	Hospitality services
Acres Grill House - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Roots Bar and Kitchen - Sole Proprietorship L.L.C	32%	32%	Restaurant business
Saadiyat Beach Golf Club - Sole Proprietorship L.L.C	32%	32%	Golf Club
MA Hospitality FZ LLC	32%	32%	Holding company
Tilal Liwa Hotel - Sole Proprietorship LLC	32%	32%	Hospitality services
Anantara Eastern Mangroves Hotel - Sole Proprietorship L.L.C.	32%	32%	Hospitality services
The Spa - L.L.C - O.P.C	32%	32%	Relaxation centre

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Bodylines Fitness & Wellness Club - Branch 2	32%	32%	Fitness and wellness
Garage Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Sun Deck Restaurant - Sole Proprietorship L.L.C	32%	32%	Restaurant business
W Lounge Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
W Roastery Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Wet Deck Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Pachaylen Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
The Pool Deck Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Mangroves Lounge - Sole Proprietorship L.L.C	32%	32%	Restaurant business
Ingredients Restaurants - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Impressions Bar - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Hawksbill Restaurant - Sole Proprietorship L.L.C.	32%	32%	Restaurant business
Hickorys Restaurants LLC - O.P.C	32%	32%	Restaurant business
Eastern Mangroves SPA Center	32%	32%	Relaxation centre
Al Badyah Al Raisi Restaurant	32%	32%	Restaurant business

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Bar Al Layali Alraisi	32%	32%	Restaurant business
Snak Bar Al Liwan	32%	32%	Restaurant business
Tilal Body Fitness Club	32%	32%	Fitness and wellness
Liwa Massage Center	32%	32%	Relaxation centre
C2i Holding Ltd	32%	32%	Special purpose vehicle
C2i Holding Sole Proprietorship LLC	32%	32%	Real estate lease & management Services (Co-Working Space)
Ether by Cloud Spaces - Sole Proprietorship L.L.C.	32%	32%	Real estate lease & management Services (Co-Working Space)
Cloud Spaces Business Center LLC	32%	32%	Real estate lease & management Services (Co-Working Space)
Aldar Malls - LLC - S.P.C	32%	32%	Holding company
Yas Mall - LLC - S.P.C	32%	32%	Holding company
Dimarco Electronic Systems LLC	11%	11%	Technology services
Aldar Education Overseas Holding Limited	32%	32%	Education
Aldar Logistics Parks LLC*	32%	-	Leasing and management of self-owned property
Noya British School – Sole Proprietorship LLC	32%	32%	Education
Aldar Residential - L.L.C - O.P.C*	28%	-	Real estate lease and management services
Aldar Retail - L.L.C - O.P.C*	28%	-	Real estate lease and management services
Aldar Commercial - L.L.C - O.P.C*	28%	-	Real estate lease and management services
Al Hamra Mall LLC	28%	28%	Real estate lease and management services
Al Jimi Mall - Sole Proprietorship LLC	28%	28%	Real estate lease and management services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Aldar Commercial 2 Property Management FZ-LLC*	32%	-	Property management services
Trojan Projects Management - L.L.C - O.P.C.*	51%	-	Project management services
Mais Technical Decoration LLC*	31%	-	Interior design implementation works (decor)
ADMO Lifestyle Management- L.L.C - O.P.C.*	57%	-	Management Services
Iconic Locations Me Holding Co. Ltd*	30%	-	Sale of food and beverages
Iconic Locations Skyview Restaurant & Lounge L.L.C.*	30%	-	Sale of food and beverages
Alpha Mind Holding Limited*	29%	-	Holding company
Blue Lounge Ltd*	11%	-	Holding company
Iris Star Restaurants LLC*	11%	-	Sale of food and beverages
Clap Restaurant & Bar Limited*	9%	-	Sale of food and beverages
White Flower Event Management FZ*	11%	-	Sale of food and beverages
BDP restaurant & Cafe LLC*	9%	-	Sale of food and beverages
Level Eight Limited*	13%	-	Holding company
Sucre Below Restaurant & Bar Ltd*	13%	-	Sale of food and beverages
The White Collections Restaurant Management LLC*	15%	-	Holding company
Iconic Locations USA Co. Ltd.*	53%	-	Holding company
Level Seven Limited*	29%	-	Holding company
Akua & Litt Restaurant LLC*	29%	-	Sale of food and beverages
Alpha Mind Man Co Limited*	29%	-	Management company
Alpha Mind IP Co Limited*	29%	-	Leasing of intellectual properties

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Alpha Mind One Holding Limited*	29%	-	Holding company
Barari Adventures LLC – SPC*	90%	-	Tourist camp services, wholesale of tanned leather trading, wholesale of bones, hoofs and horns trading, Organising and conducting desert adventures and hunting weapons reserves
Desert Gate Lounge Snacks LLC*	90%	-	Tourist restaurant
Magtech Holding Limited*	90%	-	Holding company
Alpha Water Treatment Systems - L.L.C - S.P.C*	100%	-	Contracting and maintaining infrastructure for sewerage, irrigation, water desalination, and distribution networks
ADH side car RSC LTD*	100%	-	Investment holding
Olea Restaurant	100%	100%	Restaurant business
The Drawing Room Café	100%	100%	Restaurant business
The Manhattan Lounge	100%	100%	Restaurant business
Sontaya Restaurant	100%	100%	Restaurant business
Pool And Beach Bar	100%	100%	Restaurant business
St Regis Beach Bar	100%	100%	Restaurant business
Iridium Spa	100%	100%	Relaxation centre
The St Regis Athletic Club	100%	100%	Men and Women body fitness club
Buddha Bar Beach Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
Mazi Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
Al Mabeet Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
Al Mesayan Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Bait Al Hanine - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
WRT Brickell LLC*	40%	-	Sale of food and beverages
Iris Piers*	29%	-	Sale of food and beverages
Hayaakom Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
Panache Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
Terra Secca Restaurant - Sole Proprietorship L.L.C.	100%	100%	Restaurant business
ADH Infra I SPV Limited*	100%	-	Investment holding
ADH Jackpot SPV Limited*	100%	-	Investment holding
ADH Reem SPV Limited*	100%	-	Investment holding

*subsidiaries added during the current year.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Branch of Trojan General Contacting LLC	100%	100%	Russia	Hospitality services
Taj Dhabi Company Limited	51%	100%	Saudi Arabia	Building projects contracting
Reem Emirates Egypt for Contracting Co.	51%	100%	Egypt	Building projects contracting
Al Mutaqdema Holding LLC	51%	100%	Saudi Arabia	Building projects contracting.
Churcill LLC	100%	100%	Russia	Hospitality services
Trojan Egypt Contracting	51%	100%	Egypt	Construction contracting
Hi-Tech Concrete Products LLC (KSA)	51%	100%	Saudi Arabia	Construction contracting
Murban Investment Limited	100%	100%	British Virgin Islands	Investment holding
I & T Management Private Limited	100%	100%	Maldives	Tourist resort operation
Hill View (Seychelles) Limited	100%	100%	Seychelles	Hotel resort holding
Nammos Holding STA Ltd	36%	32%	Cyprus	Holding company
MRINLON2SUB Ltd	36%	32%	Cyprus	Holding company
Nammos Restaurant London Limited	36%	32%	United Kingdom	Restaurant management
Mystic Quartz Resorts Ltd	57%	51%	Cyprus	Holding company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Monte London Limited	57%	51%	United Kingdom	Hospitality services
Damesin LTD	57%	51%	Cyprus	Holding company
Benestar SA	57%	51%	Greece	Hospitality services
Colliers International Property Consultancy Services JSC	21%	21%	Egypt	Consultancy services
Colliers International Property Services Doha LLC	21%	21%	Qatar	Interior design implementation works and real estate brokerage business
Enterprise Solutions Company for Professional Consulting (Riyadh, KSA)	21%	21%	Saudi Arabia	Real estate services
Orion Systems Integrators LTD	21%	21%	United Kingdom	Information technology
Oriontek Innovations for Technology Services Egypt - Orionteck Egypt	12%	12%	Egypt	Information technology
Professional Realtors Company LLC	21%	21%	Saudi Arabia	Consultancy services
Inspire Facilities Management Co LLC - Oman	21%	21%	Oman	Facilities management
Inspire for Facilities Management Services - Egypt	12%	12%	Egypt	Facilities management
Teslam Business Services Philippines INC	21%	21%	Philippines	Outsourcing and shared support services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Three 60 Communities Estate Services Egypt - Three 60 Communities Egypt	21%	21%	Egypt	Provision of management and supervision services for owners' associations
Kingfield Community Management Co LLC - Oman	21%	21%	Oman	Provision of management and supervision services for owners' associations
London Square Development Holdings Limited	32%	32%	United Kingdom	Real estate services
LSQ HoldCo 2 Limited	32%	32%	United Kingdom	Information technology systems installation and maintenance
LSQ HoldCo 3 Limited	32%	32%	United Kingdom	Information technology systems installation and maintenance
London Square Limited	32%	32%	United Kingdom	Consulting services, research, and questionnaire
London Square Developments (Ventures) Limited	32%	32%	United Kingdom	Facilities management
London Square (Staines) Limited	32%	32%	United Kingdom	Facilities management
London Square (Holdings) Limited	32%	32%	United Kingdom	Outsourcing and shared support services
London Square Developments Limited	32%	32%	United Kingdom	Management and supervision services for owners' associations
London Square (Investments) Limited	32%	32%	United Kingdom	Management and supervision services for owners' associations
London Square (Putney) Limited	32%	32%	United Kingdom	Real estate development
London Square Living Ltd	32%	32%	United Kingdom	Real estate development

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
London Square Works Limited	32%	32%	United Kingdom	Real estate development
London Square (Streatham) Limited	32%	32%	United Kingdom	Holding company
LSQ (Crimscott Street) Holdings Limited	32%	32%	United Kingdom	Holding company
London Square (Crimscott Street) Limited	32%	32%	United Kingdom	Holding company
London Square (Walton-on-Thames) Holdings Limited	32%	32%	United Kingdom	Holding company
London Square (Walton-on-Thames) Limited	32%	32%	United Kingdom	Land developer and housebuilder
London Square Development Management Limited	32%	32%	United Kingdom	Holding company
London Square (Projects) Limited	32%	32%	United Kingdom	Land developer and housebuilder
London Square (RSG) Limited	32%	32%	United Kingdom	Holding Company
London Square Partners Limited	32%	32%	United Kingdom	Land developer and housebuilder
London Square (West Croydon) Holdings Limited	32%	32%	United Kingdom	Land developer and housebuilder
London Square (West Croydon) Limited	32%	32%	United Kingdom	Commercial land developer
London Square (Bugsby Way) Holdings Ltd	32%	32%	United Kingdom	Land developer and housebuilder
London Square DevCo Limited	32%	32%	United Kingdom	Holding company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Square Roots Registered Provider Limited	32%	32%	United Kingdom	Land developer and housebuilder
London Square (Hong Kong) Limited	32%	32%	United Kingdom	Holding company
London Square PIC Partnership Ltd	32%	32%	United Kingdom	Land developer and housebuilder
Charter Square Management Company Ltd	32%	32%	United Kingdom	Property development management service provider
De Burgh, Tadworth Management Company Ltd	32%	32%	United Kingdom	Holding company
Bassetts, Orpington Management Company Ltd	32%	32%	United Kingdom	Holding company
Crimscott Street, Bermondsey Management Company Ltd	32%	32%	United Kingdom	Holding company
Pewter N7 Management Company Ltd	32%	32%	United Kingdom	Holding company
Amparo House, Greenwich London Management Company Ltd	32%	32%	United Kingdom	Land developer and housebuilder
Albright Gardens, Walton on Thames Management Company Ltd	32%	32%	United Kingdom	Holding company
425-455 St Albans Road, Watford Management Company Ltd	32%	32%	United Kingdom	Land developer and housebuilder

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
London Square (St Michaels Croydon) (No. 1) Management Company Limited	32%	32%	United Kingdom	Housing association real estate
St Michaels Croydon (Tower B) Management Company Ltd	32%	32%	Hong Kong	Selling and marketing services
One Linear Place Management Company Ltd	32%	32%	United Kingdom	Land developer and housebuilder
Aldar Development LSQ Limited	32%	32%	United Kingdom	Residents' management company
LSQ Management Limited	32%	32%	United Kingdom	Residents' management company
London Square (Crayford) Holdings Limited	32%	32%	United Kingdom	Holding company
London Square (Crayford) Limited	32%	32%	United Kingdom	Property developer
London Square (Springfield) Holdings Limited	32%	32%	United Kingdom	Holding company
London Square (Springfield) Limited	32%	32%	United Kingdom	Property developer
Plot F, Springfield Village Management Company Limited	32%	32%	United Kingdom	Residents' management company
Plot G, Springfield Village Management Company Limited	32%	32%	United Kingdom	Residents' management company
Plot P&Q, Springfield Village Management Company Limited	32%	32%	United Kingdom	Residents' management company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Abu Dhabi Marine Dredging Co. S.P.C.	67%	68%	Bahrain	Offshore reclamation, marine and excavation contracts
National Marine and Infrastructure India Private Limited	67%	68%	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
National Petroleum Construction Company (Saudi) Ltd.	52%	68%	Saudi Arabia	Engineering, construction and procurement
NPCC Engineering Limited	52%	68%	India	Engineering, construction and procurement
ANEWA Engineering Pvt. Ltd.	41%	55%	India	Engineering, construction and procurement
Aldar Sukuk (No.1) Ltd	28%	28%	Cayman Islands	Special purpose entity for sukuk issuance
Aldar Sukuk (No.2) Ltd	28%	28%	Cayman Islands	Special purpose entity for sukuk issuance
Aldar Investment Properties Sukuk Limited (formerly "Aldar Sukuk (No. 3) Ltd.")	28%	28%	Cayman Islands	Special purpose entity for sukuk issuance
Six October of Development and Investment Co. SAE	19%	19%	Egypt	Real estate development
National Marine Dredging Company LLC	67%	-	Saudi Arabia	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
Tabrouk Development Company Caesar and Malaaz	32%	32%	Egypt	Real estate
Soreal for Real Estate Investment (Villette)	32%	32%	Egypt	Real estate

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Sixth of October for Development and Real Estate Projects co. Eastown/EDNC	32%	32%	Egypt	Real estate
SODIC for Development and Real Estate Investment Co	32%	32%	Egypt	Real estate
SODIC Polygon for Real Estate Investment Co	32%	32%	Egypt	Real estate
Edara for Services of Cities and Resorts Co	32%	32%	Egypt	Real estate
La Maison for Real Estate Investment (HUB)	32%	32%	Egypt	Real estate
SODIC for Securitization	32%	32%	Egypt	Real estate
Al Yosr for Projects and Real Estate Development Co (THE ESTATES)	32%	32%	Egypt	Real estate
Aldar EuroAsia Limited Liability Partnership	32%	32%	Kazakhstan	Holding company
Aldar EuroAsia Hospitality Limited Liability Partnership	32%	32%	Kazakhstan	Hotel operation and management
Aldar EuroAsia Property Management Limited Liability Partnership	32%	32%	Kazakhstan	Hotel operation and management
SODIC Garden City for Development and Investment (STRIP)	16%	16%	Egypt	Real estate investment
Cloud Spaces Limited, Sole Proprietorship*	32%	-	Saudi Arabia	Integrated office administrative Services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
Nammos Mayfair Limited*	36%	-	United Kingdom	Restaurant
L Capital KDT Ltd.*	57%	-	Mauritius	Holding company
Iconic Locations Ltd.*	53%	-	Singapore	Holding company
Bm-Cb Investments Pte. Ltd.*	53%	-	Singapore	Sale of food and beverages
Iconic Locations Singapore Pte. Ltd.*	53%	-	Singapore	Sale of food and beverages
Clv Entertainment Pte. Ltd.*	53%	-	Singapore	Sale of food and beverages
Iconic Locations Hk Holding Ltd.*	53%	-	Hong Kong	Holding company
Iconic Locations Taipei Holding Ltd.*	53%	-	Hong Kong	Sale of food and beverages
Iconic Locations Taipei Ltd.*	27%	-	Taiwan	Sale of food and beverages
Iconic Locations Shanghai Holding Ltd.*	53%	-	Hong Kong	Sale of food and beverages
Iconic Locations Hk Ltd.*	53%	-	Hong Kong	Sale of food and beverages
BA Restaurant Limited*	10%	-	United Kingdom	Holding company
Sucre London*	10%	-	United Kingdom	Sale of food and beverages
Club Conde Duque*	15%	-	Spain	Holding company
Cool Zone S. L*	9%	-	Spain	Sale of food and beverages
K1 Restaurant Holding Ltd*	29%	-	United Kingdom	Holding company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Place of incorporation	Principal activities
	2024	2023		
CLP London Limited*	29%	-	United Kingdom	Sale of food and beverages
Selmondo Limited*	29%	-	Cyprus	Sale of food and beverages
Barbarossa PC*	29%	-	Greece	Restaurant
Barbarossa World PC*	29%	-	Greece	Franchising
Monterock Investments Nedafushi Maldives Private Limited	55%	48%	Hospitality	Hospitality

*subsidiaries added during the current year

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Trojan Development LLC	51%	100%	Real estate investment
Trojan International RSC Ltd	51%	100%	Investment holding
Reem Emirates General Contracting LLC- Dubai	51%	100%	Real estate investment
Ersa General Contracting LLC	51%	100%	Building projects contracting
Hi-Tech Line Building Construction LLC	51%	100%	Building projects contracting
Hi-Tech Emirates for General Contracting LLC	51%	100%	Building projects contracting
Murban BVI Holding Inc (BVI)	100%	100%	Investment holding company
Sitax Investment Ltd (BVI)	100%	100%	Investment holding company
Sitax Holding Ltd (BVI)	100%	100%	Investment holding company
Lindere Villa Limited	100%	100%	Investment holding company
Mawarid Centre for Research and Scientific Laboratories LLC	90%	90%	Environmental consultancy, studies and research
Mawarid International Development Company LLC	90%	90%	Real estate investment and management
Mawarid Nurseries LLC	90%	90%	Wholesale supply of plants
Mawarid International Investment LLC	90%	90%	Investment holding
Khattar Restaurant and Café - Sole Proprietorship LLC	90%	90%	Tourism and restaurant services
Desert Gate Restaurant - Sole Proprietorship LLC	90%	90%	Tourism and restaurant services
Desertology Spa - Sole Proprietorship LLC	90%	90%	Relaxation and wellness centre
Desertology - Sole Proprietorship LLC	90%	90%	Women's wellness and health club
Barari International Limited Company	90%	90%	Land preparation, irrigation systems works and maintenance

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Mawarid Security Services LLC.	90%	90%	Public security guarding services
Spark Security Services Sole Proprietorship LLC	21%	21%	Security services
National Marine Dredging Company (Industrial)	67%	68%	Investment holding
NPCC Services Malaysia SDN	52%	68%	Engineering, procurement and construction
Al Dhabi for Construction Projects (formerly "Abu Dhabi Construction Projects")	52%	68%	Engineering, procurement and construction
NMDC Marine Services L.L.C. S.P.C	52%	0%	Marine Logistic Services
Aldar Real Estate Services LLC	32%	32%	Holding company
Al Raha Gardens Property LLC	32%	32%	Holding company
Al Raha Infrastructure Company LLC	32%	32%	Holding company
Aldar Commercial Property Developments LLC	32%	32%	Real estate
Aldar Etihad Investment Properties - Sole Proprietorship LLC	32%	32%	Residential
Aldar Etihad First Investment Properties - Sole Proprietorship LLC	32%	32%	Residential
Tegara for Trading Centres Co	32%	32%	Real estate
SODIC for Golf and Tourist Development Co	32%	32%	Real estate
SODIC Syria LLC	32%	32%	Real estate
Fourteen for Real Estate Development LLC	32%	32%	Real estate
TDIC Education - Sole Proprietorship LLC	32%	32%	Investment in, and management of entities providing educational services
Nasir Ventures Limited (Hong Kong)	32%	32%	Dormant entity
Nasir Ventures International (Russia)	24%	24%	Dormant entity
Aldar Holdings 10 Limited	32%	32%	Holding company

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Abu Dhabi World Trade Center LLC	32%	32%	Dormant entity
Aldar Investment Hybrid Limited	32%	32%	Dormant entity
Boutik Al Ain - Sole Proprietorship LLC	32%	32%	Dormant entity

The Group has disposed the following companies during the year (refer to note 38):

Name of subsidiaries	Effective ownership		Principal activities
	2024	2023	
Transcend Blocker, INC	-	100%	Investment holding
ADH Energy RSC LTD	-	100%	Investment holding
Dicon Investment LLC	-	90%	Administrative and business services
W solar Investments Single Member Societe Anonyme	-	100%	Renewable energy power plant installation and maintenance
Al Forsan Domestic Workers Services Center LLC - Dubai	-	90%	Administrative and business services
Al Forsan Domestic Workers Services Center LLC - Abu Dhabi	-	90%	Administrative and business services
Best Twasol Government Services LLC	-	90%	Administrative and business services
Twasol Business Men Service LLC – Br Abu Dhabi	-	90%	Administrative and business services
Twasol Business Men Service LLC - Dubai	-	90%	Administrative and business services
Al Tawasol Al Mutamiz Guidance LLC - Abu Dhabi	-	90%	Administrative and business services
Al Tawasol Al Mutamiz Guidance LLC	-	90%	Administrative and business services

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

Name of associates	Percentage of ownership		Country of incorporation	Principal activities
	2024	2023		
Modon Holding PSC ('Modon') (formerly, Q Holding PSC)*	9%	20%	UAE	Real estate and hospitality
Canal Sugar S.A.E. "Canal Sugar"	33%	33%	Egypt	Sugar farming and production
Yas Projects LLC	49%	49%	UAE	Construction project entity
Pure Health Holding PJSC	35%	35%	UAE	Health care investments
Response Plus Holding PrJSC ("RPM")	36%	36%	UAE	Emergency healthcare services
Century Real Estate Management LLC	13%	13%	UAE	Management of labour camps and accommodation
Abu Dhabi Mountain Gate Property Investment LLC (liquidated)	-	13%	UAE	Real estate investment
Safeen Survey and Subsea Services LLC	49%	49%	UAE	Marine services related to oil industries
Al Jazira Technical Solutions and Consulting LLC	35%	35%	UAE	Consulting in computer devices and equipment
Principia SAS	33%	33%	France	Engineering and consultancy
B G I for Commercial Investment LLC	30%	30%	Mozambique	Project management
Abu Dhabi Finance PJSC (liquidated)	-	32%	UAE	Real estate finance company
Al Sdeirah Real Estate Investment LLC	30%	30%	UAE	Real estate investment
Iskandar Holdings Limited	19%	19%	Cayman Islands	Real estate investment

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of associates	Percentage of ownership		Country of incorporation	Principal activities
	2024	2023		
Royal Gardens for Investment Property Co.	20%	20%	Egypt	Real estate development
PAL 4 Solar Energy LLC (“PAL 4 Solar”)	20%	20%	UAE	Maintenance of energy equipment
Gordon Technologies LLC (“Gordon”)**	-	25%	USA	Sale of directional drilling equipment, technology and services to oil and gas drilling industries.
TA’ZIZ UAE Investment Company	25%	25%	UAE	Investment in chemical projects
NICC Infrastructure Construction Company LLC	49%	49%	UAE	Railway projects construction
WISY Holding Cyprus Ltd	44%	44%	Cyprus	Investment holding
Nammos World SARL	44%	44%	Monaco	Intellectual property company
WISY Management Cyprus Ltd	44%	44%	Cyprus	Intellectual property company
National Corporation for Tourism and Hotels PJSC	36%	36%	UAE	Own, manage and invest in hotels and leisure complexes and to undertake other related business.
Bunya Enterprises LLC	33%	33%	UAE	Project management
Em Sherif Holding Ltd.	35%	-	Lebanon	Holding company

*Modon Holding PSC (‘Modon’) (formerly, “Q Holding PSC”) derecognised during the year 2024.

**Gordon Technologies LLC disposal during the year 2024.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of joint ventures	Percentage of ownership		Country of incorporation	Principal activities
	2024	2023		
China Railway Construction Corporation Abu Dhabi Branch ('CRCC') and National Projects Construction LLC ('NPC') Joint venture CRCC-NPC JV" ('CRCC-NPC')	49%	49%	UAE	Construction project entity
The Challenge Egyptian Emirates Egypt Marine Dredging Company ("CEEMDC")	49%	49%	Egypt	Construction project entity
Ssangyong Engineering and Construction Co Ltd and Trojan General Contracting Joint venture	40%	40%	UAE	Construction project entity
Trojan General Contracting and Six Construct Limited – Guggenheim Museum	50%	50%	UAE	Construction project entity
Trojan General Contracting and Six Construct Limited –Zayed National Museum	50%	50%	UAE	Construction project entity
Royal House LLC	50%	50%	UAE	Hotel operating company
Al Raha International Integrated Facilities Management LLC (under liquidation)	50%	50%	UAE	Facilities management company
Palmyra SODIC Real Estate Development	50%	50%	Syria	Real estate development
WIO Holding Restricted Limited ("WIO Holding")	51%	51%	UAE	Investment holding

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of joint ventures	Percentage of ownership		Country of incorporation	Principal activities
	2024	2023		
MICAD Credit JV RSC Ltd	20%	20%	UAE	Investment holding
MW Energy Limited (“MW Energy”)	50%	50%	UAE	Renewable energy investment
South Development One DWC-LLC	50%	50%	UAE	General Warehousing
Richmond Hill Developments (Jersey) Limited	15%	15%	USA	Real estate development
Vulcan Wharf Holdings LLP	50%	50%	United Kingdom	Real estate development
Trojan General Contracting and Six Construct Limited and Voltas Limited “VSTJV”	33%	33%	UAE	Construction
National Projects Construction LLC and China Civil Engineering Construction Corporation Joint Venture “NPC-CCECC JV”	75%	75%	UAE	Construction
Mawarid Intelligent Irrigation Technologies LLC	50%	50%	UAE	Agriculture enterprise investment
Avobar Restaurant - Sole Proprietorship L.L.C.	30%	30%	UAE	Restaurant
NT Energies LLC	51%	51%	UAE	Engineering and consulting
Richmond College	50%	-	United Kingdom	Education
South Development Two DWC-LLC	50%	-	UAE	General Warehousing
TGC ACC JV	50%	-	UAE	Construction
Trojan Cylingas JV	50%	-	UAE	Construction

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

Name of joint ventures	Percentage of ownership		Country of incorporation	Principal activities
	2024	2023		
NPC/NICC/GALFAR/TRISTAR Joint Venture – NNGT JV	45%	-	UAE & Oman	Construction
Iconic Locations Japan Ltd	50%	-	Japan	Sale of Food and beverages
Enersol RSC Ltd	49%	-	UAE	Own, manage and invest in businesses with interest in oil field services technology sector
South Development Three DWC-LLC	50%	-	UAE	General Warehousing

Name of joint operations	Percentage of ownership		Principal activities
	2024	2023	
NPCC- Saipem – Hail and Ghasha	50%	50%	Construction project
NPCC- Tecnicas-MEERAM	50%	50%	Construction project
Technip NPCC Satrah Full Field	50%	50%	Construction project
NPCC Technip UZ 750 (EPC-1)	40%	40%	Construction project
NPCC Technip UL 2	50%	50%	Construction project
NPCC Technip AGFA	50%	50%	Construction project
NPCC Technip JV US GAS CAP FEED	50%	50%	Construction project
NPC-ATC JV	50%	50%	Construction project
NPC-BCEG JV	50%	50%	Construction project
TJN Ruwais LNG	20%	-	Engineering Procurement and Construction

There are certain joint operations which are not operative and have insignificant balances at year end.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies****Business combinations**

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

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

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

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

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

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

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Business combinations (continued)

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

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

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

Business combinations under common control

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

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

Property, plant and equipment

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

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

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

	Years
Buildings and base facilities	5-47
Dredgers, machinery and equipment	1-30
Barges, support vessels and vehicles	1-40
Furniture, equipment and leasehold improvements	2-10

Land is not depreciated.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Property, plant and equipment (continued)

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

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

Capital work-in-progress

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

Intangible assets acquired separately

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

	Years
Software and licenses	3-10

The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date. Amortisation is recognised on a straight-line basis over the assets estimated useful lives as follows:

	Years
Customer related intangibles	2-10
Trademarks	3-8
Brands	5 - indefinite

Customer related intangibles include customer relationships and customer contracts.

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Intangible assets acquired separately (continued)**

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

Borrowing costs

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

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

Biological assets

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

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

Goodwill

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Investment properties

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

Depreciation is calculated using the straight-line method over their expected useful life which ranges from 14 to 50 years. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Leases

The Group as a lessee

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

Lease liabilities

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

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

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

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

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

Right-of-use assets

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

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

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

	Years
Land	1-65
Buildings	1-50
Machinery	1-3

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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

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

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

The non-lease components are accounted for in accordance with the Group's policies. For determination of the lease term, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- is within the control of the Group; and
- affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The Group as a lessor

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Leases (continued)***The Group as a lessor (continued)*

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

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

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

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

Impairment of non-financial assets excluding goodwill

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Impairment of non-financial assets excluding goodwill (continued)**

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

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

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

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

Investments in associates and joint ventures

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Investments in associates and joint ventures (continued)**

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Investments in associates and joint ventures (continued)**

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

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

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

For transactions other than other comprehensive income or loss that are directly recognised in the associate's or joint venture's equity and increase or decrease the investor's effective interest in the net assets of the associate and joint venture are treated as an additional investment or disposal with corresponding impact to consolidated statement of profit or loss.

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

Interests in joint operations

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

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

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

Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Interests in joint operations (continued)

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

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

Financial instruments

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

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

Financial assets

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Purchases or sales of financial assets are recognised or derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

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

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

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

(i) Amortised cost and effective interest method

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand, short-term deposits, treasury bills and wakala 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 at banks and on hand, short-term deposits, treasury bills and wakala deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(ii) Debt instruments classified as at FVTOCI

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

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

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

(iii) Equity instruments designated as at FVTOCI

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(iii) Equity instruments designated as at FVTOCI (continued)

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

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

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

(iv) Financial assets at FVTPL

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

i) Significant increase in credit risk

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

i) Significant increase in credit risk (continued)

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

i) Significant increase in credit risk (continued)

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

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

ii) Definition of default

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

iii) Credit-impaired financial assets

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

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

iv) Write-off policy

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

v) Measurement and recognition of ECL

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

v) *Measurement and recognition of ECL (continued)*

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

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

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

Derecognition of financial assets

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities at FVTPL (continued)

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

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

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

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

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

Financial liabilities measured subsequently at amortised cost

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Sukuk

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

Financial guarantee contract liabilities

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

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

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

Foreign exchange gains and losses

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Derecognition of financial liabilities*

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

Offsetting of financial instruments

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

Taxation

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

Current tax

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Taxation (continued)

Deferred tax

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

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

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

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

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

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

Current tax and deferred tax for the year

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Taxation (continued)

Value added tax (VAT)

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

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

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

Fair value measurement

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Inventories**

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

Development work-in-progress

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

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

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

Share-based payments

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

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

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

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

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

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

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

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

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

Employee benefits

Short-term employee benefits

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Employee benefits (continued)***Defined contribution plan*

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

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

Defined benefit plan

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

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

Government grants

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Government grants (continued)**

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

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

Derivative financial instruments

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

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

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

Hedge accounting

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Hedge accounting (continued)**

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

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

Cash flow hedges

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

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

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

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Hedge accounting (continued)****Fair value hedges (continued)**

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income.

When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument. Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Derivative not designated as hedging instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at the end of each accounting period with any gains or losses recognised through the profit and loss account.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at fair value through profit and loss.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Provisions

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Provisions (continued)**

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

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

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

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

Onerous contracts

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

Warranties

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

Contingencies

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

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

Current versus non-current classification

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

An asset is classified as current when it is:

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is classified as current when:

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

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

Revenue recognition

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

The Group recognises revenue from the following major sources:

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

Revenue from construction, industrial and dredging contracts

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Revenue recognition (continued)

Revenue from construction, industrial and dredging contracts (continued)

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

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

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

Contract assets and liabilities

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

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

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

Sale of properties and provision of services

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Revenue recognition (continued)

Revenue from hotel operations

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

Management fee income

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

Service charges and expenses recoverable from tenants

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

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

Rental income

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

Income from education services

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****2 Material accounting policies (continued)****2.2 Summary of material accounting policies (continued)****Revenue recognition (continued)***Hospitality*

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, which 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.

Leisure

Leisure businesses comprise 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.

Sale of goods

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

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

Interest income

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

Dividend income

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

Foreign currencies

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

2 Material accounting policies (continued)

2.2 Summary of material accounting policies (continued)

Foreign currencies (continued)

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

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

3.1 New and amended IFRSs applied that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The group has adopted the amendments to IAS 7, *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* titled *Supplier Finance Arrangements* for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of consolidated financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments;
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the consolidated statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

3.1 New and amended IFRSs applied that are effective for the current year (continued)

*Amendments to IAS 1
Presentation of* The group has adopted the amendments to IAS 1, published in November 2022,
for the first time in the current year.

*Financial Statements -
Non-current Liabilities
with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of consolidated financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

3.1 New and amended IFRSs applied that are effective for the current year (continued)

*Amendment to IFRS
16 Leases - Lease
Liability in a Sale and
Leaseback*

The group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

3.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to *IAS 21 - Lack of Exchangeability* (**effective from 1 January 2025**);
- Amendments to *IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments* (**effective from 1 January 2026**);
- Annual Improvements to IFRS Accounting Standards — Volume 11. (**effective from 1 January 2026**). The pronouncement comprises the following amendments:
 - IFRS 1: Hedge accounting by a first-time adopter;
 - IFRS 7: Gain or loss on derecognition;
 - IFRS 7: Disclosure of deferred difference between fair value and transaction price;
 - IFRS 7: Introduction and credit risk disclosures;
 - IFRS 9: Lessee derecognition of lease liabilities;
 - IFRS 9: Transaction price;
 - IFRS 10: Determination of a ‘de facto agent’; and
 - IAS 7: Cost method;
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (**effective from 1 January 2027**);
- *IFRS 18 Presentation and Disclosures in Financial Statements* (**effective from 1 January 2027**);
- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* (**effective date not yet decided**); and
- *IFRS S2 Climate-related Disclosures* (**effective date not yet decided**).

The above-mentioned new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the group.

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty**

In applying the group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

4.1 Critical judgment in applying accounting policies

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

Determination of performance obligations

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

Timing of satisfaction of performance obligations

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.1 Critical judgment in applying accounting policies (continued)

Timing of satisfaction of performance obligations (continued)

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

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

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.1 Critical judgment in applying accounting policies (continued)

Significant increase in credit risk

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

Classification of properties

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

Classification and measurement of financial assets (Business model assessment)

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

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

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

Contract assets represent amounts relating to work performed which is yet to be billed to customers for signed and unsigned contracts. Judgement is applied to determine the amounts of revenue and contract assets recognised and recoverability related to unsigned contracts. These judgments are reviewed periodically, and adjustments are made accordingly any changes thereon may have an impact on the amount of revenue and contract assets recognized in these consolidated financial statements. Contract assets for unsigned contracts as at 31 December 2024 are AED 522 million (2023: AED 822 million).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.1 Critical judgment in applying accounting policies (continued)

Determining the lease term

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

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

Joint arrangements

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

Hybrid equity instruments

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

Principal versus agent consideration

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

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

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts; and

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.1 Critical judgment in applying accounting policies (continued)

Principal versus agent consideration (continued)

- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group.

Control over Aldar Properties PJSC (“Aldar”)

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

- 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 almost 32% of the outstanding share capital.

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

Judgment related to derecognition of Pure Health Holding (‘PHH’)

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

Assessment of significant influence over Modon Holding PSC (‘Modon’) (formerly, Q Holding PSC)

As explained in Note 12 to the consolidated financial statements, the Group has determined that it no longer holds significant influence over Modon. This conclusion arose from the loss of the Group’s ability to appoint any board member within Modon, indicating a significant change in the level of significant influence over Modon’s strategic decisions and operations.

As a result, investment in Modon was derecognised on 27 February 2024 as an investment in an associate and recognised as an investment in financial assets under IFRS 9.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.2 Key sources of estimation uncertainty

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

Fair valuation of retained interest on loss of control

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

Discount rate used for initial measurement of lease liability

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

Percentage-of-completion

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

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

In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include:

- For development contracts, the cost of development and related infrastructure;
- For construction contracts, the certified works as evaluated by project consultants; and
- For services contracts, the time elapsed.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.2 Key sources of estimation uncertainty (continued)

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

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

Impairment of investment in associates and joint ventures

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

Fair value measurements and valuation processes

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

Derivative financial instruments

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

Calculation of ECL

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.2 Key sources of estimation uncertainty (continued)

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

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

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

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

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

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

Allowance for slow moving and obsolete inventories

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

Impairment of goodwill

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

4.2 Key sources of estimation uncertainty (continued)

Impairment of non-financial assets

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

Legal claims and contingencies

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

Uncertain tax positions

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

Employee end of service benefits

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

Fair value of identifiable assets and liabilities

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Property, plant and equipment

	Land AED '000	Buildings and base facilities AED '000	Dredgers, machinery and equipment AED '000	Barges, support vessels and vehicles AED '000	Furniture, equipment and leasehold improvements AED '000	Capital work- in-progress AED '000	Total AED '000
Cost and impairment							
At 1 January 2023	225,234	13,085,142	6,117,176	6,554,581	3,430,023	1,108,296	30,520,452
Additions	40,290	115,333	221,437	527,311	160,449	1,514,264	2,579,084
Assets arising on acquisition of subsidiaries (Note 42)	5,329	149,655	32,304	3,799	55,319	100,791	347,197
Transfers	-	106,405	30,582	412,746	199,875	(749,608)	-
Transfer to investment properties (Note 8)	-	26,477	-	-	-	-	26,477
Transfer to intangible assets (Note 6)	-	-	-	-	-	(1,090)	(1,090)
Eliminated on derecognition of a subsidiary (Note 43)	-	(827,326)	(2,852,706)	(60,585)	(1,833,411)	(118,323)	(5,692,351)
Write-off	-	(206)	-	(714)	-	-	(920)
Disposals	-	(30,318)	(35,315)	(34,055)	(23,037)	-	(122,725)
Foreign currency translation differences	28	(17,018)	(1,909)	(2,664)	(3,182)	(1,221)	(25,966)
At 31 December 2023	270,881	12,608,144	3,511,569	7,400,419	1,986,036	1,853,109	27,630,158
Additions	-	437,862	993,632	842,744	230,187	1,195,052	3,699,477
Assets arising on acquisition of subsidiaries (Note 42)	-	-	181,522	390	83,682	669	266,263
Impairment	-	(11,315)	(80)	-	(12,673)	-	(24,068)
Transfers	-	323,839	80,582	155,480	49,120	(609,021)	-
Transfer to a joint venture	-	-	-	-	-	(689)	(689)
Transfer from inventories	45,400	-	-	-	-	-	45,400
Transfer (to) / from development work in progress (Note 17)	(40,290)	33,129	-	-	-	-	(7,161)
Transfer from investment properties (Note 8)	-	21,370	-	-	-	-	21,370
Write-off	-	-	(11)	-	(1,458)	-	(1,469)
Disposals	-	(32,712)	(15,842)	(39,625)	(2,205)	-	(90,384)
Eliminated on disposal of subsidiary (Note 38)	-	-	-	(160)	(19,023)	-	(19,183)
Foreign currency translation differences	(98)	(31,210)	(7,846)	(2,267)	(8,494)	(13,148)	(63,063)
At 31 December 2024	275,893	13,349,107	4,743,526	8,356,981	2,305,172	2,425,972	31,456,651

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Property, plant and equipment (continued)

	Land AED '000	Buildings and base facilities AED '000	Dredgers, machinery and equipment AED '000	Barges, support vessels and vehicles AED '000	Furniture, equipment and leasehold improvements AED '000	Capital work- in-progress AED '000	Total AED '000
Accumulated depreciation and impairment							
At 1 January 2023	-	6,241,985	3,527,211	3,890,106	2,507,099	11,060	16,177,461
Charge for the year	-	349,863	326,542	293,975	228,231	-	1,198,611
Assets arising on acquisition of subsidiaries (Note 42)	-	866	8,703	1,431	16,741	-	27,741
Transfer	-	5	105	(144,244)	144,134	-	-
Eliminated on derecognition of a subsidiary (Note 43)	-	(411,967)	(2,124,767)	(51,365)	(1,324,255)	-	(3,912,354)
Write-off	-	(51)	-	(714)	-	-	(765)
Disposals	-	(17,289)	(33,731)	(32,211)	(18,324)	-	(101,555)
Foreign currency translation differences	-	(1,498)	(833)	(495)	(685)	-	(3,511)
At 31 December 2023	-	6,161,914	1,703,230	3,956,483	1,552,941	11,060	13,385,628
Charge for the year	-	379,040	324,926	484,150	201,674	-	1,389,790
Charge for the year from disposal group	-	-	-	17	1,647	-	1,664
Assets arising on acquisition of subsidiaries (Note 42)	-	-	61,482	293	45,869	-	107,644
Transfer	-	-	50,004	-	(50,004)	-	-
Write-off	-	-	(10)	-	(1,045)	-	(1,055)
Impairment	-	(3,394)	(39)	-	(6,780)	-	(10,213)
Disposals	-	(12,868)	(15,301)	(37,784)	(2,162)	-	(68,115)
Eliminated on disposal of subsidiary (Note 38)	-	-	-	(131)	(14,644)	-	(14,775)
Foreign currency translation differences	-	(2,827)	(2,722)	(1,076)	(4,648)	-	(11,273)
At 31 December 2024	-	6,521,865	2,121,570	4,401,952	1,722,848	11,060	14,779,295
Carrying amount							
At 31 December 2024	275,893	6,827,242	2,621,956	3,955,029	582,324	2,414,912	16,677,356
At 31 December 2023	270,881	6,446,230	1,808,339	3,443,936	433,095	1,842,049	14,244,530

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Property, plant and equipment (continued)

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

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

During the year, the Group carried out a review of the recoverable amount of its hotel properties due to changes in the estimates used to determine the hotel properties' recoverable amount. There was no reversal of impairment loss which has been recorded in the consolidated statement of profit or loss (2023: AED (nil)).

Depreciation for the year has been allocated as follows:

	2024	2023
	AED'000	AED'000
Direct costs (Note 33)	872,183	739,065
General, administrative and selling expenses (Note 34)	517,607	459,546
	<hr/> 1,389,790 <hr/>	<hr/> 1,198,611 <hr/>

Assets pledged as security

Freehold land, buildings, vehicles, vessels and dredgers with a carrying amount of AED 3,009 million (2023: AED 2,771 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

6 Intangible assets

	Software and licenses AED '000	Customer related intangibles AED '000	Brands and trademark AED '000	Intangible assets under development AED '000	Total AED '000
Cost and impairment					
At 1 January 2023	1,223,029	2,487,183	3,092,341	15,718	6,818,271
Additions	86,180	-	6,620	2,625	95,425
Assets arising on acquisition of subsidiaries (Note 42)	8,965	464,741	-	-	473,706
Eliminated on derecognition of a subsidiary (Note 43)	(1,042,377)	(1,741,628)	(1,359,505)	(15,364)	(4,158,874)
Transfers	2,051	-	-	(2,051)	-
Transfer from property, plant and equipment (Note 5)	1,090	-	-	-	1,090
Write-off	(2,738)	-	-	-	(2,738)
Impairment	(11,054)	-	-	-	(11,054)
Foreign currency translation differences	(318)	(3,845)	-	-	(4,163)
At 31 December 2023	264,828	1,206,451	1,739,456	928	3,211,663
Additions	52,078	15	2	427	52,522
Assets arising on acquisition of subsidiaries (Note 42)	96	2,366	152,738	-	155,200
Transfers	973	-	-	(973)	-
Write-off	(312)	-	-	-	(312)
Impairment	-	(4,963)	(1,655)	-	(6,618)
Foreign currency translation differences	(405)	(6,204)	(2,542)	-	(9,151)
At 31 December 2024	317,258	1,197,665	1,887,999	382	3,403,304
Accumulated amortization					
At 1 January 2023	1,059,868	224,495	14,396	-	1,298,759
Charge for the year	41,632	142,449	18,309	-	202,390
Assets arising on acquisition of subsidiaries (Note 42)	58	-	-	-	58
Eliminated on derecognition of a subsidiary (Note 43)	(946,857)	(74,695)	(2,882)	-	(1,024,434)
Write-off	(1,860)	-	-	-	(1,860)
Foreign currency translation differences	(342)	(1,158)	-	-	(1,500)
At 31 December 2023	152,499	291,091	29,823	-	473,413
Charge for the year	51,778	164,172	25,951	-	241,901
Assets arising on acquisition of subsidiaries (Note 42)	63	-	1,481	-	1,544
Write-off	(77)	-	-	-	(77)
Foreign currency translation differences	(275)	(1,873)	(302)	-	(2,450)
At 31 December 2024	203,988	453,390	56,953	-	714,331
Carrying amount					
At 31 December 2024	113,270	744,275	1,831,046	382	2,688,973
At 31 December 2023	112,329	915,360	1,709,633	928	2,738,250

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

6 Intangible assets (continued)

Customer related intangibles and brands include intangible assets acquired through business combinations. The customer related intangibles have useful life of 2 to 10 years. The major assumptions used in the calculation for brands include discount rate in the range of 5.8% to 20% and growth rate up to 1.9% and for customer related intangibles include discount rate in the range of 14% to 19.4% and growth rate up to 2%.

Amortisation for the year has been allocated as follows:

	2024 AED'000	2023 AED'000
Direct costs (Note 33)	82,087	102,089
General, administrative and selling expenses (Note 34)	159,814	100,301
	<u>241,901</u>	<u>202,390</u>

7 Goodwill

	2024 AED'000	2023 AED'000
At 1 January	4,025,991	4,007,444
Assets arising on acquisition of subsidiaries (Note 42)	253,850	1,373,751
Eliminated on derecognition of a subsidiary (Note 43)	-	(1,342,106)
Foreign currency translation differences	(36,425)	(10,231)
Other movements	6,279	(2,867)
At 31 December	<u>4,249,695</u>	<u>4,025,991</u>

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

	Real estate AED'000	Hospitality AED'000	Others AED'000	Total AED'000
At 31 December 2024				
Goodwill	2,135,307	993,265	1,121,123	4,249,695
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023				
Goodwill	2,149,367	760,792	1,115,832	4,025,991
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a 5–9-year period plus a terminal value thereafter. The methodology used for the estimation of fair value was discounted cash flows.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

7 Goodwill (continued)

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

	Real estate		Hospitality		Others	
	2024	2023	2024	2023	2024	2023
Terminal growth rate	2.0%	2.0%	2.0% - 3.0%	2.0% - 3.0%	4.1% - 5.0%	2.0% - 4.2%
Discount rate	14.1%	14.0%	12.4% - 13.4%	7.6 % - 16.7%	10.1% - 11.0%	9.7% - 27.5%

8 Investment properties

	Land AED ‘000	Completed properties AED ‘000	Property under construction AED ‘000	Total AED ‘000
Cost and impairment				
At 1 January 2023	623,715	22,922,951	114,763	23,661,429
Additions	769,662	528,952	402,868	1,701,482
Transfer	-	34,068	(34,068)	-
Transfer from property, plant, and equipment (Note 5)	-	(26,477)	-	(26,477)
Transfer from development work-in- progress (Note 17)	-	-	316,531	316,531
Disposals	-	(147,043)	-	(147,043)
Impairment	-	(118,021)	-	(118,021)
Eliminated on derecognition of a subsidiary (Note 43)	-	(6,240)	-	(6,240)
Foreign currency translation differences	-	(38,314)	(32,187)	(70,501)
At 31 December 2023	1,393,377	23,149,876	767,907	25,311,160
Additions	658,767	886,945	662,440	2,208,152
Transfer	(311,554)	109,185	202,369	-
Transfer (to) / from property, plant, and equipment (Note 5)	-	-	(21,370)	(21,370)
Transfer from development work-in- progress (Note 17)	-	12,934	-	12,934
Disposals	-	(458,295)	-	(458,295)
Impairment (Note 34)	-	(260,244)	-	(260,244)
Foreign currency translation differences	-	(69,168)	(55,658)	(124,826)
At 31 December 2024	1,740,590	23,371,233	1,555,688	26,667,511

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

8 Investment properties (continued)

	Land AED '000	Completed properties AED '000	Property under construction AED '000	Total AED '000
Accumulated depreciation				
At 1 January 2023	-	598,946	-	598,946
Charge for the year	-	684,085	-	684,085
Eliminated on derecognition of a subsidiary (Note 43)	-	(3,095)	-	(3,095)
Disposals	-	(4,826)	-	(4,826)
At 31 December 2023	-	1,275,110	-	1,275,110
Charge for the year	-	664,473	-	664,473
Disposals	-	(47,588)	-	(47,588)
Foreign currency translation differences	-	(3,368)	-	(3,368)
At 31 December 2024	-	1,888,627	-	1,888,627
Carrying amount				
At 31 December 2024	1,740,590	21,482,606	1,555,688	24,778,884
At 31 December 2023	1,393,377	21,874,766	767,907	24,036,050

Depreciation for the year has been allocated as follows:

	2024 AED'000	2023 AED'000
Direct costs (Note 33)	664,473	683,935
General, administrative and selling expenses (Note 34)	-	150
	664,473	684,085

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

8 Investment properties (continued)

A description of the valuation techniques used and key inputs to the valuations of investment properties as at 31 December 2024 and 2023 is as follows:

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

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

	2024 AED'000	2023 AED'000
Rental income	2,329,766	2,180,487
Direct operating costs	716,660	833,568

Assets pledged as security

Investment properties with a carrying amount of AED 247 million (2023: AED 1,333 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

9 Right-of-use assets and lease liabilities

Right-of-use assets

The Group leases several assets, with approximate lease terms ranging from 2 to 65 years (2023: 2 to 50 years).

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

	Land AED '000	Building AED '000	Machinery AED '000	Total AED '000
Cost				
At 1 January 2023	857,697	1,795,019	111,504	2,764,220
Additions	101,919	89,585	-	191,504
Assets arising on acquisition of subsidiaries (Note 42)	-	526,046	-	526,046
Lease modifications and cancellations for the year	(5,862)	(86,449)	(3,826)	(96,137)
Eliminated on derecognition of a subsidiary (Note 43)	-	(1,499,227)	(94,934)	(1,594,161)
Foreign currency translation differences	702	(1,651)	-	(949)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	954,456	823,323	12,744	1,790,523
Additions	346,802	249,939	-	596,741
Acquisition of entities under common control	-	(2,118)	-	(2,118)
Assets arising on acquisition of subsidiaries (Note 42)	-	231,767	-	231,767
Lease modifications and cancellations for the year	(5,979)	17,297	-	11,318
Eliminated on disposal of a subsidiary (Note 38)	-	(15,287)	-	(15,287)
Foreign currency translation differences	(877)	(12,533)	-	(13,410)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	1,294,402	1,292,388	12,744	2,599,534

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

	Land AED '000	Building AED '000	Machinery AED '000	Total AED '000
Accumulated depreciation				
At 1 January 2023	79,505	162,829	92,556	334,890
Charge for the year	57,417	91,500	4,913	153,830
Assets arising on acquisition of subsidiaries (Note 42)	-	29,204	-	29,204
Lease modifications and cancellations for the year	-	(6,424)	(3,826)	(10,250)
Eliminated on derecognition of a subsidiary (Note 43)	-	(136,355)	(89,166)	(225,521)
Foreign currency translation differences	(16)	(1,130)	-	(1,146)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	136,906	139,624	4,477	281,007
Charge for the year*	95,793	97,254	2,533	195,580
Acquisition of entities under common control	-	(2,118)	-	(2,118)
Assets arising on acquisition of subsidiaries (Note 42)	-	141,853	-	141,853
Lease modifications and cancellations for the year	-	(4,010)	-	(4,010)
Eliminated on disposal of a subsidiary (Note 38)	-	(14,640)	-	(14,640)
Foreign currency translation differences	374	(3,764)	-	(3,390)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	233,073	354,199	7,010	594,282
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2024	1,061,329	938,189	5,734	2,005,252
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	817,550	683,699	8,267	1,509,516
	<hr/>	<hr/>	<hr/>	<hr/>

*Includes depreciation capitalized during the year of AED 34,964 thousand (2023: nil).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

Right-of-use assets (continued)

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

	2024 AED '000	2023 AED '000
Depreciation	160,312	153,830
Depreciation for assets of disposal group	304	-
Expense relating to short-term lease and low value assets	118,998	307,671
(Gain) on lease cancellations and modifications	(31,706)	(12,852)
Finance costs (Note 37)	101,051	66,281
	348,959	514,930

Depreciation for the year has been allocated as follows:

	2024 AED'000	2023 AED'000
Direct costs (Note 33)	10,044	6,975
General, administrative and selling expenses (Note 34)	150,268	146,855
	160,312	153,830

Assets pledged as security

Right-of-use-assets amounting to AED 44 million (2023: AED 51 million) have been pledged to secure bank borrowings of the Group (Note 27).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

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

Lease liabilities

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

	2024	2023
	AED ‘000	AED ‘000
At 1 January	1,530,366	2,507,887
Liabilities arising on acquisition of subsidiaries (Note 42)	90,150	495,605
Additions	590,062	164,257
Finance costs (Note 37)	101,004	66,281
Finance costs for assets of disposal group	47	-
Lease modifications and cancellations	(16,378)	(98,739)
Eliminated on derecognition of a subsidiary (Note 43)	-	(1,469,222)
Eliminated on disposal of a subsidiary (Note 38)	(610)	
Foreign currency translation differences	(15,059)	272
Payment of lease liabilities	(268,999)	(135,975)
	<hr/>	<hr/>
At 31 December	2,010,583	1,530,366
	<hr/>	<hr/>

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

	2024	2023
	AED ‘000	AED ‘000
Amounts due for settlement within 12 months	233,270	102,679
Amounts due for settlement after 12 months	1,777,313	1,427,687
	<hr/>	<hr/>
	2,010,583	1,530,366
	<hr/>	<hr/>

Maturity analysis of lease liabilities is disclosed in note 46.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures

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

	2024 AED '000	2023 AED '000
Investment in associates	16,050,844	17,103,990
Investment in joint ventures	2,285,575	1,060,165
	<hr/> 18,336,419 <hr/>	<hr/> 18,164,155 <hr/>

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

	2024 AED '000	2023 AED '000
Investment in associates	443,858	71,347
Investment in joint ventures	163,866	188,646
	<hr/> 607,724 <hr/>	<hr/> 259,993 <hr/>

The movement in investment in associates is as follows:

	2024 AED '000	2023 AED '000
At 1 January	17,103,990	3,942,867
Additions (a)	1,214,940	1,137,099
Assets arising on acquisition of subsidiaries (Note 42)	-	309,569
Dividends received	(22,689)	(43,505)
Share of other comprehensive loss	(40,241)	70
Foreign exchange translation difference	(27,815)	2,552
Share of results	443,858	71,347
Share of results for the year from asset of the group held-for-sale (note 38)	-	46,879
Deemed disposal (b)	(2,621,199)	-
Partial disposal during the year	-	(15,914)
Asset of the group classified as held-for-sale (Note 38)	-	(626,061)
Transfer of an investment on loss of joint control	-	12,184,858
Increase in fair value of an associate on acquisition (c)	-	100,080
Other movements	-	(5,851)
At 31 December	<hr/> 16,050,844 <hr/>	<hr/> 17,103,990 <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures (continued)

- a) Included in the additions, during the year, Pure Health Holding PJSC ('an associate or Pure Health') has acquired Sheikh Shakhbout Medical City LLC – OPC ('SSMC') from a shareholder without any consideration exchanged. This resulted in an increase in the Group's share of equity of Pure Health by AED 718,185 thousand. The Group has recognised this as an increase in the investment in an associate as additions with corresponding credit to consolidated statement of profit or loss for the period ended 31 December 2024.

Pure Health shares are listed on ADX with its fair value based on the quoted price as at 31 December 2024 being AED 12,971 million (31 December 2023: AED 22,202 million).

During 2023, the Group acquired 36.39% of National Corporation for Tourism and Hotels ('NCTH') for a purchase consideration of AED 730 million included in additions which resulted in a gain of AED 100 million recorded in the consolidated financial statements on acquisition based on the finalisation of purchase price allocation ('PPA') exercise.

NCTH shares are listed on ADX with its fair value based on the quoted price as at 31 December 2024 being AED 880 million (2023: AED 772 million).

- b) On 27 February 2024, Modon Holding PSC ('Modon') (formerly, Q Holding PSC) acquired 100 % share capital of Abu Dhabi National Exhibitions Company ('ADNEC'), Modon Properties PJSC ('Modon Property'), Miza Investments LLC, Sahel 1 Restricted Limited, Sahel 2 Restricted Limited, and Oryx Action Restricted Limited from ADQ Real Estate and Hospitality LLC ('ADQ') and IHC Capital Holding LLC ('IHC') and issued new shares in Modon to ADQ and IHC.

This resulted in a decrease in the Group's share of investment in Modon and diluted the Group's ownership interest in Modon from 20.39% to 8.55%. Based on this transaction, the Group has determined that it no longer holds significant influence over Modon. This conclusion arose from the loss of the Group's ability to appoint any board member within Modon, indicating a significant change in the level of significant influence over Modon's strategic decisions and operations.

As a result, investment in Modon was derecognised on 27 February 2024 as an investment in an associate and recognised as a financial investment under IFRS 9.

The gain on derecognition of investment in Modon on dilution of ownership interest is recognised in the consolidated statement of profit or loss as at 31 December 2024 as follows:

	31 December 2024 AED '000
Fair value of the investment in Modon (Note 12)	4,038,879
Carrying value of the investment on dilution	(2,621,199)
	<hr/>
Gain on derecognition	1,417,680
	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures (continued)

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

	Purehealth	PAL 4 Solar	Wisy Holding	Others*	Total	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Non-current assets	24,595,270	2,413,720	358,069	4,019,502	31,386,561	23,582,531
Current assets	22,730,880	354,726	131,433	3,880,634	27,097,673	32,243,790
Non-current liabilities	(16,757,364)	-	(186,820)	(426,704)	(17,370,888)	(6,455,063)
Current liabilities	(12,056,637)	(317,267)	(186,015)	(2,847,671)	(15,407,590)	(14,674,783)
Total net equity	18,512,149	2,451,179	116,667	4,625,761	25,705,756	34,696,475
Attributable to:						
Owners of the entity	18,490,086	2,159,869	87,833	4,625,761	25,363,549	33,492,581
Non-controlling interests	22,063	291,310	28,834	-	342,207	1,203,894
Total net equity	18,512,149	2,451,179	116,667	4,625,761	25,705,756	34,696,475
Group's share of net assets	6,483,400	431,974	38,998	1,720,722	8,675,094	9,648,150
Intangible assets	1,815,539	-	-	39,959	1,855,498	2,086,196
Goodwill	4,933,870	-	234,298	260,404	5,428,572	5,366,431
Other adjustments	-	58,484	33,196	-	91,680	3,213
At 31 December	13,232,809	490,458	306,492	2,021,085	16,050,844	17,103,990

*Included in others, Response Plus Holding PrJSC ("RPM") shares are listed on ADX with the fair value based on the quoted price of RPM as at 31 December 2024 being AED 310 million (2023: AED 330 million).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures (continued)

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

	Purehealth	PAL 4 Solar	Wisy Holding	Others	Total	Total
	-----2024-----					2023
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Revenue	25,848,242	-	157,111	3,033,615	29,038,968	3,725,592
Profit / (loss) for the year	1,027,701	74,493	(2,771)	99,478	1,198,901	316,775
Group's share of profit for the year	360,269	14,899	(826)	69,516	443,858	118,226
Other comprehensive (loss) / income	(98,936)	(135)	(187)	(14,495)	(113,753)	6,266
Group's share of other comprehensive (loss) / income	(34,683)	(27)	(83)	(5,448)	(40,241)	70
Dividend	-	-	-	(22,689)	(22,689)	(43,505)

Contingencies and commitments:

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

	2024 AED '000	2023 AED '000
Capital commitments	557,422	3,499,116
Letters of guarantee	292,442	125,149

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

	2024 AED '000	2023 AED '000
At 1 January	1,060,165	771,409
Additions	1,096,188	165,354
Recognition of an investment on loss of control (Note 43)	-	11,957,944
Assets arising on acquisition of subsidiaries (Note 42)	5,971	107,232
Foreign exchange translation differences	(10,032)	(9,931)
Share of results	163,866	188,646
Share of other comprehensive (loss) / gain	(15,879)	46,587
Dividends received	(20,994)	-
Increase in equity (a)	-	55,707
Eliminated on derecognition of a subsidiary (Note 43)	-	(46,273)
Transfer of an investment on loss of joint control	-	(12,184,858)
Others	6,290	8,348
At 31 December	2,285,575	1,060,165

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures (continued)

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

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

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

Purehealth shares are listed on ADX with its fair value based on the quoted price as at 31 December 2024 being AED 12,971 million (2023: AED 22,222 million).

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

	-----2024-----					2023
	WIO Holding AED '000	Micad AED '000	Enersol AED '000	Others AED '000	Total AED '000	Total AED '000
Non-current assets	17,195	-	1,834,437	130,851	1,982,483	15,191
Current assets	37,325,297	3,096,607	716,536	3,633,639	44,772,079	18,536,568
Non-current liabilities	-	(1,945,509)	(279,434)	(18,593)	(2,243,536)	(738,350)
Current liabilities	(35,138,598)	(10,137)	(140,490)	(3,140,333)	(38,429,558)	(14,739,341)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net equity	2,203,894	1,140,961	2,131,049	605,564	6,081,468	3,074,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Attributable to:						
Owners of the entity	1,432,531	1,140,961	1,935,532	605,564	5,114,588	2,427,305
Non-controlling interests	771,363	-	195,517	-	966,880	646,763
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net equity	2,203,894	1,140,961	2,131,049	605,564	6,081,468	3,074,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Group's share of net assets	730,591	228,192	948,411	293,664	2,200,858	975,448
Goodwill	84,717	-	-	-	84,717	84,717
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	815,308	228,192	948,411	293,664	2,285,575	1,060,165
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Current assets includes cash and cash equivalents amounting to AED 7,458 million.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Investment in associates and joint ventures (continued)

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

	-----2024-----					2023
	WIO Holding	Micad	Enersol	Others	Total	Total
	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000
Revenue	1,769,311	-	273,043	2,875,361	4,917,715	14,309,122
Profit for the year	257,562	74,949	20,147	21,373	374,031	469,602
Group’s share of profit for the year	131,357	14,990	9,872	7,647	163,866	188,646
Other comprehensive (loss) / income	(26,163)	-	(5,176)	-	(31,339)	119,603
Group’s share of other comprehensive (loss) / income	(13,343)	-	(2,536)	-	(15,879)	46,587

11 Joint operations

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

	2024	2023
	AED ‘000	AED ‘000
Current assets	3,319,504	1,582,691
Current liabilities	(3,202,400)	(1,543,700)
Net assets	117,104	38,991

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

12 Investment in financial assets

	2024	2023
	AED ‘000	AED ‘000
<u>Quoted securities</u>		
<i>FVTPL investments</i>		
At 1 January	2,114,333	2,197,977
Additions during the year*	4,017,352	230,536
Unrealised fair value gain	813,251	121,634
Foreign exchange gain	-	17
Eliminated on derecognition of a subsidiary (Note 43)	-	(340,190)
Disposals during the year	(291,622)	(95,641)
At 31 December	6,653,314	2,114,333
<i>FVTOCI investments</i>		
At 1 January	-	244,235
Unrealised fair value gain / (loss)	3,352	(7,862)
Additions during the year	21,527	5,795
Eliminated on derecognition of a subsidiary (Note 43)	-	(238,433)
Disposal during the year	-	(3,735)
At 31 December	24,879	-
<u>Unquoted securities</u>		
<i>FVTPL investments</i>		
At 1 January	5,223,691	3,132,773
Additions during the year	1,770,110	2,196,198
Foreign exchange (loss) / gain	(11,778)	5,253
Eliminated on derecognition of a subsidiary (Note 43)	-	(2,895)
Disposal during the year	(224,447)	-
Unrealised fair value gain / (loss)	748,644	(107,638)
At 31 December	7,506,220	5,223,691

*Included in additions, an addition amounting to AED 4,038,879 thousand represents investment in Modon derecognised as an associate and recognised as a financial investment on loss of significant influence (Note 10).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

12 Investment in financial assets (continued)

	2024 AED '000	2023 AED '000
<u>Unquoted securities (continued)</u>		
<i>FVTOCI investments</i>		
At 1 January	286,065	851,734
Disposal during the year	(388,463)	-
Unrealised fair value gain / (loss)	102,398	(565,669)
	<hr/>	<hr/>
At 31 December	-	286,065
	<hr/> <hr/>	<hr/> <hr/>
Debt instruments at amortised cost		
At 1 January	51,021	167,941
Additions during the year	63,570	557,532
Foreign exchange loss	(32,898)	(39,003)
Disposal during the year	(77,527)	(635,449)
	<hr/>	<hr/>
At 31 December	4,166	51,021
	<hr/> <hr/>	<hr/> <hr/>
Less: loss allowance	(153)	(396)
	<hr/>	<hr/>
Total	14,188,426	7,674,714
	<hr/> <hr/>	<hr/> <hr/>

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

	2024			2023
	Quoted AED '000	Unquoted AED '000	Total AED '000	Total AED '000
<i>Financial assets carried at FVTPL</i>				
Equity instruments	6,653,314	137,146	6,790,460	2,219,231
Investment in funds	-	7,369,074	7,369,074	5,118,793
	<hr/>	<hr/>	<hr/>	<hr/>
	6,653,314	7,506,220	14,159,534	7,338,024
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

12 Investment in financial assets (continued)

	2024			2023
	Quoted AED '000	Unquoted AED '000	Total AED '000	Total AED '000
<i>Financial assets carried at FVTOCI</i>				
Equity instruments	24,879	-	24,879	286,065
<i>Debt instruments at amortised cost</i>				
Treasury bills	-	4,166	4,166	51,021
Allowance for ECL	-	(153)	(153)	(396)
	-	4,013	4,013	50,625
Total	6,678,193	7,510,233	14,188,426	7,674,714

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

	2024 AED '000	2023 AED '000
Non-current	1,026,623	1,050,521
Current	13,161,803	6,624,193
Total	14,188,426	7,674,714

	2024 AED '000	2023 AED '000
Geographical markets:		
UAE	6,788,643	2,212,617
Outside the UAE	7,399,783	5,462,097
	14,188,426	7,674,714

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

13 Contract assets

	2024 AED ‘000	2023 AED ‘000
<i>Contract assets</i>		
Amounts due from customer – third parties	10,224,416	7,678,445
Amounts due from customers – related parties (Note 18)	2,258,004	425,859
Less: allowance for ECL	(164,084)	(152,062)
	<hr/> 12,318,336	<hr/> 7,952,242
Contract costs	222,300	983,903
	<hr/> 12,540,636	<hr/> 8,936,145
At 31 December	<hr/> 12,540,636 <hr/>	<hr/> 8,936,145 <hr/>

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

	2024 AED ‘000	2023 AED ‘000
Current	12,540,636	8,936,145
	<hr/> 12,540,636 <hr/>	<hr/> 8,936,145 <hr/>

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

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

	2024 AED ‘000	2023 AED ‘000
At 1 January	152,062	81,873
Assets arising on acquisition of subsidiaries	-	2,000
Charge during the year	12,022	68,189
	<hr/> 164,084	<hr/> 152,062
At 31 December	<hr/> 164,084 <hr/>	<hr/> 152,062 <hr/>

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

13 Contract assets (continued)

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

	2024	2023
31 December		
ECL rate	1.31%	1.88%
Estimated total gross carrying amount at default – AED '000	12,482,420	8,104,304
Lifetime ECL – AED '000	164,084	152,062

14 Taxation

	2024 AED '000	2023 AED '000
Income tax		
Current year	768,725	118,574
Reversal of prior year provisions relating to foreign operations	(10,846)	(11,397)
	757,879	107,177
Deferred tax		
Origination and reversal of temporary differences	(89,846)	523,686
	668,033	630,863

The average rate of income tax applied on taxable profit ranges from 9% to 25%. The charge for the year reconciled to profit before tax is as follows:

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

14 Taxation (continued)

	2024 AED '000	2023 AED '000
Profit before tax	14,181,896	13,912,113
Prima facie tax expense at 9% (2023: 0%)	1,276,371	-
<u>Tax effect of difference:</u>		
Tax effect on taxable dividend from foreign subsidiary	58,500	-
Tax effect of application of UAE tax law	14,053	509,068
Step up costs for properties sold under UAE CIT law	(257,271)	-
Profit taxed at zero rate	(18,662)	-
Tax effect of expenses / income not considered in determining taxable profit	(372,616)	-
Tax effect of share of results of associates and joint ventures	(53,975)	-
Tax effect of different tax rate of subsidiaries operating in foreign jurisdiction*	26,137	133,192
Others	6,342	-
	<hr/>	<hr/>
Income tax expense	678,879	642,260
Prior year adjustment	(10,846)	(11,397)
	<hr/>	<hr/>
Total income tax charge – net	668,033	630,863
	<hr/>	<hr/>

The movement in the current tax liabilities is given below:

	2024 AED '000	2023 AED '000
Balance at the beginning of the year	219,324	219,324
Additions due to acquisition of subsidiaries	5,661	244
Charge for the year	757,879	107,177
Paid during the year	(111,292)	(72,721)
Foreign exchange differences	(62,623)	(40,971)
Other movements	(3,689)	6,271
	<hr/>	<hr/>
Balance at the end of the year	805,260	219,324
	<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

14 Taxation (continued)

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

	2024	2023
	AED ‘000	AED ‘000
Deferred tax assets	131,677	114,300
Deferred tax liabilities	(560,988)	(580,112)
	<u>(429,311)</u>	<u>(465,812)</u>
	<u><u>(429,311)</u></u>	<u><u>(465,812)</u></u>

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

	2024	2023
	AED ‘000	AED ‘000
Losses available for offsetting against future taxable income	67,441	25,106
Decelerated depreciation for tax purposes	14,272	15,654
Others	49,964	73,540
	<u>131,677</u>	<u>114,300</u>
	<u><u>131,677</u></u>	<u><u>114,300</u></u>

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

	2024	2023
	AED ‘000	AED ‘000
Goodwill	191,282	193,973
Intangible assets	242,983	227,174
Others	126,723	158,965
	<u>560,988</u>	<u>580,112</u>
	<u><u>560,988</u></u>	<u><u>580,112</u></u>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****14 Taxation (continued)***Corporate Income Tax*

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.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Company.

The group is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the consolidated financial statements for the financial year beginning 1 September 2023.

The taxable income of the Company for UAE CT purposes will be subject to the rate of 9% corporate tax. The Organisation of Economic Cooperation and Development (OECD) has published GloBE Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. As of the reporting date, Pillar Two legislation has not been substantively enacted in the UAE. The Group is in the process of an assessment of its impact on its future earnings

The group is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 September 2023.

The tax charge for period ended 31 December 2024 is AED 668,033 thousand (2023: AED 630,863 thousand), representing an Effective Tax Rate ("ETR") of 12% (2023: 74%). The delta in the ETR year-on-year is due to the new CT regime enacted in the UAE. The ETR incorporates tax rates of the UAE as well as other international jurisdictions that the Group operates in.

Litigation

A subsidiary of the Group has an ongoing tax litigation in India relating to whether a Permanent Establishment existed in India in the fiscal years 2006/07 until 2021/22. The subsidiary has already received several decisions supporting its position including at the Delhi high court where the action of the Indian tax authorities was quashed. The case is currently pending adjudication at the Supreme Court of India. In the opinion of the subsidiary's tax advisors in India, the chances of the Company winning the litigation in the Supreme Court of India are more likely than not. The tax advisors have estimated the subsidiary's tax liability for this matter in the probable scenario to be approximately AED 44 million including interest up to 31 December 2024. On this basis, an amount of AED 44 million is recorded as part of the Group overall tax provision at 31 December 2024.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

15 Trade and other receivables

	2024 AED ‘000	2023 AED ‘000
Trade receivables	12,524,127	9,884,754
Less: allowance for ECL	(444,680)	(455,158)
Net trade receivables	12,079,447	9,429,596
Retention receivables	2,503,542	1,185,311
Less: allowance for ECL	(67,473)	(68,193)
Net retention receivables	2,436,069	1,117,118
Advances to suppliers	6,382,127	3,777,340
Less: allowance for ECL	(1,798)	(1,798)
Net advances to suppliers	6,380,329	3,775,542
Other receivables	6,338,870	2,966,124
Less: allowance for ECL	(15,310)	(15,864)
Net other receivables	6,323,560	2,950,260
Prepayments and deposits	888,659	1,106,017
Derivative financial instruments (Note 29)	12,056	32,913
	28,120,120	18,411,446

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

	2024 AED ‘000	2023 AED ‘000
Non-current	1,812,706	969,239
Current	26,307,414	17,442,207
	28,120,120	18,411,446

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

15 Trade and other receivables (continued)

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

Out of the trade receivables balance at the end of the reporting year, AED 4,564 million (2023: AED 2,284 million) representing 35% (2023: 23%) of trade receivables are amounts due from five (2023: five) major customers of the Group.

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

	Collectively assessed AED '000	Individually assessed AED '000	Total AED '000
<i>Trade receivables</i>			
At 1 January 2023	281,096	322,405	603,501
Additions due to acquisition of subsidiaries	-	2,135	2,135
Net re-measurement of ECL	(20,818)	64,748	43,930
Written off	(36,168)	(20,307)	(56,475)
Other adjustments	-	3,661	3,661
Eliminated on derecognition of a subsidiary	(141,594)	-	(141,594)
At 31 December 2023	82,516	372,642	455,158
Additions due to acquisition of subsidiaries			
Net re-measurement of ECL	(15,320)	88,225	72,905
Written off	(85)	(82,818)	(82,903)
Other adjustments	17	61	78
Eliminated on derecognition of a subsidiary	-	(558)	(558)
At 31 December 2024	67,128	377,552	444,680
<i>Retention receivables</i>			
At 1 January 2023	36,779	11,627	48,406
Additions due to acquisition of subsidiaries	-	2,922	2,922
Net re-measurement of ECL	5,504	13,400	18,904
Other adjustments	2,477	(4,516)	(2,039)
At 31 December 2023	44,760	23,433	68,193
Net re-measurement of ECL	(32,786)	32,066	(720)
At 31 December 2024	11,974	55,499	67,473

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

15 Trade and other receivables (continued)

	Collectively assessed AED ‘000	Individually assessed AED ‘000	Total AED ‘000
<i>Advances to suppliers</i>			
At 1 January 2023 and 2024	-	1,798	1,798
Net re-measurement of ECL	-	(1,798)	(1,798)
At 31 December 2024	-	-	-
<i>Other receivables</i>			
At 1 January 2023	-	226,101	226,101
Net re-measurement of ECL	-	34,507	34,507
Eliminated on derecognition of a subsidiary	-	(244,744)	(244,744)
At 31 December 2023	-	15,864	15,864
Net re-measurement of ECL	-	(554)	(554)
At 31 December 2024	-	15,310	15,310

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

	Collective and individual assessment					Total
	Not past due	31-60 days	61-90 days	91-120 days	> 120 days	
31 December 2024						
ECL rate	0.1%	2%	9%	15%	8%	4%
Estimated total gross carrying amount at default (AED ‘000)	5,619,557	2,267,276	362,001	168,738	4,106,555	12,524,127
Lifetime ECL (AED ‘000)	3,761	44,992	31,182	25,902	338,843	444,680
31 December 2023						
ECL rate	0.4%	2%	1%	2%	25%	5%
Estimated total gross carrying amount at default (AED ‘000)	6,294,180	1,104,643	633,576	286,720	1,565,635	9,884,754
Lifetime ECL (AED ‘000)	27,909	25,543	6,755	6,712	388,239	455,158

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

16 Inventories

	2024	2023
	AED ‘000	AED ‘000
Land plots held-for-sale	9,886,652	10,760,105
Completed properties	407,861	548,714
Goods held-for-trading and finished goods	30,403	35,002
Materials, parts, and consumables	1,302,094	1,014,320
	11,627,010	12,358,141
Less: allowance for obsolescence	(95,868)	(67,226)
	11,531,142	12,290,915

During 2024, AED 12,149 million (2023: AED 8,721 million) was recognised as an expense for inventories carried at net realisable value (‘NRV’). This is recognised in cost of sales.

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

During 2024, borrowing costs included in the cost of land held-for-sale amounted to AED 138 million (2023: AED 145 million) which arose on the unwinding of liability calculated by applying a capitalisation rate of the group’s incremental borrowing rate to expenditure on such assets.

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

	2024	2023
	AED ‘000	AED ‘000
At 1 January	67,226	454,371
Charge for the year, net of reversals (Note 34)	28,654	50,048
Eliminated on derecognition of a subsidiary	-	(395,596)
Write-off	(12)	(41,597)
At 31 December	95,868	67,226

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

16 Inventories (continued)

Charge for the year has been allocated as follows:

	2024 AED'000	2023 AED'000
Direct costs (Note 33)	27,271	264
General, administrative and selling expenses (Note 34)	1,383	49,784
	<hr/> 28,654 <hr/>	<hr/> 50,048 <hr/>

17 Development work-in-progress

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

	2024 AED '000	2023 AED '000
At 1 January	6,614,971	4,139,938
Assets arising on acquisition of subsidiaries (Note 42)	-	1,152,558
Additions	9,024,959	4,851,176
Transfer from property plant, and equipment (Note 5)	7,161	-
Transfer (to) investment properties (Note 8)	(12,934)	(316,531)
Transfer from inventories	1,697,768	837,672
Write-down	(18,329)	(133,216)
Impairment reversal / (charge)	29,564	(480)
Foreign exchange translation differences	(953,649)	(443,680)
Recognised in direct costs of properties sold	(8,302,220)	(3,472,466)
At 31 December	<hr/> 8,087,291 <hr/>	<hr/> 6,614,971 <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

18 Related party balances and transactions

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

	2024 AED '000	2023 AED '000
Due from related parties:		
Entities managed by key management personnel	377,956	401,489
Entities under common control	4,706,934	232,733
Joint ventures	683,647	498,087
Associates	176,667	197,467
Others	149,195	39,531
	<hr/>	<hr/>
	6,094,399	1,369,307
Less: allowance for ECL	(658,757)	(643,550)
	<hr/>	<hr/>
	5,435,642	725,757
	<hr/> <hr/>	<hr/> <hr/>

Due from related parties are classified as follows:

Non-current (classified under trade and other receivables)	48,371	1,207
Current	5,387,271	724,550
	<hr/>	<hr/>
	5,435,642	725,757
	<hr/> <hr/>	<hr/> <hr/>

Due to related parties:

Entities managed by key management personnel	5,568	6,570
Entities under common control	829,508	786,872
Key management personnel	-	-
Associates	20,006	231
Joint ventures	104,773	20,702
Others	155,108	155,108
	<hr/>	<hr/>
	1,114,963	969,483
	<hr/> <hr/>	<hr/> <hr/>

Loan from a related party (classified under trade and other payables)

13,300	13,300
<hr/>	<hr/>

Contract assets (Note 13)

2,258,004	425,859
<hr/>	<hr/>

Contract liabilities

2,990,065	18,749
<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

18 Related party balances and transactions (continued)

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

	Collectively assessed AED '000	Individually assessed AED '000	Total AED '000
At 1 January 2023	23,934	374,857	398,791
Eliminated on derecognition of a subsidiary	-	(3,914)	(3,914)
Net re-measurement of ECL	325	265,073	265,398
Reclassification	6,357	(23,082)	(16,725)
At 31 December 2023	30,616	612,934	643,550
Net re-measurement of ECL	(16,069)	31,276	15,207
At 31 December 2024	14,547	644,210	658,757

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

	2024 AED '000	2023 AED '000
Employee benefits	7,046	7,119
Transactions and balances with a financial institution:		
	2024 AED '000	2023 AED '000
Balances with a financial institution	13,838,565	9,283,587
Borrowings	8,191,691	8,980,439
Finance costs	435,412	366,458
Interest income	321,176	152,357
Drawdowns	1,683,575	3,397,470
Repayment of borrowings	2,467,064	201,996

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

18 Related party balances and transactions (continued)

Significant transactions with related parties include:

	2024	2023
	AED ‘000	AED ‘000
Acquisition of assets from entities under common control	-	79,650
	<hr/> <hr/>	<hr/> <hr/>
Revenue from contracts		
- Entities under common control	8,928,725	798,684
- Joint ventures	369,830	28,404
- Associates	87,013	428
	<hr/> <hr/>	<hr/> <hr/>
Subcontracting costs / expenses		
- Entities under common control	1,027,415	260,365
- Associates	24,290	14,936
- Joint Ventures	21,526	13,260
	<hr/> <hr/>	<hr/> <hr/>
General, administrative and selling expenses / staff costs	22,855	7,877
	<hr/> <hr/>	<hr/> <hr/>

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

19 Cash and cash equivalents

	2024	2023
	AED '000	AED '000
Cash in hand and bank	21,147,415	12,956,933
Short-term deposits and treasury bills	6,555,058	6,844,651
Wakala deposits	1,077,936	412,936
	28,780,409	20,214,520
Less: impairment loss allowance	(5)	(30,905)
Cash and bank balances	28,780,404	20,183,615
Less:		
Bank overdrafts (Note 27)	(82,453)	(11,879)
Restricted cash	(5,203,233)	(7,023,466)
Short term deposit having maturity more than three months	(1,610,403)	(1,152,938)
Add:		
Cash at banks and short-term deposits attributable to disposal group held-for-sale (Note 38)	-	34,346
Allowance for ECL	5	30,905
Cash and cash equivalents	21,884,320	12,060,583

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

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

As at 31 December 2024, restricted cash mainly includes cash at banks amounting to AED 1,670,068 thousand (2023: AED 270,255 thousand) held by the Group on behalf of third parties and AED 3,370,166 thousand (2023: AED 5,627,422 thousand) deposited into escrow accounts representing cash received from customers against sale of development properties.

The expected credit loss on 31 December 2024 is AED 5 thousand and for 2023 it is AED 30,905 thousand.

Balances with banks are assessed to have low credit risk since they are highly regulated by the central banks of the respective countries. Accordingly, the Group estimates the loss allowance on balances with banks at an amount equal to 12-month ECL. None of the balances with banks are past due and taking into account the historical default experience and the current credit ratings of the bank, impairment loss allowances of AED 5 thousand is considered sufficient.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

20 Share capital

	2024 AED ‘000	2023 AED ‘000
Authorised, issued and fully paid 10,000 million shares of AED 1 each (31 December 2023: 10,000 million shares of AED 1 each)	10,000,000	10,000,000

21 Statutory reserve

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

22 Merger reserve

	2024 AED ‘000	2023 AED ‘000
At 1 January	11,619,043	11,539,393
Transfer of assets from entities under common control	-	79,650
At 31 December	11,619,043	11,619,043

In 2023, a related party transferred a plot of land without consideration. Accordingly, it was recorded at fair value of AED 79.7 million as an investment property with the corresponding amount accounted for in the merger reserve.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

23 Other reserves

The movements in other reserves are as follows:

	Investment revaluation reserve AED '000	Foreign exchange translation reserve AED '000	Hedging reserve AED '000	Reserves of a disposal group held- for-sale AED '000	Total AED '000
At 1 January 2023	(155,360)	(376,180)	37,936	-	(493,604)
Other comprehensive (loss) / income for the year	(570,491)	(113,499)	15,119	-	(668,871)
Transfer of reserves	(10,515)	(367)	(338)	367	(10,853)
At 31 December 2023	(736,366)	(490,046)	52,717	367	(1,173,328)
Other comprehensive income / (loss) for the year	63,165	(284,616)	(28,903)	(367)	(250,721)
Transfer to non-controlling interests on dilution of ownership	-	8,481	(302)	-	8,179
Proceeds from disposal to non-controlling interests in subsidiaries	-	3,176	(2,747)	-	429
Transfer of reserves	612,325	-	-	-	612,325
At 31 December 2024	(60,876)	(763,005)	20,765	-	(803,116)

24 Hybrid equity instruments

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

24 Hybrid equity instruments (continued)

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

	2024	2023
	AED '000	AED '000
At 31 December	1,815,646	1,815,646

During the year, the Group paid a coupon amounting to AED 103.3 million (2023: AED 103.3 million) on the hybrid instrument.

25 Material non-controlling interests

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

Summarised consolidated statement of financial position:

	NMDC	Alpha Dhabi	Aldar
	AED'000	Construction	AED'000
		AED'000	
31 December 2024			
Non-current assets	9,476,642	1,236,329	37,011,304
Current assets	23,818,885	10,718,458	49,922,091
Non-current liabilities	(1,678,285)	(335,913)	(19,982,563)
Current liabilities	(18,905,422)	(8,433,215)	(23,065,023)
	<hr/>	<hr/>	<hr/>
Total equity	12,711,820	3,185,659	43,885,809
Less: non-controlling interests	(1,205,088)	(27,382)	(6,087,331)
Hybrid equity instruments	-	-	(1,815,646)
	<hr/>	<hr/>	<hr/>
Equity attributable to the owners	11,506,732	3,158,277	35,982,832
	<hr/>	<hr/>	<hr/>
Attributable to:			
Equity holders of parent	7,699,482	1,610,721	11,382,963
	<hr/>	<hr/>	<hr/>
Non-controlling interests	3,807,250	1,547,556	24,599,869

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

25 Material non-controlling interests (continued)

Summarised consolidated statement of financial position (continued):

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

Summarised consolidated statement of profit or loss:

	NMDC AED'000	Alpha Dhabi Construction AED'000	Aldar AED'000
31 December 2024			
Revenue	26,263,949	10,744,003	22,998,383
Expenses	(23,206,927)	(9,806,667)	(18,336,965)
Profit for the year	3,057,022	937,336	4,661,418
Attributable to non-controlling interests	1,085,765	92,158	3,473,946
	NMDC AED'000	PHMS AED'000	Aldar AED'000
31 December 2023			
Revenue	16,707,980	4,211,086	14,160,938
Expenses	(14,634,810)	(3,948,565)	(11,539,342)
Profit for the year	2,073,170	262,521	2,621,596
Attributable to non-controlling interests	653,938	161,106	1,948,589

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

25 Material non-controlling interests (continued)

Summarised consolidated statement of cash flows:

	NMDC AED'000	Alpha Dhabi Construction AED'000	Aldar AED'000
31 December 2024			
Operating activities	3,324,678	1,458,084	5,122,743
Investing activities	1,296,780	(258,610)	(1,494,786)
Financing activities	(3,293,718)	(51,450)	1,734,446
	<hr/>	<hr/>	<hr/>
Net cash inflow	1,327,740	1,148,024	5,362,403
	<hr/>	<hr/>	<hr/>
	NMDC AED'000	PHMS AED'000	Aldar AED'000
31 December 2023			
Operating activities	2,872,853	(1,392,985)	3,795,302
Investing activities	(1,849,833)	(1,741,784)	(4,269,122)
Financing activities	(475,027)	3,609	(1,533,144)
	<hr/>	<hr/>	<hr/>
Net cash inflow / (outflow)	547,993	(3,131,160)	(2,006,964)
	<hr/>	<hr/>	<hr/>

26 Provision for employees' end of service benefits

	2024 AED '000	2023 AED '000
Employees' end-of-service benefits	1,235,689	1,074,874
	<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

26 Provision for employees' end of service benefits (continued)

Movements in provision for employee's end of service benefits are as follows:

	2024	2023
	AED '000	AED '000
At 1 January	1,074,874	2,542,495
Liabilities arising on acquisition of subsidiaries (Note 42)	1,923	44,239
Charge for the year, net of reversal	344,542	247,546
Transfer from a related party	-	681
Eliminated on derecognition of a subsidiary (Note 43)	-	(1,541,480)
Liabilities of group related to disposed operations (Note 38)	(1,546)	-
Paid during the year	(184,101)	(218,607)
Foreign exchange translation difference	(3)	-
	<hr/>	<hr/>
At 31 December	1,235,689	1,074,874
	<hr/> <hr/>	<hr/> <hr/>

27 Bank borrowings

Bank borrowings included in the consolidated statement of financial position comprise the following:

	2024	2023
	AED '000	AED '000
Term loan facilities	21,124,981	17,121,491
Bank overdrafts (Note 19)	82,453	11,879
	<hr/>	<hr/>
At 31 December	21,207,434	17,133,370
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

27 Bank borrowings (continued)

Movement in bank borrowing during the year is as follows:

	2024	2023
	AED ‘000	AED ‘000
At 1 January	17,133,370	14,515,560
Drawdowns during the year	15,125,160	8,977,751
Liabilities arising on acquisition of subsidiaries (Note 42)	-	635,755
Amortisation of transaction costs	(19,600)	(7,322)
Eliminated on derecognition of a subsidiary (Note 43)	-	(293,131)
Foreign exchange differences	(142,384)	(119,545)
Repayments during the year	(10,889,112)	(6,575,698)
At 31 December	21,207,434	17,133,370

Bank borrowings are classified as follows:

	2024	2023
	AED ‘000	AED ‘000
Non-current	17,364,923	14,016,788
Current	3,842,511	3,116,582
At 31 December	21,207,434	17,133,370

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

27 Bank borrowings (continued)

Details of group bank borrowings are as follows:

Loan type	Currency	Security	Instalments	Year of maturity	2024 AED'000	2023 AED '000	Purpose
Term loan 1	AED	Projects proceeds	Quarterly	2023	-	6,000	Project financing
Term loan 2	USD	Mortgage of property, plant and equipment	Quarterly	2027	580,285	844,721	Project financing
Term loan 3	AED	Mortgage of vessels	Quarterly	2026	153,414	185,414	To finance purchase of hopper suction dredger
Term loan 4	USD	Mortgage of property	Annually	2025	123,831	158,151	To finance purchase of a hotel
Term loan 5	USD	Unsecured	Semi-annual	2028	367,250	367,568	To finance construction of a factory
Term loan 6	AED	Mortgage of property	Semi-annual	2028	144,641	179,445	To finance purchase of a hotel
Term loan 7	AED	Pledge of financial instruments	Bullet	2024	-	1,500,000	To finance purchase of shares
Term loan 8	AED	Mortgage of property	Quarterly	2026	30,612	54,613	Construction of factory building
Term loan 9	USD	Mortgage of property	Quarterly	2032	191,132	191,298	Project financing
Term loan 10	AED	Pledge of financial instruments	Half due in 2025, half in 2027	2027	4,500,000	4,500,000	Investment purpose
Term loan 11	AED	Unsecured	Revolving	2025	81	419,950	General corporate purposes
Term loan 12	AED	Unsecured	Revolving	2025	548,309	(3,994)	General corporate purposes
Term loan 13	AED	Unsecured	Revolving	2027	(3,102)	(4,404)	General corporate purposes
Term loan 14	AED	Unsecured	Bullet	2027	995,727	995,009	General corporate purposes
Term loan 15	AED	Unsecured	Revolving	2025	5,145	469,321	General corporate purposes
Term loan 16	AED	Unsecured	Revolving	2027	(3,954)	(6,165)	General corporate purposes
Term loan 17	AED	Unsecured	Revolving	2027	(3,011)	(4,237)	General corporate purposes
Term loan 18	AED	Unsecured	Bullet	2026	3,175	298,104	General corporate purposes
Term loan 19	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	25,288	65,304	Project financing

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

27 Bank borrowings (continued)

Loan type	Currency	Security	Instalments	Year of maturity	2024 AED'000	2023 AED '000	Purpose
Term loan 20	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2031	85,343	149,241	Project financing
Term loan 21	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2031	57,823	55,935	Project financing
Term loan 22	EGP	Mortgage of property, assignment of receivables and insurance	Quarterly	2027	-	31,342	Project financing
Term loan 23	EGP	Mortgage of property, assignment of receivables and insurance	Bullet	2028	7,060	26,429	Project financing and general corporate purposes
Term loan 24	AED	Mortgage of vessel	Quarterly	2032	344,347	390,257	To finance purchase of a vessel
Term loan 25	AED	Unsecured	Bullet	2027	995,460	994,920	General corporate purposes
Term loan 26	AED	Unsecured	Revolving	2027	499,140	498,041	General corporate purposes
Term loan 27	AED	Unsecured	Bullet	2027	4,026	398,058	General corporate purposes
Term loan 28	AED	Corporate guarantee	Monthly	2026	-	34,860	Project financing
Term loan 29	AED	Unsecured	Bullet	2024	(532)	499,555	General corporate purposes
Term loan 30	AED	Mortgage of equipment and vehicles	Various	Various	80,277	65,473	Vehicles finance
Term loan 31	AED	Mortgage of equipment and vehicles	Various	Various	5,870	13,015	Vehicles finance
Term loan 32	AED	Mortgage of property	Quarterly	2025	21,092	35,395	General corporate purposes
Term loan 33	EGP	Commercial properties including land	Quarterly	2030	33,236	54,619	General corporate purposes
Term loan 34	AED	Unsecured	Quarterly	2029	(1,655)	498,687	General corporate purposes
Term loan 35	AED	Pledge of financial instruments	Half due in 2026, half in 2028	2028	1,545,000	1,545,000	Investment purpose
Term loan 36	EUR	Unsecured	Bullet	2026	420	447	General corporate purposes
Term loan 37	AED	Mortgage of vehicles	Monthly	2027	252	360	Vehicles finance
Term loan 38	AED	Mortgage of vehicles	Monthly	Various	754	502	Vehicles finance
Term loan 39	AED	Pledge of financial instruments	90m due in 2026, 3,011.9m due in 2027 and 390m due in 2028	2028	3,491,900	480,000	Investment purpose
Term loan 40	AED	Unsecured	Monthly	Various	499,057	299,271	General corporate purposes
Term loan 41	AED	Unsecured	Quarterly	2024	(797)	102	General corporate purposes
Term loan 42	AED	Unsecured	Revolving	2028	995,743	(4,917)	General corporate purposes
Term loan 43	AED	Unsecured	Quarterly	2030	197,503	197,593	General corporate purposes
Term loan 44	GBP	Unsecured	Quarterly	2028	1,342,621	529,415	General corporate purposes
Term loan 45	GBP	Unsecured	Quarterly	2024	-	111,793	General corporate purposes

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

27 Bank borrowings (continued)

Loan type	Currency	Security	Instalments	Year of maturity	2024 AED'000	2023 AED '000	Purpose
Term Loan 46	AED	Unsecured	Quarterly	2029	995,280	-	General corporate purposes
Term Loan 47	AED	Unsecured	Quarterly	2029	1,492,997	-	General corporate purposes
Term Loan 48	AED	Unsecured	Quarterly	2029	412,625	-	General corporate purposes
Term Loan 49	AED	Unsecured	Quarterly	2028	65,026	-	Project financing
Term Loan 50	AED	Unsecured	Quarterly	2029	272,345	-	General corporate purposes
Term Loan 51	AED	Corporate guarantee	Monthly	2026	23,945	-	To settle existing liability
Bank overdrafts	AED	Partially secured against approved payment certificates and invoices	-	-	10,857	11,879	Working capital
Bank overdrafts	AED	Secured against wakala deposits	-	-	71,596	-	Working capital
					21,207,434	17,133,370	

Note: The above bank borrowing facilities carry interest at market rates.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

28 Non-convertible sukuk

	2024					2023
	AED '000					AED '000
	Sukuk No.1	Sukuk No.2	Sukuk No.3	Sukuk No.4	Total	Total
At 1 January	1,852,144	1,839,102	1,811,708	-	5,502,954	3,681,916
Issued during the year	-	-	-	1,833,734	1,833,734	1,836,250
Issued costs	-	-	-	(9,181)	(9,181)	(12,863)
Accrued profits	70,074	71,362	89,518	63,121	294,075	146,264
Amortisation of issue costs	4,719	1,934	3,603	(8,832)	1,424	10,972
Other movements				(18,393)	(18,393)	(22,313)
Less: Paid	(532,273)	(71,164)	(89,517)	(50,497)	(743,451)	(137,272)
At 31 December	1,394,664	1,841,234	1,815,312	1,809,952	6,861,162	5,502,954

Sukuk are classified as follows:

	2024	2023
	AED '000	AED '000
Non-current	5,430,838	5,456,856
Current	1,430,324	46,098
	6,861,162	5,502,954

Sukuk No.1

The Group has issued a non-convertible sukuk ("Sukuk No. 1") for a total value of AED 1,836,750 thousand (USD 500,000 thousand). Sukuk No. 1 has a profit rate of 4.750% per annum payable semi-annually and is due for repayment in September 2025.

Sukuk No.2

The Group has issued a non-convertible sukuk ("Sukuk No. 2") for a total value of AED1,836,750 thousand (USD 500,000 thousand). Sukuk No. 2 has a profit rate of 3.875% per annum payable semi-annually and is due for repayment in October 2029.

Sukuk No.3

The Group has issued a non-convertible sukuk ("Sukuk No. 3") for a total value of AED1,836,250 thousand (USD 500,000 thousand). Sukuk No. 3 has a profit rate of 4.875% per annum payable semi-annually and is due for repayment in May 2033.

Sukuk No.4

During the year, the group has issued a non-convertible sukuk ("Sukuk No. 4") for a total value of AED 1,836,250 thousand (USD 500,000 thousand). Sukuk No. 4 has a profit rate of 5.500% per annum payable semi-annually and is due for repayment in May 2034.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

29 Derivative financial instruments

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings, it has entered into interest rate swap arrangements and forward currency contracts with counter-party banks, generally for amounts matching to those particular borrowings.

Derivatives designated as hedging instruments

	Fix leg on instrument	Notional amount AED'000	Assets AED'000	Liabilities AED'000
31 December 2024				
- Foreign exchange forward contracts	-	559,390	-	(26,597)
- Interest rate swaps	0.80%	290,144	12,056	-
			<hr/> 12,056	<hr/> (26,597)
31 December 2023				
- Foreign exchange forward contracts	-	164,255	-	(9,790)
- Interest rate swaps	0.80%	422,338	24,602	-
			<hr/> 24,602	<hr/> (9,790)

Derivatives not designated as hedging instruments

	Fix leg on instrument	Notional amount AED'000	Assets AED'000	Liabilities AED'000
31 December 2024				
- Interest rate swaps	4.27 - 5.50%	2,041,660	-	(19,033)
			<hr/> -	<hr/> (19,033)
31 December 2023				
- Interest rate swaps	4.27%	355,501	-	(2,348)
- Interest rate cap	2.52 - 3.00%	441,664	8,311	-
			<hr/> 8,311	<hr/> (2,348)

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

29 Derivative financial instruments (continued)

Derivative financial instruments are classified as follows:

	2024	2023
	AED '000	AED '000
Non-current liabilities (Note 31)	-	-
Non-current assets (Note 15)	-	8,311
Current liabilities (Note 31)	(45,630)	(12,138)
Current assets (Note 15)	12,056	24,602
	<hr/> (33,574) <hr/>	<hr/> 20,775 <hr/>

30 Contract liabilities

	2024	2023
	AED '000	AED '000
Amounts related to construction contracts – third parties	9,366,939	7,157,333
Amounts related to construction contracts – related parties	2,990,065	18,749
Amounts received in advances from customers	6,194,783	5,292,334
	<hr/> 18,551,787 <hr/>	<hr/> 12,468,416 <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

31 Trade and other payables

	2024	2023
	AED ‘000	AED ‘000
Accruals and other payables	21,506,451	16,239,983
Trade payables	5,973,794	4,624,483
Retention payables	2,452,717	2,087,582
Project related accruals and provisions	2,568,619	1,647,085
Finance charge payable	267,314	235,155
Dividend payables	29,172	17,360
Derivative financial instruments (Note 29)	45,630	12,138
	<hr/> 32,843,697 <hr/>	<hr/> 24,863,786 <hr/>

Trade and other payables are classified as follows:

	2024	2023
	AED ‘000	AED ‘000
Non-current	4,141,527	4,444,220
Current	28,702,170	20,419,566
	<hr/> 32,843,697 <hr/>	<hr/> 24,863,786 <hr/>

The average credit period on purchases ranges between 30 to 90 days. The Group has financial risk management policies in place to ensure that payables are paid within agreed timeframes. Generally, no interest is charged on trade and other payables.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

32 Revenue

	2024	2023
	AED '000	AED '000
Revenue by activity:		
Commercial and industrial services	26,263,949	16,707,980
Real estate development and sales	15,385,760	9,019,650
Construction contracts	11,414,019	8,096,046
Management and related services	6,588,747	4,815,437
Medical and related services	-	2,571,607
Insurance and related services	-	1,466,282
Sale of goods and others	3,743,461	2,738,593
	63,395,936	45,415,595
Timing of revenue recognition:		
Revenue at a point in time	4,465,616	5,877,081
Revenue over time	58,930,320	39,538,514
	63,395,936	45,415,595
Geographical markets:		
UAE	53,913,775	39,589,289
Outside the UAE	9,482,161	5,826,306
	63,395,936	45,415,595

The transaction price allocated to partially unsatisfied performance obligations are as set out below:

	2024	2023
	AED '000	AED '000
<i>Unsatisfied performance obligations</i>		
Commercial and industrial services	71,298,377	54,055,677
Real estate development and sales	54,571,499	36,787,370
Construction contracts	39,079,413	27,846,120
Management and related services	5,916,733	5,311,630
	170,866,022	124,000,797

The Group expects that 42% (2023: 34%) of the transaction price allocated to unsatisfied contracts at 31 December 2024 will be recognised as revenue during 2025, amounting AED 71,757 million (2023: AED 41,822 million). AED 56,192 million (2023: AED 44,376 million) will be recognised in the year 2026 with AED 42,917 million (2023: AED 37,802 million) in future years.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

33 Direct costs

	2024 AED '000	2023 AED '000
Subcontractor costs	20,260,439	11,305,440
Material and inventory consumed	11,642,052	8,163,465
Staff costs	7,403,132	6,921,082
Other project costs	3,420,223	2,036,826
Depreciation and amortisation (Notes 5, 6, 8 and 9)	1,628,787	1,532,064
Insurance claims incurred	-	1,267,217
Hospital management expenses	-	284,171
Allowance for stock obsolescence (Note 16)	27,271	264
Other direct costs	5,578,529	4,557,563
	<u>49,960,433</u>	<u>36,068,092</u>

34 General, administrative and selling expenses

	2024 AED '000	2023 AED '000
Staff costs	1,262,632	1,541,999
Depreciation and amortisation (Note 5, 6, 8 and 9)	827,689	706,852
Management fees	224,500	176,987
Utilities	59,490	91,966
Allowance for stock obsolescence (Note 16)	1,383	49,785
Maintenance	31,886	26,447
Impairment of investment property (Note 8)	260,244	118,021
Other expenses	1,338,118	1,244,376
	<u>4,005,942</u>	<u>3,956,433</u>

Other general, administrative and selling expenses include social contributions amounting to AED 31,551 thousand (2023: AED 16,390 thousand).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

35 Other income

	2024 AED '000	2023 AED '000
Dividend income	641,771	170,375
Gain / (loss) on disposal of property, plant and equipment	11,445	(1,906)
(Loss) / profit for the year from discontinued operations (Note 38)	(845)	45,219
Recovery of doubtful receivables	-	8,068
Reversals of excess provisions	198,801	575,075
Gain on bargain purchase of associates and joint ventures	-	100,080
Net changes in fair value of investments carried at FVTPL	1,561,895	13,996
Others	339,747	325,857
	<u>2,752,814</u>	<u>1,236,764</u>

36 Income from government grants

Income related to government grant comprises of funding from Government of Abu Dhabi for AED Nil (2023: AED 331 million)

37 Finance costs, net

	2024 AED '000	2023 AED '000
<i>Finance costs</i>		
Interest on borrowings	1,648,023	1,059,632
Interest on lease liabilities (Note 9)	101,004	66,281
	<u>1,749,027</u>	<u>1,125,913</u>
<i>Finance income</i>		
Bank deposits	940,454	721,561
Other financial assets measured at amortised cost	132,320	19,041
	<u>1,072,774</u>	<u>740,602</u>
Net finance costs	<u>676,253</u>	<u>385,311</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

38 Discontinued operations

Discontinued operations from 2024

- A. On 31 December 2024, the Group sold its wholly owned subsidiary Dicon Investment LLC. Dicon Investment LLC was classified as held for sale on 30 September 2024. The comparative consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations

The carrying value of Dicon is as follows:

	Notes	2024 AED '000
<i>Assets</i>		
Property, plant and equipment	5	4,408
Right-of-use assets	9	647
Trade and other receivables		12,126
Cash and bank balances	19	2,678
		<hr/>
Assets of group held-for-sale		19,859
		<hr/>
<i>Liabilities</i>		
Lease liabilities	9	610
Provision for employees' end of service benefits	26	1,546
Due to related parties	18	76
Trade and other payables		14,666
		<hr/>
Liabilities of group held-for-sale		16,898
		<hr/>
Net assets of group held-for-sale		2,961
		<hr/> <hr/>

The results of the discontinued operations, which have been included in the consolidated statement of income for the period, were as follows:

		AED '000
Revenue		44,002
Direct costs		(37,654)
General, administrative, and selling expenses		(10,099)
Other income		267
Gain on disposal of discontinued operation		52
		<hr/>
Loss from discontinued operations	A	(3,432)
		<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

38 Discontinued operations (continued)

Discontinued operations from 2024 (continued)

- B. The Board of Directors of the Group approved the acquisition of 51% stake in NTS Middle East FZCO ("NTS") with the intention of subsequent sale to Enersol Rsc Ltd ('Enersol'). On 28 February 2024, the Board of Directors of Enersol approved the acquisition. On 30 December 2024, all closing obligations were completed and the Group sold its wholly owned subsidiary ADH Energy RSC holding investment in NTS for a consideration of AED 217,248 thousand.

The carrying value of ADH Energy RSC as at the disposal date were as follows:

	Notes	2024 AED '000
Assets		
Investments in associates		215,913
Total assets		215,913
Liabilities		
Trade and other payables		32
Total liabilities		32
Net assets directly associated with disposed group		215,881
		2024 AED '000
Net assets directly associated with disposed group		215,881
Less: Consideration received		(218,500)
Gain on disposal of discontinued operation		2,619

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

38 Discontinued operations (continued)

The results of the discontinued operations, which have been included in the consolidated statement of profit or loss for the current year are as follows:

		2024
		AED '000
General and administration expenses		(32)
Gain on disposal of discontinued operation		2,619
Gain from discontinued operations	B	2,587
		<hr/>
		2024
		AED '000
		<hr/>
Net loss from disposal of discontinued operations (Note 35)	A + B	(845)
		<hr/>

Discontinued operations from 2023

In 2023, the Group decided to dispose Transcend Blocker, INC (Transcend'), resulting in its classification as a disposal group held-for-sale and as a discontinued operation. The sale of Transcend was completed on 9 January 2024, on which date control of Transcend passed to the acquirer, on which date its net assets were:

	Notes	2024	2023
		AED '000	AED '000
<i>Assets</i>			
Investment in associates and joint ventures	10	626,061	626,061
Deferred tax assets		5,093	5,093
Cash and bank balances		34,346	34,346
		<hr/>	<hr/>
Total assets		665,500	665,500
		<hr/>	<hr/>
<i>Liabilities</i>			
Trade and other payables		33,971	33,971
		<hr/>	<hr/>
Total liabilities		33,971	33,971
		<hr/>	<hr/>
Net assets directly associated with disposed group		631,529	631,529
		<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

38 Discontinued operations (continued)

Discontinued operations from 2023 (continued)

The results of the discontinued operations, which have been included in consolidated statement of profit or loss for the current and prior year, are as follows:

	Notes	2024 AED '000	2023 AED '000
General, administrative and selling expenses		-	(65)
Share of results of associates and joint ventures	10	-	46,879
		<hr/>	<hr/>
Net profit before tax		-	46,814
Income tax		-	1,437
		<hr/>	<hr/>
Net profit after tax		-	48,251
Impairment		-	(3,032)
		<hr/>	<hr/>
Profit from discontinued operations		-	45,219
		<hr/>	<hr/>

The results of the discontinued operations, which have been included in the consolidated statement of comprehensive income for the current and prior year, were as follows:

	2024 AED '000	2023 AED '000
Profit after tax	-	45,219
Share of Exchange difference arising on translation of foreign operations of an associate	-	129
	<hr/>	<hr/>
Total comprehensive income from discontinued operations	-	45,348
	<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

39 Earnings per share

The following reflects the profit and share data used in to calculate both basic and diluted earnings per share, as these are no outstanding dilutive instruments:

	2024	2023
Profit for the year attributable to equity holders of the Company – AED ‘000	8,888,462	10,680,323
Less: distributions to the Noteholder (Note 24)	(103,289)	(103,289)
	<hr/> 8,785,173	<hr/> 10,577,034
Weighted average number of ordinary shares issued (‘000)	10,000,000	10,000,000
Basic and diluted earnings per share (AED)	0.88	1.06
	<hr/> <hr/>	<hr/> <hr/>

40 Contingent liabilities and commitments

	2024 AED ‘000	2023 AED ‘000
Letter of guarantees	37,678,259	28,512,131
	<hr/> <hr/>	<hr/> <hr/>
Letters of credit	1,019,275	818,817
	<hr/> <hr/>	<hr/> <hr/>
Capital commitments	37,476,757	32,362,887
	<hr/> <hr/>	<hr/> <hr/>
Purchase commitments	6,185,651	5,378,558
	<hr/> <hr/>	<hr/> <hr/>
Operating lease commitments	8,308,294	7,403,329
	<hr/> <hr/>	<hr/> <hr/>

The above bank guarantees, and letters of credit are issued in the normal course of business.

Capital commitments include commitments towards investments and projects managed by the Group.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

40 Contingent liabilities and commitments (continued)

Operating lease commitments

The Group as lessor

The Group has entered into operating leases on its investment property portfolio and have terms of between 1 and 5 years and above. The lessees do not have an option to purchase the property at the expiry of the lease period.

The future minimum rentals receivable under non-cancellable operating leases contracted as at 31 December are as follows:

	2024	2023
	AED '000	AED '000
Buildings:		
Within one year	1,678,262	1,480,843
In the second to fifth year	4,315,766	3,776,049
After five years	2,314,266	2,146,437
	<hr/> 8,308,294 <hr/>	<hr/> 7,403,329 <hr/>

41 Dividend

At the general assembly meeting held on 27 November 2024, the shareholders approved a cash dividend of AED 20 fils per share, totaling AED 2,000,000 thousand (2023: nil), as proposed by the board of directors for the year ended 31 December 2024.

The dividend was subsequently paid to the shareholders on 4 December 2024.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3

Acquisitions during the current year

L Capital KTD Ltd (“Ce La Vi”)

Effective 1 January 2024, a subsidiary acquired 99% equity interest in *Ce La Vi*, for a consideration of AED 190,815 thousand which was accounted for using the acquisition method under IFRS 3 *Business Combinations*. *Ce La Vi* is a limited liability company, registered and incorporated in Mauritius and is engaged in sale of food and beverages. From the date of acquisition, *Ce La Vi* contributed revenue and income to the Group amounting to AED 247,331 thousand and AED 36,279 thousand respectively.

Alpha Mind Holding Limited (“Alpha Mind”)

Effective 31 January 2024, a subsidiary acquired 51% equity interest in *Alpha Mind*, for a consideration of AED 214,200 thousand which was accounted for using the acquisition method under IFRS 3 *Business Combinations*. *Alpha Mind* is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in sale of food and beverages. From the date of acquisition, *Alpha Mind* contributed revenue and income to the Group amounting to AED 288,735 thousand and AED 11,509 thousand respectively.

Selmondo Limited (“Selmondo”)

Effective 1 October 2024, a subsidiary acquired 51% equity interest in *Selmondo*, for a consideration of AED 28,710 thousand which was accounted for using the acquisition method under IFRS 3 *Business Combinations*. *Selmondo* is a limited liability company, registered and incorporated in Cyprus and is engaged in sale of food and beverages. From the date of acquisition, *Selmondo* contributed revenue and loss to the Group amounting to AED 521 thousand and (AED 870) thousand respectively.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combinations under IFRS 3 (continued)

The provisional fair values of the identifiable assets and liabilities other than Ce La Vi and Alpha Mind as at the date of acquisition were as follows:

	Notes	Ce La Vi AED '000	Alpha Mind AED '000	Selmondo AED '000	Total AED '000
Non-current assets					
Property, plant and equipment	5	18,633	138,277	1,709	158,619
Intangible assets	6	81,295	66,977	2	148,274
Right-of-use assets	9	59,734	22,607	7,573	89,914
Investment in associates and joint ventures	10	5,971	-	-	5,971
Deferred tax assets		-	-	52	52
Trade and other receivables		-	11,351	-	11,351
		165,633	239,212	9,336	414,181
Current assets					
Trade and other receivables		33,067	25,138	1,049	59,254
Inventories		4,943	7,596	397	12,936
Cash and bank balances		30,591	57,209	5,531	93,331
		68,601	89,943	6,977	165,521
Total assets		234,234	329,155	16,313	579,702
Non-current liabilities					
Lease liabilities	9	38,061	21,455	7,809	67,325
Provision for employees' end of service benefits	26	-	1,918	5	1,923
Deferred tax liabilities		17,207	5,850	14	23,071
Trade and other payables		-	48,110	-	48,110
		55,268	77,333	7,828	140,429
Current liabilities					
Lease liabilities	9	21,673	1,152	-	22,825
Contract liabilities		6,206	-	-	6,206
Trade and other payables		40,783	66,983	3,085	110,851
		68,662	68,135	3,085	139,882
Total liabilities		123,930	145,468	10,913	280,311
Net assets acquired		110,304	183,687	5,400	299,391

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

Business combinations under IFRS 3 (continued)

	Notes	Ce La Vi AED '000	Alpha Mind AED '000	Selmondo AED '000	Total AED '000
Net assets acquired		110,304	183,687	5,400	299,391
Less: non-controlling interests		(17,470)	(16,780)	-	(34,250)
Proportionate share of identifiable net assets acquired		92,834	166,907	5,400	265,141
Less: Additional non-controlling interests at the Group level		(836)	(81,784)	(2,646)	(85,266)
Less: Purchase consideration		(190,815)	(214,200)	(28,710)	(433,725)
Goodwill	7	98,817	129,077	25,956	253,850

Non-controlling interests on the date of transfer under business combinations are allocated as:

	Total AED '000
Non-controlling interests on acquisition	34,250
Additional non-controlling interests at the Group level	85,266
	119,516
Increase in net assets acquired on completion of purchase price allocation (PPA):	
	Note
Goodwill converted to intangible assets	6,279
Intangible assets	6
Deferred tax liabilities	(484)
	130,693

Note: The net assets recognised are based on a provisional assessment of their fair values other than Ce La Vi and Alpha Mind as at the acquisition date. The Group will finalise the purchase price allocation ('PPA') for Selmondo within twelve months from the date of acquisition in accordance with the requirements of IFRS 3.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

Business combinations under IFRS 3 (continued)

	Notes	Ce La Vi AED'000	Alpha Mind AED'000	Selmondo AED'000	Total AED'000
Net cash acquired on business combination		30,591	57,209	5,531	93,331
Cash paid for the acquisition		(190,815)	(214,200)	(28,710)	(433,725)
Acquisition of operating business – net of cash acquired (included in cashflows from investing activities)		(160,224)	(156,991)	(23,179)	(340,394)
Transaction costs of the acquisition (included in cashflows from operating activities)		(3,427)	(3,443)	(542)	(7,412)
Net cash acquired on acquisition		(163,651)	(160,434)	(23,721)	(347,806)

Note: Transaction costs were expensed during the year and are included into Note 34

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combinations under IFRS 3 (continued)

Acquisitions during the prior year

Mustard & Linen Interior Design Holding Limited (“M&L”)

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 75 % equity interest in M&L, for a consideration of AED 25 million which was accounted for using the acquisition method under IFRS 3. M&L is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in premium interior design business services. From the date of acquisition, M&L contributed revenue and profit to the Group amounting to AED 18,741 thousand and AED 11,423 thousand respectively.

Basatin Holding SPV Ltd. (“Basatin”)

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary of the Group acquired a 75 % equity interest in Basatin, for a consideration of AED 138 million which was accounted for using the acquisition method under IFRS 3. Basatin is a limited liability company, registered and incorporated in the Abu Dhabi Global Market and is engaged in landscaping services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 237,550 thousand and AED 37,173 thousand respectively.

ADMO Lifestyle Holding Limited (“ADMO”)

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary of the Group acquired a 51% equity interest in ADMO, for a consideration of AED 716.5 million which was accounted for using the acquisition method under IFRS 3. ADMO is a limited liability company, registered and incorporated in Abu Dhabi Global Market and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and loss to the Group amounting to AED 121,054 thousand and AED 5,545 thousand respectively.

Eltizam Asset Management Estate - Sole Proprietorship L.L.C. (“Eltizam”)

Effective 4 July 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 65% equity interest in Etizam, for a consideration of AED 1,013 million which was accounted for using the acquisition method under IFRS 3. Etizam is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Etizam contributed revenue and loss to the Group amounting to AED 311,495 thousand and AED 4,605 thousand respectively.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combinations under IFRS 3 (continued)

Acquisitions during the prior year (continued)

Virginia International Private School - Sole Proprietorship LLC. ("Virginia")

Effective 2 August 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Virginia, for a consideration of AED 210.5 million which was accounted for using the acquisition method under IFRS 3. Virginia is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in education. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 19,031 thousand and AED 6,653 thousand respectively.

Kent College LLC - FZ. And Kent Nursery LLC - FZ ("Kent")

Effective 1 September 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in Kent, for a consideration of AED 120 million which was accounted for using the acquisition method under IFRS 3. Kent is a limited liability company, registered and incorporated in Dubai and is engaged in education. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 28,099 thousand and AED 1,036 thousand respectively.

Mais Interior Design L.L.C. ("Mais")

Effective 15 August 2023, Trojan Construction Group, a subsidiary of the Group acquired a 60% equity interest in Mais, for a consideration of AED 24 million which was accounted for using the acquisition method under IFRS 3. Mais is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in interior designing. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 24,718 and AED 4,045 thousand respectively.

Desert Control Liquid Natural Clay LLC ("DCLNC")

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary of the Group acquired a 100% equity interest in DCLNC, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. DCLNC is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in agriculture and landscaping. From the date of acquisition, DCLNC does not contributed revenue and profit to the Group.

Mawarid Desert Control LLC ("MDC")

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary of the Group acquired a 100% equity interest in MDC, for a consideration of AED 1 which was accounted for using the acquisition method under IFRS 3. MDC is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in agriculture and landscaping. From the date of acquisition, MDC contributed revenue and loss to the Group amounting to AED 185 and AED 1,497 thousand respectively.

Fab Properties - Sole Proprietorship LLC ("FABP")

Effective 1 December 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in FABP, for a consideration of AED 335 million which was accounted for using the acquisition method under IFRS 3. FABP is a limited liability company, registered and incorporated in Abu Dhabi and is engaged in property rental. From the date of acquisition, FABP contributed revenue and profit to the Group amounting to AED 4,812 and AED 2,758 thousand respectively.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combinations under IFRS 3 (continued)

Acquisitions during the prior year (continued)

London Square Developments (Holdings) Limited (“LSQ”)

Effective 30 November 2023, Aldar Properties PJSC, a subsidiary of the Group acquired a 100% equity interest in LSQ, for a consideration of AED 498 million which was accounted for using the acquisition method under IFRS 3. LSQ is a limited liability company, registered and incorporated in England and is engaged in real estate development. From the date of acquisition, Mais contributed revenue and loss to the Group amounting to AED 81,220 and AED 12,146 thousand respectively.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

Identifiable assets acquired and liabilities assumed

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

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	DCLNC AED'000	MDC AED'000	FABP AED'000	LSQ AED'000	Total AED'000
Non-current assets													
Property, plant and equipment	5	137	8,337	143,371	12,625	147,106	870	2,656	1,502	3	30	2,819	319,456
Intangible assets	6	-	38,276	947	167,810	13,244	39,904	-	-	-	203,031	10,436	473,648
Right-of-use-assets	9	-	-	67,093	3,057	4,901	410,174	-	-	-	-	11,617	496,842
Investment in associates and joint ventures	10	-	-	309,569	-	-	-	-	-	-	-	107,232	416,801
Trade and other receivables		-	-	552	-	-	-	-	-	-	-	41,886	42,438
		<u>137</u>	<u>46,613</u>	<u>521,532</u>	<u>183,492</u>	<u>165,251</u>	<u>450,948</u>	<u>2,656</u>	<u>1,502</u>	<u>3</u>	<u>203,061</u>	<u>173,990</u>	<u>1,749,185</u>
Current assets													
Contract assets		-	20,638	-	12,700	-	-	19,002	-	-	-	127,144	179,484
Trade and other receivables		771	65,197	93,131	316,658	10,609	12,500	32,272	-	258	10,416	130,985	672,797
Inventories		-	1,376	4,818	5,813	1,003	-	1,011	-	-	-	-	14,021
Development work-in-progress	17	-	-	-	-	-	-	-	-	-	-	1,152,558	1,152,558
Due from related parties		1	-	243,953	-	-	-	-	-	-	-	-	243,954
Cash and bank balances		1,781	36,960	115,864	75,075	4,991	5,037	3,604	-	14	190,661	215,525	649,512
		<u>2,553</u>	<u>124,171</u>	<u>457,766</u>	<u>410,246</u>	<u>16,603</u>	<u>17,537</u>	<u>55,889</u>	<u>-</u>	<u>272</u>	<u>201,077</u>	<u>1,626,212</u>	<u>2,912,326</u>
Total assets		<u>2,690</u>	<u>170,784</u>	<u>979,298</u>	<u>593,738</u>	<u>181,854</u>	<u>468,485</u>	<u>58,545</u>	<u>1,502</u>	<u>275</u>	<u>404,138</u>	<u>1,800,202</u>	<u>4,661,511</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'000	DCLNC AED'000	MDC AED'000	FABP AED'000	LSQ AED'000	Total AED'000
Non-current liabilities													
Lease liabilities	9	-	-	64,509	1,447	5,172	396,453	-	-	-	-	8,334	475,915
Bank borrowings	27	-	-	-	-	-	-	-	-	-	-	634,558	634,558
Provision for employees' end of service benefits	26	701	5,245	-	28,096	1,142	3,474	1,921	-	105	3,555	-	44,239
Deferred tax liabilities		-	-	1,284	11,800	1,195	3,591	-	-	-	17,223	-	35,093
Trade and other payables		-	-	-	-	-	-	-	-	-	1,008	187,955	188,963
		701	5,245	65,793	41,343	7,509	403,518	1,921	-	105	21,786	830,847	1,378,768
Current liabilities													
Lease liabilities	9	-	-	2,584	2,411	142	14,553	-	-	-	-	-	19,690
Bank borrowings	27	-	-	445	-	-	-	752	-	-	-	-	1,197
Due to related parties		-	-	22,204	-	-	-	-	-	2,772	-	-	24,976
Contract liabilities		-	1,842	-	552	10,897	14,650	-	-	-	-	135,272	163,213
Trade and other payables		1,673	73,225	57,916	236,887	1,721	4,881	21,715	-	265	162,986	340,605	901,874
		1,673	75,067	83,149	239,850	12,760	34,084	22,467	-	3,037	162,986	475,877	1,110,950
Total liabilities		2,374	80,312	148,942	281,193	20,269	437,602	24,388	-	3,142	184,772	1,306,724	2,489,718

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'00	DCLNC AED'00	MDC AED'00	FABP AED'00	LSQ AED'00	Total AED'000
Net assets acquired		316	90,472	830,356	312,545	161,585	30,883	34,157	1,502	(2,867)	219,366	493,478	2,171,793
Less: non-controlling interests		-	-	(31,638)	(4,230)	-	-	-	-	-	-	-	(35,868)
Proportionate share of identifiable net assets acquired		316	90,472	798,718	308,315	161,585	30,883	34,157	1,502	(2,867)	219,366	493,478	2,135,925
Less: Additional non-controlling interests at group level		(79)	(22,618)	(391,372)	-	-	-	(13,663)	-	-	-	-	(427,732)
Purchase consideration		(25,000)	(138,822)	(716,466)	-	(210,509)	(120,000)	(24,000)	-	-	(334,960)	(497,685)	(2,067,442)
Goodwill	7	24,763	70,968	309,120	704,685	48,924	89,117	3,506	-	2,867	115,594	4,207	1,373,751
Gain on bargain purchase		-	-	-	-	-	-	-	1,502	-	-	-	1,502
Additional contribution through a subsidiary		-	-	-	1,013,000	-	-	-	-	-	-	-	1,013,000

Non-controlling interests on the date of transfer under business combinations are allocated as:

	2023 AED '000
Non-controlling interests on acquisition	35,868
Additional non-controlling interests at Group level	427,732
	463,600

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

	Notes	M&L AED'000	Basatin AED'000	ADMO AED'000	Eltizam AED'000	Virginia AED'000	Kent AED'000	Mais AED'00	DCLNC AED'00	MDC AED'00	FABP AED'00	LSQ AED'00	Total AED'000
Net cash acquired on business combination		1,781	36,960	115,864	75,075	4,991	5,037	3,604	-	14	190,661	215,525	649,512
Cash paid for the acquisition		(25,000)	(138,822)	(716,466)	-	(210,509)	(120,000)	(24,000)	-	-	(334,960)	(417,014)	(1,986,771)
Acquisition of operating business – net of cash acquired (included in cashflows from investing activities)		(23,219)	(101,862)	(600,602)	75,075	(205,518)	(114,963)	(20,396)	-	14	(144,299)	(201,489)	(1,337,259)
Transaction costs of the acquisition (included in cashflows from operating activities)		(845)	(3,017)	(2,083)	(2,257)	(923)	(1,668)	-	-	-	(2,565)	(23,023)	(36,381)
Net cash acquired on acquisition		(24,064)	(104,879)	(602,685)	72,818	(206,441)	(116,631)	(20,396)	-	14	(146,864)	(224,512)	(1,373,640)

Note: Transaction costs were expensed during the year and are included into Note 34

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

42 Business combination under IFRS 3 (continued)

Additional contribution through a subsidiary is allocated as:

	2023 AED'000
Retained earnings	208,617
Non-controlling interests	804,383
	<hr/> 1,013,000 <hr/>

43 Group's reorganisations

During the current period

a) Partial disposal of shareholding in a subsidiary due to reorganisation:

	<u>NMDC</u>
31 December 2024	
Reduction in shareholding (%)	1.57%
Carrying value of the shareholding (AED'000)	151,003
	<hr/>
Difference recognised directly in Retained earnings (AED'000)	159,182
	<hr/>
Other reserves (AED'000)	(8,179)
	<hr/>

On 16 July 2024, the Group acquired certain assets for AED 624.8 million in exchange of mandatory convertible bonds of NMDC Group PJSC ('NMDC'), which were further converted into share capital. As a result of this transaction the Group's ownership in NMDC was reduced from 68.48% to 66.91% and an amount of AED 159.2 million from retained earnings and AED 8.2 million from other reserves, respectively were transferred to non-controlling interests during the period ended 31 December 2024.

b) AED 1,083,535 thousand (2023: Nil) represents contributions made by shareholders and non-controlling interests of various subsidiaries within the group's business.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

43 Group's reorganisations (continued)

c) Partial disposal of shareholding in subsidiaries against consideration:

	<u>ADCH</u>	<u>NMDCE</u>	<u>Total</u>
30 September 2024			
Reduction in shareholding (%)	49%	23%	
Carrying value of the shareholding disposed-off (AED' 000)	1,455,619	1,735,907	3,191,526
Add: transaction cost paid (AED'000)	-	4,174	4,174
Less: consideration (AED' 000)	(3,562,000)	(3,103,000)	(6,665,000)
	<hr/>	<hr/>	<hr/>
Difference recognised directly in Retained earnings (AED'000)	2,105,449	1,363,422	3,468,871
	<hr/>	<hr/>	<hr/>
Other reserves (AED'000)	932	(503)	429
	<hr/>	<hr/>	<hr/>

On 11 September 2024, the listing date on ADX, the Group's ownership interest in NMDC Energy PJSC ('NMDCE') was diluted by 23% for a consideration of AED 3,103 million. An amount of AED 1,736 million was transferred to non-controlling interests during the period ended 31 December 2024.

On 30 September 2024, the Group disposed 49% of its interest in Alpha Dhabi Construction Holding LLC ('ADCH') for a consideration of AED 3,562 million. An amount of AED 1,456 million was transferred to non-controlling interests during the period ended 31 December 2024. The above transaction did not result in any loss of control. As a result, the difference between carrying value and proceeds were directly recognised in the retained earnings.

d) During the year, the Group acquired 6.44% additional ownership interest in ADMO for AED 114 million and acquired 10% additional ownership interest in Falcon Investments LLC for AED 16 million. The difference between the carrying values and the proceeds were directly recognised in the retained earnings.

During the prior period

e) The Group held 38.95% of PHH. On 30 March 2023, the shareholders of PHH amended shareholders' agreement, pursuant of which shareholder resolutions, which earlier required approval from majority of shareholders, has been amended to unanimous approval. As a result, the Group lost control over PHH and accordingly derecognised carrying value of assets and liabilities of PHH and recognised its interest as an investment in a joint venture at fair value.

The fair value of the retained interest in PHH was determined by a third-party valuation expert at 100% equity stake valued based on a sum of the parts ("SOTP") approach using the discounted cash flow ("DCF") methodology under the income approach as primary valuation methodology to arrive at the enterprise value of each business. The significant assumptions used in the fair value calculation include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

43 Group's reorganisations (continued)

The carrying value of the assets and liabilities of PHH derecognised are as follows:

	Notes	2023 AED '000
Non-current assets		
Property, plant and equipment	5	1,779,997
Intangible assets	6	3,134,440
Goodwill	7	1,342,106
Investment properties	8	3,145
Right-of-use assets	9	1,425,275
Investment in associates and joint ventures	10	46,273
Investment in financial assets	12	238,433
Trade and other receivables		4,757
		<hr/>
		7,974,426
Current assets		
Inventories		544,640
Due from related parties		172,439
Trade and other receivables		7,944,436
Investment in financial assets	12	343,085
Contract assets		1,986,334
Cash and bank balances		5,497,768
		<hr/>
		16,488,702
Total assets		<hr/>
		24,463,128
Non-current liabilities		
Provision for employees' end of service benefits	26	1,541,480
Bank borrowings	27	288,358
Lease liabilities	9	1,409,841
Trade and other payables		103,019
		<hr/>
		3,342,698
Current liabilities		
Lease liabilities	9	144,498
Due to related parties		1,008,357
Contract liabilities		2,269,070
Bank borrowings	27	4,773
Trade and other payables		6,133,333
		<hr/>
		9,560,031
Total liabilities		<hr/>
		12,902,729

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

43 Group's reorganisations (continued)

	Note	2023 AED '000
Net asset directly associated with derecognition of a subsidiary		11,560,399
Less: net assets attributable to non-controlling interests		(7,059,849)
		<hr/>
Net assets attributable to owners of the Company		4,500,550
Less: fair value of retained interest	10	(11,957,944)
		<hr/>
Gain on derecognition		(7,457,394)
		<hr/>

- f) On 1 July 2023, the Group reduced its ownership in Aldar Estate Holding Limited ('AEHL') from 32% to 21% and an amount of AED 102 million was transferred to non-controlling interests from retained earnings during the year ended 31 December 2023.

	AEHL
31 December 2023	
Reduction in shareholding (%)	11.04%
Carrying value of the shareholding (AED'000)	921,888
	<hr/>
Difference recognised directly in retained earnings (AED'000)	101,780
	<hr/>

- g) During the prior year, the Group acquired 25% additional ownership interest in W Solar Investment LLC for no consideration. As a result, the loss of AED 571 thousand (2022: Nil) was transferred from non-controlling interests to retained earnings in the year ended 31 December 2023.

44 Segment information

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of financial performance and internal reports about components of the Group in order to allocate resources to the segment and to assess its performance. For operating purposes, the Group is organised into the following business segments or revenue streams:

- (i) Industrial, which includes to the provision of dredging and associated land reclamation works and execution of engineering, procurement and construction contracts;
- (ii) Construction, which provides contracting services relating to commercial and residential buildings, infrastructure development and civil construction works;
- (iii) Real estate, which includes rental income from properties and income from investment in real estate companies or sale of real estate; and
- (iv) Services and other segments which comprise management services, hospitality income as well as a variety of smaller ancillary activities. This includes investment, insurance revenue, and Islamic financing.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

44 Segment information (continued)

The following table presents revenue and profit information for the Group's operating segments for 2024:

	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Revenue	26,264,929	18,007,813	11,645,056	7,478,138	-	63,395,936
Inter-segment sales*	-	124,289	202,893	217,059	(544,241)	-
Total revenue	26,264,929	18,132,102	11,847,949	7,695,197	(544,241)	63,395,936
Segment gross profit	3,611,573	5,886,876	1,043,811	2,978,590	(85,347)	13,435,503
General, administrative and selling expenses	(340,554)	(1,371,199)	(262,350)	(2,294,504)	262,665	(4,005,942)
Share of results of associates and joint ventures	37,104	(14,463)	22,148	562,935	-	607,724
Impairment of financial and other assets	(21,163)	(16,957)	480	(30,175)	-	(67,815)
Other income	235,220	952,673	161,233	2,234,640	(830,952)	2,752,814
Government grant income	-	-	-	-	-	-
Gain on derecognition of investment in associates and joint ventures	-	-	-	1,417,680	-	1,417,680
Gain on increase of equity of an associate	-	-	-	718,185	-	718,185
Finance costs, net	(222,836)	(101,362)	68,323	(439,269)	18,891	(676,253)
Profit before tax	3,299,344	5,335,568	1,033,645	5,148,082	(634,743)	14,181,896
Income tax	(348,195)	(150,839)	(104,550)	(64,449)	-	(668,033)
Profit after tax	2,951,149	5,184,729	929,095	5,083,633	(634,743)	13,513,863

*Inter-segment sales are generally charged at prevailing market prices.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

44 Segment information (continued)

The following table presents revenue and profit information for the Group's operating segments for 2023:

	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Revenue	16,737,314	10,194,199	8,238,588	10,245,494	-	45,415,595
Inter-segment sales*	-	315,054	387,329	300,974	(1,003,357)	-
Total revenue	16,737,314	10,509,253	8,625,917	10,546,468	(1,003,357)	45,415,595
Segment gross profit	2,075,584	3,722,977	791,706	2,967,155	(209,919)	9,347,503
General, administrative and selling expenses	(266,315)	(1,207,023)	(189,000)	(2,578,041)	283,946	(3,956,433)
Share of results of associates and joint ventures	52,647	(69,729)	62,499	214,576	-	259,993
Impairment of financial and other assets	22,255	(37,994)	(69,804)	(348,728)	-	(434,271)
Other income	287,932	244,277	241,211	1,250,517	(787,173)	1,236,764
Government grants income	-	-	-	330,767	-	330,767
Gain on derecognition of a subsidiary	-	-	-	7,457,394	-	7,457,394
Gain on derecognition and partial disposal of investment in associates and joint ventures	-	-	-	55,707	-	55,707
Finance costs, net	(644)	(113,624)	26,408	(317,555)	20,104	(385,311)
Profit before tax	2,171,459	2,538,884	863,020	9,031,792	(693,042)	13,912,113
Income tax	(44,552)	(554,699)	-	(31,612)	-	(630,863)
Profit after tax	2,126,907	1,984,185	863,020	9,000,180	(693,042)	13,281,250

*Inter-segment sales are generally charged at prevailing market prices.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

44 Segment information (continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2024.

	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Non-current assets	9,353,722	32,098,056	1,200,049	29,599,659	(528,015)	71,723,471
Current assets	29,480,103	49,350,055	11,351,891	20,995,724	(5,381,812)	105,795,961
Total assets	38,833,825	81,448,111	12,551,940	50,595,383	(5,909,827)	177,519,432
Non-current liabilities	5,170,997	13,561,059	387,795	11,422,789	(31,362)	30,511,278
Current liabilities	19,656,754	20,027,763	9,040,156	15,142,206	(9,186,594)	54,680,285
Total liabilities	24,827,751	33,588,822	9,427,951	26,564,995	(9,217,956)	85,191,563

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2023.

	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
Non-current assets	6,172,575	35,519,144	1,013,610	24,173,105	(6,843)	66,871,591
Current assets	15,603,281	37,301,872	9,130,514	14,084,065	(3,303,136)	72,816,596
Assets related to discontinued operations	-	-	-	665,500	-	665,500
Total assets	21,775,856	72,821,016	10,144,124	38,922,670	(3,309,979)	140,353,687
Non-current liabilities	2,340,861	14,358,349	369,732	9,928,607	2,988	27,000,537
Current liabilities	10,926,064	16,280,203	7,193,982	5,573,060	(2,631,161)	37,342,148
Liabilities related to discontinued operations	-	-	-	33,971	-	33,971
Total liabilities	13,266,925	30,638,552	7,563,714	15,535,638	(2,628,173)	64,376,656

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

44 Segment information (continued)

The following table presents other segment information:

	Industrial AED '000	Real estate AED '000	Construction AED '000	Services and other segments AED '000	Eliminations AED '000	Total AED '000
At 31 December 2024						
Depreciation and amortisation	686,321	977,326	191,890	708,627	(72,420)	2,491,744
Addition to non- current assets	2,730,584	2,140,597	364,537	1,326,424	3,968	6,566,110
At 31 December 2023						
Depreciation and amortisation	480,634	956,676	132,192	744,647	(74,643)	2,239,506
Addition to non- current assets	1,241,254	1,716,112	301,424	1,316,596	(7,890)	4,567,496

The Group has aggregated its geographical segments into the UAE and overseas. Overseas includes operations in Bahrain, British Virgin Islands, Cayman Island, Cyprus, Egypt, Greece, Hong Kong, India, Kuwait, Maldives, Mozambique, Oman, Philippines, Qatar, Russia, Saudi Arabia, Seychelles, Sudan, Syria, United Kingdom, and United States of America.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

44 Segment information (continued)

The following table shows the Group's geographical segment analysis:

	UAE AED '000	Overseas AED '000	Total AED '000
31 December 2024			
Revenue	53,913,775	9,482,161	63,395,936
Gross profit	11,592,644	1,842,859	13,435,503
Non-current assets	68,678,047	3,045,424	71,723,471
31 December 2023			
Revenue	39,589,289	5,826,306	45,415,595
Gross profit	8,753,564	593,939	9,347,503
Non-current assets	63,523,088	3,348,503	66,871,591

45 Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

45 Fair value measurement (continued)

Fair value of the Group's assets that are measured at fair value on recurring basis

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's assets are determined.

	Fair value as at 31 Dec					
	2024	2023				
	AED '000	AED '000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets / (liabilities)						
Quoted equity investment -investment in financial assets at FVTPL	6,653,314	2,114,333	Level 1	Quoted prices in active markets	None	Not applicable
Quoted equity investment -investment in financial assets at FVTOCI	24,879	-	Level 1	Quoted prices in active markets	None	Not applicable
Unquoted equity investment - investment in financial assets at FVTPL	7,506,220	5,223,691	Level 2	Significant observable inputs	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unquoted equity investment - investment in financial assets at FVTOCI	-	286,065	Level 3	Comparable method	None	Not applicable
Derivative financial assets	12,056	32,913	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liabilities	(45,630)	(12,138)	Level 2	Significant observable inputs	None	Not applicable
Non-financial assets						
Biological assets	15,886	19,039	Level 2	Significant observable inputs	None	Not applicable
Investment properties						
- Plots of land	1,743,166	1,395,952	Level 3	Refer to Note 8	None	Not applicable
- Commercial and residential properties	26,412,714	24,950,789	Level 3	Refer to Note 8	None	Not applicable
- Property under construction	1,608,291	820,510	Level 3	Refer to Note 8	None	Not applicable

There were no transfers between the levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table. There were no unobservable inputs to the fair value.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments

Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Categories of financial instruments:

	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	Amortised cost	Total
	-----AED'000-----				
Financial assets					
31 December 2024					
Investments in financial assets	-	14,159,534	24,879	4,013	14,188,426
Contract assets	-	-	-	12,540,636	12,540,636
Trade and other receivables (excluding prepayments and deposits, and advances to suppliers)	12,056			20,839,076	20,851,132
Due from related parties	-	-	-	5,435,642	5,435,642
Cash and bank balances	-	-	-	28,780,404	28,780,404
	<u>12,056</u>	<u>14,159,534</u>	<u>24,879</u>	<u>67,599,771</u>	<u>81,796,240</u>
31 December 2023					
Investments in financial assets	-	7,338,024	286,065	50,625	7,674,714
Contract assets	-	-	-	8,936,145	8,936,145
Trade and other receivables (excluding prepayments and deposits, and advances to suppliers)	32,913	-	-	13,495,767	13,528,680
Due from related parties	-	-	-	725,757	725,757
Cash and bank balances	-	-	-	20,183,615	20,183,615
	<u>32,913</u>	<u>7,338,024</u>	<u>286,065</u>	<u>43,391,909</u>	<u>51,048,911</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Categories of financial instruments (continued)

	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total
	-----AED'000-----			
Financial liabilities				
31 December 2024				
Lease liabilities	-	-	2,010,583	2,010,583
Due to related parties	-	-	1,114,963	1,114,963
Bank borrowings	-	-	21,207,434	21,207,434
Non-convertible sukuk	-	-	6,861,162	6,861,162
Contract liabilities	-	-	12,357,004	12,357,004
Trade and other payables	-	45,630	32,798,067	32,843,697
	<hr/>	<hr/>	<hr/>	<hr/>
	-	45,630	76,349,213	76,394,843
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2023				
Lease liabilities	-	-	1,530,366	1,530,366
Due to related parties	-	-	969,483	969,483
Bank borrowings	-	-	17,133,370	17,133,370
Non-convertible sukuk	-	-	5,502,954	5,502,954
Contract liabilities	-	-	7,176,082	7,176,082
Trade and other payables	9,790	2,348	24,851,648	24,863,786
	<hr/>	<hr/>	<hr/>	<hr/>
	9,790	2,348	57,163,903	57,176,041
	<hr/>	<hr/>	<hr/>	<hr/>

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return on equity. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Capital risk management (continued)

At end of the year, the net debt to equity ratio is as follows:

	2024 AED '000	2023 AED '000
Debt	30,092,479	24,179,990
Less: cash and bank balances	(28,780,404)	(20,183,615)
Net surplus	1,312,075	3,996,375
Net equity	92,327,869	75,977,031
Debt to equity ratio (%)	32.59%	31.83%

Financial risk management objectives

The Group monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk, insurance risk, and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group enters a variety of derivative financial instruments to manage its exposure to interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to cash flow interest rate risk on its bank borrowings at floating interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for interest bearing financial instruments at the end of the reporting year. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

If interest rates had been 75 basis points higher / lower throughout the year and all other variables were held constant, the Group's profit and equity for the year ended 31 December 2024 would decrease / increase by approximately AED 110,779 thousand (2023: decrease / increase AED 68,050 thousand).

Interest rate swap contracts

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

The notional principal amounts and terms of interest rate swaps are disclosed in Note 29.

Foreign currency risk

Foreign currency risk is the risk that a financial instrument will fluctuate due to changes in foreign exchange rates. Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant loss due to exchange rate fluctuations and consequently the Group does not necessarily hedge its foreign currency exposure.

	2024		2023	
	Liabilities	Assets	Liabilities	Assets
	AED '000	AED '000	AED '000	AED '000
Egyptian Pound (EGP)	4,604,913	5,607,295	3,836,532	5,550,932
Euro (EUR)	1,352,122	1,624,457	435,318	1,759,002
Great Britain Pound (GBP)	2,296,584	2,434,224	1,093,314	1,573,794
Others	285,679	341,307	63,297	75,670

Foreign currency sensitivity analysis

The Group is mainly exposed to Egyptian Pound (EGP), Euro (EUR) and Great Britain Pound (GBP). The exchange rate of the UAE Dirham is pegged to the US Dollar and therefore the risks associated therewith are considered to be insignificant.

The following paragraph details the Group's sensitivity to a 10% increase or decrease in the UAE Dirham against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Group's assessment of the reasonably conceivable change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****46 Financial instruments (continued)****Foreign currency risk (continued)***Foreign currency sensitivity analysis (continued)*

Based on the sensitivity analysis to a 10% (2023: 10%) increase / decrease in the Egyptian Pound against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 100,238 thousand (2023: AED 171,440 thousand) mainly as a result of foreign exchange differences on translation of Egyptian Pound denominated amounts.

Based on the sensitivity analysis to a 10% (2023: 10%) increase / decrease in the Euro against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 27,234 thousand (2023: AED 132,368 thousand) mainly as a result of foreign exchange differences on translation of Euro denominated amounts.

Based on the sensitivity analysis to a 10% (2023: 10%) increase / decrease in the Great Britain Pound against the UAE Dirham with all other variables held constant will result in equity for the year to be higher or lower by AED 13,764 thousand (2023: AED 48,048 thousand) mainly as a result of foreign exchange differences on translation of Great Britain Pound denominated amounts.

The Group believes that the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

Equity price risk

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (see Note 12) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The Group invested in a portfolio of listed shares which are held-for-trading (see Note 12). This type of investment is approved by the Board as the alternative to investment in money market funds in order to generate higher investment return on the spare funds.

The Group's listed equity securities are susceptible to market price arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification and placing limits on individual and total equity investments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 5 per cent higher / lower:

- Net profit for the year ended 31 December 2024 would increase by AED 332,666 thousand (2023: AED 105,717 thousand) as a result of the changes in fair value of the investments in listed shares and vice versa.
- Other comprehensive income would increase by AED 1,244 thousand (2023: AED Nil) as a result of the changes in fair value of the investments in equity instruments and vice versa.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
31 December 2024							
Trade receivables	15	N/A	(i)	Lifetime ECL	12,524,127	(444,680)	12,079,447
Retention receivables	15	N/A	(i)	Lifetime ECL	2,503,542	(67,473)	2,436,069
Contract assets	13	N/A	(i)	Lifetime ECL	12,704,720	(164,084)	12,540,636
Due from related parties	18	N/A	(i)	12-month ECL	6,094,399	(658,757)	5,435,642
Bank balances	19	BB	NA	12-month ECL	28,780,409	(5)	28,780,404
Financial investments	12	N/A	(i)	12-month ECL	4,166	(153)	4,013
Other receivables	15	N/A	(i)	12-month ECL	6,338,870	(15,310)	6,323,560

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Credit risk (continued)

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
31 December 2023							
Trade receivables	15	N/A	(i)	Lifetime ECL	9,884,754	(455,158)	9,429,596
Retention receivables	15	N/A	(i)	Lifetime ECL	1,185,311	(68,193)	1,117,118
Contract assets	13	N/A	(i)	Lifetime ECL	9,088,207	(152,062)	8,936,145
Due from related parties	18	N/A	(i)	12-month ECL	1,369,307	(643,550)	725,757
Bank balances	19	BB	NA	12-month ECL	20,214,520	(30,905)	20,183,615
Financial investments	12	N/A	(i)	12-month ECL	51,021	(396)	50,625
Other receivables	15	N/A	(i)	12-month ECL	2,966,124	(15,864)	2,950,260

For trade receivables, retention receivables and contract assets, the Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk

Ultimate responsibility for liquidity risk rests with the management, which has built an appropriate liquidity risk management framework for the planning of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

46 Financial instruments (continued)

Liquidity risk (continued)

	Current less than 1 year AED '000	Non-current greater than 1 year AED '000	Total AED '000
31 December 2024			
Trade and other payables (excluding provision for onerous projects)	29,507,143	4,141,527	33,648,670
Bank borrowings	4,417,299	19,106,119	23,523,418
Non-convertible sukuks	1,741,203	7,201,746	8,942,949
Due to related parties	1,114,963	-	1,114,963
Contract liabilities	12,357,004	-	12,357,004
Lease liabilities	268,172	2,874,154	3,142,326
	49,405,784	33,323,546	82,729,330
31 December 2023			
Trade and other payables (excluding provision for onerous projects)	20,638,890	4,444,220	25,083,110
Bank borrowings	3,536,467	15,321,267	18,857,734
Non-convertible sukuks	46,098	6,920,565	6,966,663
Due to related parties	969,483	-	969,483
Contract liabilities	7,176,082	-	7,176,082
Lease liabilities	150,421	1,906,821	2,057,242
	32,517,441	28,592,873	61,110,314

At 31 December 2024, the Group had available AED 12,280 million (2023: AED 17,179 million) of undrawn committed borrowing facilities in respect of which all conditions precedent have been met.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

47 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Particulars	Bank borrowings AED '000	Loan from a related party AED '000	Lease liabilities AED '000	Derivative financial instruments AED '000
At 1 January 2024	17,133,370	13,300	1,530,366	12,138
Recognition of lease liability	-	-	590,062	-
Assets arising on acquisition of subsidiaries	-	-	90,150	-
Eliminated on derecognition of a subsidiary	-	-	(610)	-
Financing cashflows	4,236,048	-	(268,999)	11,926
Other changes	(161,984)	-	69,614	21,566
At 31 December 2024	21,207,434	13,300	2,010,583	45,630
At 1 January 2023	14,515,560	13,300	2,507,887	50,171
Recognition of lease liability	-	-	164,257	-
Assets arising on acquisition of subsidiaries	635,755	-	495,605	(12,093)
Eliminated on derecognition of a subsidiary	(293,131)	-	(1,469,222)	-
Disposal group classified as held-for-sale	-	-	-	-
Financing cashflows	2,402,053	-	(135,975)	184,059
Other changes	(126,867)	-	(32,186)	(209,999)
At 31 December 2023	17,133,370	13,300	1,530,366	12,138

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

48 Subsequent events

Subsequent to year end, the Group has entered into the following transactions:

- a) On 22 April 2024, Alpha Dhabi Hospitality Holding LLC ('ADHH') and Murban Energy Limited ('Murban'), (both subsidiaries of the Company and collectively referred to as the sellers), along with National Corporation for Tourism & Hotels PJSC ('NCTH' or the buyer), have entered into a share sale and purchase agreement. Pursuant to this agreement, ADHH and Murban agreed to sell certain assets to NCTH in exchange for NCTH shares, subject to specified closing obligations.

Subsequent to the year end, the closing obligations have been fulfilled, and the Group has acquired a strategic controlling interest of 73.73% in NCTH. Both the Company and NCTH aim to capitalise on the growing demand for luxury tourism offerings in the UAE and beyond.

- b) On 30 December 2024, Aldar Investment Properties LLC, a subsidiary of the Group signed an agreement with effective date of 1 January 2025 to acquire 60% of the shares of Masdar Green REIT (CEIC) Limited ("MGR") (major shareholder - a related party) for a consideration of AED 1.34 billion subject to adjustments as per the terms of the agreement. MGR is a private company limited by shares incorporated in the Abu Dhabi Global Market ("ADGM"), Abu Dhabi, UAE and is involved in the ownership, management and leasing of various real estate assets located in Masdar City, Abu Dhabi comprised predominantly of offices and residential properties.
- c) On 10 January 2025, Aldar Properties PJSC, a subsidiary of the Group, finalised an AED 9 billion equivalent sustainability-linked syndicated senior unsecured committed multi-tranche revolving credit facility. The five-year facility comprises conventional and Islamic tranches denominated in AED and USD and is linked to a floating rate and sustainability related key performance indicators.
- d) On 15 January 2025, Aldar Properties PJSC, a subsidiary of the Group, issued USD denominated conventional dated hybrid notes "Dated Hybrid 1", amounting to USD 1,000,000 thousand (AED 3,672,500 thousand) with a 30.25-year term and a non-call period of 7.25-year. Dated Hybrid 1 is listed on Euronext Dublin, an Irish stock exchange, carries an annual interest rate of 6.6227%, and is due for repayment in April 2055.
- e) On 24 January 2025, Aldar Development LLC, a subsidiary of the Group, signed an agreement with Confluence Partners Real Estate Rsc Ltd ("Confluence"), a related party, to acquire 60% shares of Libra Property Holding Rsc Limited, a restricted scope company organised and existing under the laws of the ADGM, UAE ("Libra"), while the remaining 40% shares will be owned by Confluence. Libra will be involved in the business of developing and selling real estate on a land plot with a total area of 333 thousand sqm located between Saadiyat Island and Reem Island in Abu Dhabi.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

48 Subsequent events (continued)

- f) On 27 January 2025, Pure Health Holding PJSC ('PHH'), an associate of the Group, has reached a definitive agreement to acquire a 60% stake in Hellenic Healthcare S.à R.L. ('Hellenic'), which is registered in Luxembourg. Hellenic is valued at an enterprise value of €2.2 billion (approximately AED 8.53 billion). The deal is still subject to customary regulatory and legal formalities before it is finalized.
- g) On 3 February, the Group entered into a Sale and Purchase Agreement ('SPA') with Emirates Business Group LLC ('EBG'), the minority shareholder of Mawarid Holding Investment LLC ('Mawarid'), to acquire a 10% ownership interest in Mawarid from EBG, subject to the fulfilment of certain closing conditions.
- h) On 5 February 2025, Aldar Properties PJSC, a subsidiary of the Group, issued resettable subordinated hybrid notes private placement amounting to USD 500,000 thousand (AED 1,836,250 thousand) with a 30.25-year term and a non-call period of 10.25 years, carries an annual interest rate of 7.0%, and is due for repayment in May 2055.