

ALDAR PROPERTIES PJSC

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

ALDAR PROPERTIES PJSC

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

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aldar Properties PJSC (the "Company") and its subsidiaries (together the "Group") as at 30 June 2019 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other matter

The Group's consolidated financial statements as at 31 December 2018 were audited by another auditor whose report dated 13 February 2019 expressed an unmodified opinion thereon. The prior period comparative amounts in the condensed consolidated income statement, statement of comprehensive income for the three months and six months period ended 30 June 2018, statement of changes in equity and statement of cash flows and related explanatory information for the six months period ended 30 June 2018, were reviewed by another auditor who issued an unmodified conclusion dated 6 August 2018.

Deloitte & Touche (M.E.)



Georges F. Najem
Registration No. 809
7 August 2019
Abu Dhabi
United Arab Emirates


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

		30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,515,084	3,600,971
Intangible assets and goodwill	6	193,906	198,117
Investment properties	7	17,022,776	16,408,303
Investment in associates and joint ventures	8	222,401	993,531
Financial assets at fair value through other comprehensive income	9	89,031	96,116
Other financial asset		-	14,024
Trade and other receivables	10	391,768	399,002
Total non-current assets		21,434,966	21,710,064
Current assets			
Land held for sale		3,873,780	3,806,071
Development work in progress	11	3,083,297	2,473,374
Inventories	12	437,656	469,144
Trade and other receivables	10	5,344,290	5,070,445
Cash and bank balances	13	3,840,603	5,014,607
Total current assets		16,579,626	16,833,641
TOTAL ASSETS		38,014,592	38,543,705

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

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


	Notes	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
EQUITY AND LIABILITIES			
Equity			
Share capital		7,862,630	7,862,630
Legal reserve		3,931,315	3,931,315
Hedging reserve		(17,061)	70,547
Investment revaluation reserve		32,798	34,729
Retained earnings		12,086,580	12,163,947
		<hr/>	<hr/>
Equity attributable to the owners of the Company		23,896,262	24,063,168
Non-controlling interests		117,940	172,662
		<hr/>	<hr/>
Total equity		24,014,202	24,235,830
		<hr/>	<hr/>
Non-current liabilities			
Non-convertible sukuk	14	1,808,163	1,810,140
Bank borrowings	14	5,136,438	4,865,481
Retentions payable		358,470	304,702
Lease liabilities		326,781	430,703
Provision for employees' end of service benefit		157,818	145,479
Other financial liabilities		74,877	5,802
		<hr/>	<hr/>
Total non-current liabilities		7,862,547	7,562,307
		<hr/>	<hr/>
Current liabilities			
Non-convertible sukuk	14	22,538	21,811
Bank borrowings	14	358,718	358,512
Retentions payable		430,516	409,493
Lease liabilities		179,393	99,195
Advances from customers	15	438,463	362,276
Trade and other payables	16	4,708,215	5,494,281
		<hr/>	<hr/>
Total current liabilities		6,137,843	6,745,568
		<hr/>	<hr/>
Total liabilities		14,000,390	14,307,875
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		38,014,592	38,543,705
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Mohamed Al Mubarak
 Chairman



Talal Al Dhiyebi
 Chief Executive Officer



Greg Fewer
 Chief Financial Officer

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

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

	Notes	3 months ended 30 June		6 months ended 30 June	
		2019 (unaudited) AED'000	2018 (unaudited) AED'000	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Revenue		1,656,148	1,511,463	3,420,653	2,981,388
Direct costs		(987,317)	(862,628)	(2,029,039)	(1,617,115)
Gross profit		668,831	648,835	1,391,614	1,364,273
Selling and marketing expenses		(17,169)	(16,851)	(42,069)	(39,140)
<i>General and administrative expenses</i>					
Staff costs		(60,182)	(54,854)	(117,774)	(105,552)
Depreciation and amortisation		(66,304)	(56,124)	(131,523)	(100,883)
Provisions, impairments and write downs - net		(2,527)	(13,020)	(16,941)	(20,789)
Others		(24,719)	(31,482)	(47,025)	(55,731)
Loss on revaluation of investment properties	7	(40,138)	(189,902)	(80,275)	(229,804)
Share of (loss)/profit from associates and joint ventures	8	(4,375)	17,863	(910)	35,913
Gain on disposal of joint venture	8	-	-	-	30,319
Gain on disposal of property, plant and equipment	5	23,013	-	23,013	-
Gain on disposal of investment property	7	-	-	17,690	-
Finance income	17	18,600	12,886	42,710	37,597
Finance costs	18	(88,242)	(74,406)	(177,384)	(140,014)
Other income	19	69,359	202,282	107,553	337,528
Profit for the period		476,147	445,227	968,679	1,113,717
Attributable to:					
Owners of the Company		470,428	446,534	1,023,401	1,116,001
Non-controlling interests		5,719	(1,307)	(54,722)	(2,284)
		476,147	445,227	968,679	1,113,717
Basic and diluted earnings per share (AED)	20	0.060	0.057	0.130	0.142

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

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

	3 months ended 30 June		6 months ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Profit for the period	476,147	445,227	968,679	1,113,717
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Loss on revaluation of financial assets at fair value through other comprehensive income ("FVTOCI")	(2,864)	(3,926)	(1,931)	(4,426)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Changes in fair value of cash flow hedges	(48,451)	22,787	(89,325)	81,754
Reclassification of hedging reserve of a joint venture upon derecognition (note 8)	-	-	1,717	-
Other comprehensive (loss)/income for the period	(51,315)	18,861	(89,539)	77,328
Total comprehensive income for the period	424,832	464,088	879,140	1,191,045
Total comprehensive income attributable to:				
Owners of the Company	419,113	465,395	933,862	1,193,329
Non-controlling interests	5,719	(1,307)	(54,722)	(2,284)
	424,832	464,088	879,140	1,191,045

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

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

	Share capital AED'000	Legal reserve AED'000	Hedging reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Equity attributable to Owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2018 (audited)	7,862,630	3,931,315	(17,024)	44,084	11,200,549	23,021,554	213,611	23,235,165
Non-controlling interests acquired on the acquisition of subsidiary (note 21)	-	-	-	-	-	-	41,101	41,101
Profit for the period	-	-	-	-	1,116,001	1,116,001	(2,284)	1,113,717
Other comprehensive income/(loss)	-	-	81,754	(4,426)	-	77,328	-	77,328
Dividends (note 26)	-	-	-	-	(943,515)	(943,515)	-	(943,515)
Balance at 30 June 2018 (unaudited)	7,862,630	3,931,315	64,730	39,658	11,373,035	23,271,368	252,428	23,523,796
Balance at 1 January 2019 (audited)	7,862,630	3,931,315	70,547	34,729	12,163,947	24,063,168	172,662	24,235,830
Profit for the period	-	-	-	-	1,023,401	1,023,401	(54,722)	968,679
Other comprehensive loss	-	-	(87,608)	(1,931)	-	(89,539)	-	(89,539)
Dividends (note 26)	-	-	-	-	(1,100,768)	(1,100,768)	-	(1,100,768)
Balance at 30 June 2019 (unaudited)	7,862,630	3,931,315	(17,061)	32,798	12,086,580	23,896,262	117,940	24,014,202

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

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

	Notes	6 months ended 30 June	
		2019 (unaudited) AED'000	2018 (unaudited) AED'000
Net cash from/(used in) operating activities (i)		36,274	(1,570,133)
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(25,326)	(37,802)
Purchases of intangible assets	6	(1,656)	(2,363)
Purchases of investment properties		(72,509)	(643,229)
Acquisition of operating business, net of cash acquired	21.3	-	(928,337)
Acquisition of cash and cash equivalents	8	89,783	-
Proceeds from disposal of investment properties		281,829	-
Movement in term deposits with original maturities greater than three months		800,392	2,861,410
Movement in restricted bank balances		651,075	158,479
Capital call contributions made against investment in financial assets at FVTOCI		(2,451)	(14,421)
Capital distributions received against investment in financial assets at FVTOCI		7,605	30,416
Finance income received		62,467	77,612
Dividends received		7,600	28,260
Net cash from investing activities		1,798,809	1,530,025
Cash flows from financing activities			
Repayments of borrowings		(1,032,851)	(456,250)
Borrowings raised		794,000	1,500,000
Payment for obligations under lease liabilities		(31,304)	(38,285)
Directors' remuneration paid		(16,075)	(19,279)
Finance costs paid		(170,240)	(116,145)
Dividends paid		(1,101,150)	(944,505)
Net cash used in financing activities		(1,557,620)	(74,464)
Net increase/(decrease) in cash and cash equivalents		277,463	(114,572)
Cash and cash equivalents at beginning of the period		1,394,358	916,907
Cash and cash equivalents at end of the period	13	1,671,821	802,335

- (i) The net cash used in operating activities for the period ended 30 June 2019 include AED 884,000 thousand (30 June 2018: AED 940,000 thousand) relating to funds transferred to third parties for amounts received on their behalf.
- (ii) Refer to note 27 for details of non-cash transactions excluded from the condensed consolidated statement of cash flows.

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

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2019****1 General information**

The establishment of Aldar Properties PJSC (the “Company”) was approved by Decision No. (16) of 2004 of the Abu Dhabi Department of Planning and Economy dated 12 October 2004. The Company’s incorporation was declared by Ministerial Resolution No. (59) of 2005 issued by the UAE Minister of Economy dated 23 February 2005.

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

The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the “Group”) are engaged in various businesses primarily the development, sales, investment, construction, management and associated services for real estate. In addition, the Group is also engaged in development, construction, management and operation of hotels, schools, marinas, cooling station operations, restaurants, beach club and golf courses.

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

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

IFRIC 23 Uncertainty over Income Tax Treatments

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

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

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

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

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

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

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

Amendment to IAS 19 Employee Benefits relating to amendment, curtailment or settlement of a defined benefit plan

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

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

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

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

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

Annual Improvements to IFRSs 2015–2017 Cycle

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

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

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2019 (continued)****3 Summary of significant accounting policies****3.1 Statement of compliance**

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

These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2018. In addition, results for the three months and six months period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

3.2 Basis of preparation

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

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

The accounting policies used in preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective 1 January 2019.

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of these condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies, and the key sources of estimates uncertainty were same as those applied to the consolidated financial statements as at and for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective 1 January 2019.

5 Property, plant and equipment

The major movement in property, plant and equipment relates to depreciation charge for the period amounting to AED 130,640 thousand (30 June 2018: AED 102,288 thousand), additions amounting to AED 25,326 thousand (30 June 2018: AED 37,802 thousand), transfer of assets from investment properties of AED 19,747 thousand (30 June 2018: AED 30,949 thousand) (note 7) and acquisition as part of business combination of nil (30 June 2018: AED 810,145 thousand) (note 21). Further, the Company also sold property, plant and equipment with carrying value of AED 6 thousand and recorded a gain on disposal of AED 23 million (30 June 2018: nil).

Property, plant and equipment includes right-of-use assets with respect to land leases of AED 73,130 thousand (31 December 2018: AED 74,476 thousand).

**Notes to the condensed consolidated financial statements
for the period ended 30 June 2019 (continued)****6 Intangible assets and goodwill**

The major movement in intangible assets and goodwill relates to amortisation for the period amounting to AED 5,866 thousand (30 June 2018: AED 2,937 thousand) and additions amounting to AED 1,656 thousand (30 June 2018: AED 2,363 thousand). Other movement relates to acquisition as part of business combination amounted to nil (30 June 2018: AED 179,809 thousand) and goodwill arising from business combination of nil (30 June 2018: 17,860 thousand) (note 21).

7 Investment properties

The major movement in investment properties relates to additions during the period amounting to AED 1,183,989 thousand (30 June 2018: AED 643,229 thousand), transfer to property, plant and equipment amounting to AED 19,747 thousand (30 June 2018: AED 30,949 thousand) (note 5), loss on revaluation of investment properties amounting to AED 80,275 thousand (30 June 2018: AED 229,804 thousand) and transfer to development work in progress amounting to AED 205,635 thousand (30 June 2018: AED 4,672 thousand) (note 11).

During the period ended 30 June 2019, the Group sold an investment property with a carrying value of AED 263,860 thousand and realised a net gain of AED 17,690 thousand.

During the period ended 30 June 2018, the additions as part of business combination amounted to AED 166,053 thousand (note 21).

Investment properties include right-of-use assets with respect to land lease of AED 347,604 thousand (31 December 2018: AED 361,023 thousand).

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

8 Investment in associates and joint ventures

The major movement in the investment in associates and joint ventures relates to share of the current period loss of AED 910 thousand (30 June 2018: profit of AED 35,913 thousand) and derecognition of investment in joint ventures amounting to AED 771,976 thousand (30 June 2018: AED 49 thousand).

Effective 1 March 2019, the Company entered into a framework agreement with respect to share transfer whereby:

- The Company acquired additional 50% ownership of Aldar Etihad Investment Properties LLC and Aldar Etihad First Investment Properties LLC resulting in holding the entire share capital of these entities. The acquired entities did not meet the definition of business under *IFRS 3 Business Combinations* and hence the acquisitions have been accounted for as assets acquisitions effective 1 March 2019; and
- The Company sold its entire 50% ownership of Aldar Etihad Development LLC, a joint venture.

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

8 Investment in associates and joint ventures (continued)

The above transaction resulted in derecognition of investment in joint ventures accounted for using equity method of AED 771,976 thousand. As per the agreement, the Group will receive an additional asset of AED 30,000 thousand. The Group also assumed bank borrowings in the acquired entities amounting to AED 507,601 thousand. As a result of the above transaction, the Group has also recycled to profit or loss the hedging reserve that was recorded by Aldar Etihad Investment Properties LLC as at the date of the transaction amounting to AED 1,717 thousand.

During the period ended 30 June 2018, the Company sold one of its investments in joint ventures and recognised a gain on sale of AED 30,319 thousand. As per the agreement, the Group is entitled to further compensation which is contingent based on performance of the investee. As of 30 June 2019 and 31 December 2018, fair value of the contingent consideration amounted to nil.

9 Financial assets at fair value through other comprehensive income

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Investment in UAE quoted securities	37,500	38,950
Investment in UAE unquoted securities	15,202	15,202
Investment in international unquoted securities	36,329	41,964
	<u>89,031</u>	<u>96,116</u>

During the period, dividend income of AED 1,400 thousand was received from financial assets at fair value through other comprehensive income (30 June 2018: AED 1,400 thousand).

As at 30 June 2019 and 31 December 2018, the fair value hierarchy are as follows:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 June 2019				
<i>Investments in financial assets at FVTOCI</i>				
Equities	37,500	-	51,531	89,031
	<u>37,500</u>	<u>-</u>	<u>51,531</u>	<u>89,031</u>
31 December 2018				
<i>Investments in financial assets at FVTOCI</i>				
Equities	38,950	-	57,166	96,116
	<u>38,950</u>	<u>-</u>	<u>57,166</u>	<u>96,116</u>

There were no transfers during the period from level 1 and level 2.

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

10 Trade and other receivables

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Non-current portion		
Receivables relating to project finance	138,133	136,016
Receivables from the Government of Abu Dhabi	95,000	95,000
Due from associates and joint ventures	176,763	176,776
Others	83,322	88,914
	<hr/>	<hr/>
	493,218	496,706
Less: allowance for expected credit loss*	(101,450)	(97,704)
	<hr/>	<hr/>
	391,768	399,002
	<hr/> <hr/>	<hr/> <hr/>
Current portion		
Trade receivables	2,130,940	1,827,753
Gross amounts due from customers on contracts for sale of properties	1,466,587	1,096,306
Gross amounts due from customers on contracts to construct an asset	49,397	49,397
Advances and prepayments	978,732	1,109,827
Refundable costs	375,248	478,923
Accrued interest	32,694	42,572
Due from associates and joint ventures	25,688	25,707
Receivables relating to project finance	12,043	14,941
Receivables from the Government of Abu Dhabi	-	279,258
Others	608,729	475,259
	<hr/>	<hr/>
	5,680,058	5,399,943
Less: allowance for expected credit loss*	(335,768)	(329,498)
	<hr/>	<hr/>
	5,344,290	5,070,445
	<hr/> <hr/>	<hr/> <hr/>

*During the period, allowance for expected credit loss of AED 18,954 thousand (30 June 2018: AED 9,812 thousand) was made and receivables amounting to AED 8,938 thousand were written off against allowance (30 June 2018: nil).

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

11 Development work in progress

Major movement in development work in progress relates to development cost incurred during the period amounting to AED 1,241,604 thousand (30 June 2018: AED 1,274,928 thousand), transfer to land held for sale amounting to AED 980 thousand (30 June 2018: transfer from land held for sale amounting to AED 144,506 thousand), transfer from investment properties amounting to AED 205,635 thousand (30 June 2018: AED 4,672 thousand) (note 7), which is offset by recognition in direct costs, the cost of properties sold during the period amounting to AED 824,314 thousand (30 June 2018: AED 539,518 thousand) and transfer to inventories amounting to nil (30 June 2018: AED 317,447 thousand) (note 12). All development work in progress projects are located in the United Arab Emirates.

12 Inventories

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Completed properties	391,949	402,190
Other operating inventories	45,707	66,954
	<hr/>	<hr/>
Balance at the end of the year	437,656	469,144
	<hr/> <hr/>	<hr/> <hr/>

During the period, properties with a value of nil (30 June 2018: AED 317,447 thousand) were transferred to inventories upon completion (note 11).

Completed properties in inventories are located in the United Arab Emirates.

13 Cash and bank balances

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Cash and bank balances	2,765,448	3,313,498
Short term deposits held with banks	1,075,155	1,701,109
	<hr/>	<hr/>
Cash and bank balances	3,840,603	5,014,607
Short term deposits with original maturities greater than three months	(608)	(878,000)
Restricted bank balances	(2,168,174)	(2,742,249)
	<hr/>	<hr/>
Cash and cash equivalents	1,671,821	1,394,358
	<hr/> <hr/>	<hr/> <hr/>

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

13 Cash and bank balances (continued)

Restricted bank balances include balances amounting to AED 888,726 thousand (31 December 2018: AED 1,159,502 thousand) which are deposited into escrow accounts representing cash received from customers against sale of development properties.

The interest rate on term deposits during the period/year ranges between 0.4% and 3.6% (31 December 2018: between 0.4% and 3.5%) per annum. All bank deposits are placed with local banks in the United Arab Emirates.

14 Bank borrowings and non-convertible sukuk

	<u>Non-convertible Sukuk</u>		<u>Bank borrowings</u>		<u>Total borrowings</u>	
	<u>30 June</u> <u>2019</u> <u>(unaudited)</u> <u>AED'000</u>	<u>31 December</u> <u>2018</u> <u>(audited)</u> <u>AED'000</u>	<u>30 June</u> <u>2019</u> <u>(unaudited)</u> <u>AED'000</u>	<u>31 December</u> <u>2018</u> <u>(audited)</u> <u>AED'000</u>	<u>30 June</u> <u>2019</u> <u>(unaudited)</u> <u>AED'000</u>	<u>31 December</u> <u>2018</u> <u>(audited)</u> <u>AED'000</u>
<i>Current</i>						
Within one year	22,538	21,811	358,718	358,512	381,256	380,323
<i>Non-current</i>						
More than one year	1,808,163	1,810,140	5,136,438	4,865,481	6,944,601	6,675,621
	<u>1,830,701</u>	<u>1,831,951</u>	<u>5,495,156</u>	<u>5,223,993</u>	<u>7,325,857</u>	<u>7,055,944</u>

- Bank borrowings are secured in the form of mortgage over certain plots of land, assignment of project receivables and lien on bank deposits.
- Certain Group's borrowings carry a net worth covenant.
- In May 2018, the Group entered into a transaction with a financial institution ("The revolving credit facility") that meets the offsetting criteria under IAS 32. The transaction involves a borrowing that is immediately offset with a deposit resulting in the presentation of a net borrowing in the condensed consolidated statement of financial position. As of period end, the net borrowing was AED 2,415,750 thousand (Borrowing of AED 4,881,250 thousand less deposit of AED 2,465,500 thousand) (31 December 2018: AED 2,147,000 thousand). The net borrowing is un-secured, carries interest at relevant EBOR + 1%, drawn for general corporate purposes and repayable in semi-annual instalments of AED 31,250 thousand each. The deposit earns interest at 0.75% plus 3 months EBOR.

15 Advances from customers

Advances from customers represent mainly instalments collected from customers for the sale of the Group's property developments and security deposits.

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

16 Trade and other payables

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Trade payables	615,085	467,694
Accrual for contractors' costs	1,753,900	1,738,118
Advances from the Government of Abu Dhabi	849,274	1,285,612
Due to the Government of Abu Dhabi	310,108	640,657
Deferred income	256,408	363,082
Dividends payable (note 26)	91,319	91,701
Gross amount due to customers on contracts to construct an asset	96,321	41,478
Gross amount due to customers on contracts for sale of properties	18,262	-
Provision for onerous contracts	18,760	31,501
Other liabilities*	698,778	834,438
	<u>4,708,215</u>	<u>5,494,281</u>

* Other liabilities include contingent consideration payable of AED 60,990 thousand at 30 June 2019 and at 31 December 2018.

The Group has financial and risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

17 Finance income

	<u>3 months ended 30 June</u>		<u>6 months ended 30 June</u>	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Interest/profit earned on:				
Islamic deposits	4,088	4,412	12,378	15,019
Term deposits	2,931	1,349	6,847	8,753
Call and current accounts	5,166	840	10,885	1,988
Total interest/profit earned	<u>12,185</u>	<u>6,601</u>	<u>30,110</u>	<u>25,760</u>
Finance income earned on receivables from project finance	3,063	3,275	6,133	6,558
Other finance income	3,352	3,010	6,467	5,279
	<u>18,600</u>	<u>12,886</u>	<u>42,710</u>	<u>37,597</u>

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

18 Finance costs

	3 months ended 30 June		6 months ended 30 June	
	2019	2018	2019	2018
	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000
Finance costs on bank borrowings and non-convertible sukuk	82,436	69,016	165,773	129,363
Unwinding of finance cost on operating lease liability (note 23.2)	4,307	5,390	8,613	10,651
Others	1,499	-	2,998	-
	88,242	74,406	177,384	140,014

19 Other income

	3 months ended 30 June		6 months ended 30 June	
	2019	2018	2019	2018
	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000
Government grant income recorded upon handover of infrastructure assets (note 22)	-	54,315	-	187,674
Release of infrastructure accruals and other accruals and provisions	-	-	28,441	-
Gain on bargain purchase (note 21)	-	132,791	-	132,791
Others*	69,359	15,176	79,112	17,063
	69,359	202,282	107,553	337,528

* Others include an amount of AED 60,942 thousand representing fair value of a plot of land acquired from Tourism Development Investment Company PJSC ("TDIC") pursuant to a warranty claim settlement under the framework agreement (Note 21).

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

20 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Parent is based on the following data:

	<u>3 months ended 30 June</u>		<u>6 months ended 30 June</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
Earnings (AED'000)				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to Owners of the Company)	470,428	446,534	1,023,401	1,116,001
Weighted average number of shares (000)				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	7,862,630	7,862,630	7,862,630	7,862,630
Basic and diluted earnings per share attributable to owners of the Company in AED	0.060	0.057	0.130	0.142

21 Business combination

During the period ended 30 June 2018, the Company signed a framework agreement (the "Agreement") with TDIC to acquire a portfolio of real estate assets, including limited liability companies, operating businesses and other assets for a total consideration AED 3,625,000 thousand as given below:

	AED'000
Operating Businesses (notes 21.1 and 21.2) and other assets	1,575,000
Projects under development and lands	2,050,000
	<u>3,625,000</u>

The acquisition comprised of assets and businesses across hospitality, retail, residential, district cooling and education sectors. The aforementioned acquisition is a part of the Group's strategic plan to profitably deploy capital to expand its portfolio. Based on the Agreement, the effective date of acquisition of assets and control over the operating businesses acquired had been determined as 1 May 2018.

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

21 Business combination (continued)

21.1 Operating businesses

Under the Agreement, the operating businesses acquired, included the acquisition of certain legal entities (listed in 21.1.1 below) and other businesses (listed in 21.1.2 below) acquired from TDIC. The operating businesses met the definition of “Business” under IFRS 3.

21.1.1 Legal entities acquired

Name	Ownership interest	Country of incorporation/ operation	Principal activity
TDIC Food & Beverage - Sole Proprietorship LLC	100%	UAE	Restaurant management
TDIC Education - Sole Proprietorship LLC	100%	UAE	Educational activities
Saadiyat District Cooling LLC	100%	UAE	Cooling station operations
Saadiyat Cooling LLC	85%	UAE	Cooling station operations

21.1.2 Other businesses acquired

Name	Principal activity
Saadiyat Beach Club	Beach club
Eastern Mangroves Hotel & Spa	Hotel and hospitality services
The Westin Abu Dhabi Golf Resort & Spa	Hotel and hospitality services
Abu Dhabi Golf Club	Golf club
Saadiyat Beach Golf Club	Golf club
Eastern Mangroves Retail and Marina	Retail units and marina
Al Bateen Marina Retail and Marina	Retail units and marina

For the above operating businesses, as per the Agreement, the Group acquired control from the effective date. The country of incorporation and operation of all the other businesses is UAE.

The operating businesses acquired represent business combinations under IFRS 3 *Business Combinations* and have been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed forming part of business combination, has been recognised at its respective fair values, as of 1 May 2018. The remaining assets were accounted for and classified as additions of assets by their nature.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets at fair value.

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

21 Business combination (continued)

21.2 Assets acquired and the liabilities assumed of the operating businesses

Acquisition date fair values of the identifiable assets acquired and liabilities assumed of the operating Businesses, as well as the fair value of the non-controlling interest in one of the acquired entity, Saadiyat Cooling LLC were determined as follows:

	<i>Notes</i>	<i>Fair value recognised on acquisition AED '000</i>
Assets		
Property, plant and equipment	5	810,145
Intangible assets (i)	6	179,809
Investment properties	7	166,053
Inventories		6,220
Trade and other receivables		103,190
Cash and bank balances		<u>136,663</u>
Total assets		<u>1,402,080</u>
Liabilities		
Advances from customers		8,110
Trade and other payables		<u>167,562</u>
Total liabilities		<u>175,672</u>
Total identifiable net assets at fair value		1,226,408
Non-controlling interest (ii)		<u>(41,101)</u>
Group's share of net assets acquired		1,185,307
Less: Purchase consideration		<u>(1,070,376)</u>
Gain on bargain purchase, net of goodwill		<u>(114,931)</u>
Goodwill (iii)	6	17,860
Gain on bargain purchase (iv)	19	<u>(132,791)</u>
		<u>(114,931)</u>

(i) The fair value of the acquired identifiable intangible assets of AED 179,809 thousand (Note 6), recognised as part of business combination, represents long term non-cancellable contracts with customers for the supply of district cooling services that are valued based on the present value of expected future cash flows that will be generated over its remaining useful life.

(ii) This represent non-controlling interest in Saadiyat Cooling LLC which is measured at 15% of net assets at fair value.

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

21 Business combination (continued)

21.2 Assets acquired and the liabilities assumed of the operating businesses (continued)

- (iii) Goodwill of AED 17,860 thousand arising from the acquisition comprises largely of the sales growth, new customers and expected synergies. Goodwill is allocated to asset management segment only.
- (iv) The gain on bargain purchase is included in other income and arises from the difference between the fair value of the net assets acquired of the operating businesses, forming part of business combination and consideration paid.

During the period, in line with the Agreement, the Company entered into warranty claim settlement with TDIC whereby a plot of land with a fair value of AED 60,942 thousand as of 30 June 2019 was transferred to the Company (Note 19).

21.3 Analysis of cash flows on acquisition of operating businesses

	<i>AED '000</i>
Cash paid for the acquisition (Note 21)	(1,065,000)
Net cash acquired on business combination	<u>136,663</u>
Acquisition of Operating Business - net of cash acquired (included in cash flows from investing activities)	<u>(928,337)</u>
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(4,406)</u>
Net cash outflow on acquisition	<u>(932,743)</u>

The fair value of the contingent consideration of AED 60,990 thousand was estimated by applying an income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. Key assumptions include a discount rate of 9.7% and probable revenue of AED 60,990 thousand. As of 30 June 2018, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes, or the assumptions used to develop the estimates, had changed.

Acquisition related costs amounted to AED 4,406 thousand in relation to acquisition of Operating Businesses were expensed during the period ended 30 June 2018 and are included in general and administrative expenses.

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

22 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise of major shareholder, associated companies, directors, key management personnel of the Group and their related entities. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management. Government of Abu Dhabi is an indirect major shareholder of the Company.

Related party balances:

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Government of Abu Dhabi:		
Trade and other receivables	685,692	1,066,984
	=====	=====
Trade and other payables	(310,108)	(640,657)
	=====	=====
Advances received	(849,274)	(1,285,612)
	=====	=====
Major shareholder:		
Trade and other receivables	36,589	47,685
	=====	=====
Trade and other payables	(4,980)	(13,229)
	=====	=====
Due from associates and joint ventures	84,871	88,648
	=====	=====
Due to joint ventures for project-related work	(32,692)	(32,692)
	=====	=====

Certain receivables from joint ventures carry interest of 9% per annum and are repayable within 2 to 5 years.

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

22 Transactions and balances with related parties (continued)

Transactions with related parties:

	6 months ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Government of Abu Dhabi:		
Revenue	255,451	414,001
Also refer note 8 for a related party transaction.		
Major shareholder:		
Revenue	25,414	8,352
Finance income	4,503	2,271
Finance income from project finance and joint ventures	3,746	8,081
	6 months ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Key management compensation:		
Salaries, bonuses and other benefits	11,398	5,072
Post-employment benefits	1,743	693
	13,141	5,765
Directors remuneration paid	16,075	19,279

The amount and timing of the infrastructure cost reimbursement is subject to the completion of certain audit and technical inspections and assessments to be performed by the relevant government authority. Once these activities are completed, there will be reasonable assurance that the grant will be received and at that point it will be recognised as a deferred government grant. Once the conditions of the grant are met, i.e. infrastructure assets are handed over to the designated authorities, the deferred government grant will be recognised statement of profit or loss. During the period ended 30 June 2018, an amount of AED 187,674 thousand was recognised as government grant income upon handover of infrastructure assets (note 19).

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

23 Commitments and contingencies

23.1 Capital commitments

Capital expenditure contracted for but not yet incurred is as follows:

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
Projects under development	3,583,208	4,135,230
Reimbursable project works in progress	2,368,608	1,135,018
Investment in associates	3,279	4,357
	<u>5,955,095</u>	<u>5,274,605</u>

The above commitments are spread over a period of one to five years.

23.2 Operating lease commitments

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
<i>The Group as a lessor</i>		
Within one year	795,577	762,555
In the second to fifth year	1,643,228	1,434,533
After five years	1,272,253	507,262
	<u>3,711,058</u>	<u>2,704,350</u>
	6 months ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000
<i>The Group as a lessee</i>		
Unwinding of interest expense during the period on lease liabilities (note 18)	8,613	10,651
Expense relating to short-term leases	-	174
Total cash outflow in respect of leases	<u>31,304</u>	<u>38,285</u>

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

23 Commitments and contingencies (continued)

23.3 Contingencies

	30 June 2019 (unaudited) AED'000	31 December 2018 (audited) AED'000
<i>Letters of credit and bank guarantees:</i>		
Issued by the Group	794,493	839,167
	<u> </u>	<u> </u>
Group's share in contingencies of joint ventures and associates	449	152,052
	<u> </u>	<u> </u>

Included in the above are bank guarantees and letters of credit amounting to AED 698,116 thousand (31 December 2018: AED 749,584 thousand) pertaining to a subsidiary.

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

24 Segment information

24.1 Business segments

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

Six months ended 30 June 2019 (unaudited):

	Property development and management		Asset management			Group AED'000
	Property development and sales AED'000	Development management AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Adjacencies AED'000	
Revenue from external customers						
- Over a period of time	1,244,528	48,573	-	180,492	806,891	2,280,484
- At a point in time	99,036	18,456	-	164,419	-	281,911
- Leasing	-	-	858,258	-	-	858,258
Gross revenue (i)	1,343,564	67,029	858,258	344,911	806,891	3,420,653
Cost of revenue excluding service charge	(804,323)	(4,903)	(100,532)	(285,480)	(766,339)	(1,961,577)
Service charge expenses	-	-	(67,462)	-	-	(67,462)
Gross profit	539,241	62,126	690,264	59,431	40,552	1,391,614
Depreciation and amortisation	-	-	(4,037)	(74,853)	(45,383)	(124,273)
Provisions, impairments and write downs - net	(3,696)	-	(16,476)	-	8,189	(11,983)
Fair value loss on investment properties	-	-	(80,275)	-	-	(80,275)
Gain on disposal of property, plant and Equipment	-	-	23,013	-	-	23,013
Gain on disposal of investment properties	-	-	17,690	-	-	17,690
Share of profit from associates and joint ventures	-	-	7,105	-	-	7,105
Other income	19,905	-	-	-	9,751	29,656
Segment profit	555,450	62,126	637,284	(15,422)	13,109	1,252,547
Share of loss from associates and joint ventures						(8,015)
Selling and marketing expenses						(42,069)
General and administrative expenses						(164,799)
Provisions, impairments and write downs - net						(4,958)
Depreciation and amortisation						(7,250)
Finance income						42,710
Finance costs						(177,384)
Other income						77,897
Profit for the period						968,679

(i) Gross revenue of investment properties include AED 67,462 thousand of revenue from service charges.

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

24 Segment information (continued)

24.1 Business segments (continued)

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

Six months ended 30 June 2018 (unaudited):

	Property development and management		Asset management			Group AED'000
	Property development and sales AED'000	Development management AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Adjacencies AED'000	
Revenue from external customers						
- Over a period of time	979,218	29,000	-	133,290	658,134	1,799,642
- At a point in time	171,391	10,609	-	114,481	-	296,481
- Leasing	-	-	885,265	-	-	885,265
Gross revenue (ii)	1,150,609	39,609	885,265	247,771	658,134	2,981,388
Cost of revenue excluding service charge	(584,755)	(8,446)	(90,849)	(227,727)	(636,149)	(1,547,926)
Service charge expenses	-	-	(69,189)	-	-	(69,189)
Gross profit	565,854	31,163	725,227	20,044	21,985	1,364,273
Depreciation and amortisation	-	-	(2,826)	(62,029)	(29,331)	(94,186)
Provisions, impairments and write downs - net	-	-	(25,208)	-	(3,396)	(28,604)
Fair value loss on investment properties	-	-	(229,804)	-	-	(229,804)
Share of profit from associates and joint ventures	-	-	32,926	-	-	32,926
Other income	202,674	-	-	-	-	202,674
Segment profit/(loss)	768,528	31,163	500,315	(41,985)	(10,742)	1,247,279
Share of profit from associates and joint ventures						2,987
Selling and marketing expenses						(39,140)
General and administrative expenses						(161,283)
Provisions, impairments and write downs - net						7,815
Gain on disposal of joint venture						30,319
Depreciation and amortisation						(6,697)
Finance income						37,597
Finance costs						(140,014)
Other income						134,854
Profit for the period						1,113,717

(ii) Gross revenue of investment properties include AED 69,189 thousand of revenue from service charges.

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

24 Segment information (continued)

24.1 Business segments (continued)

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

	Property development and management		Asset management				Group AED'000
	Property development and sales AED'000	Development management AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Adjacencies AED'000	Unallocated AED'000	
As at 30 June 2019 (unaudited)							
Assets	11,630,164	1,774,613	18,035,068	2,642,183	2,260,555	1,672,009	38,014,592
Liabilities	(1,706,777)	(2,093,828)	(7,472,520)	(1,076,233)	(1,102,081)	(548,951)	(14,000,390)
Period ended 30 June 2019 (unaudited)							
Capital expenditures	11,481	-	-	18,366	5,490	1,470	36,807
Project expenditures	1,240,276	-	1,183,989	-	1,263	-	2,425,528
As at 31 December 2018 (audited)							
Assets	10,967,491	2,312,197	17,712,381	2,679,330	2,274,276	2,598,030	38,543,705
Liabilities	(1,876,126)	(2,472,839)	(7,116,630)	(1,086,522)	(1,218,468)	(537,290)	(14,307,875)
Year ended 31 December 2018 (audited)							
Capital expenditures	1,500,323	-	49,822	341,610	683,953	8,739	2,584,447
Project expenditures	2,516,898	-	898,331	-	3,710	-	3,418,939

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

24 Segment information (continued)

24.2 Geographical segments

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

Segment profit represents the profit earned by each segment without allocation of central administration, selling and marketing costs and directors' salaries, share of profits of associates and joint ventures, other gains and losses, finance income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

25 Seasonality of results

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

26 Dividend distribution

At the annual general meeting held on 20 March 2019, the shareholders approved distribution of cash dividend of AED 1,100,768 thousand for the year ended 31 December 2018, being 14 fils per share (for the year 2017: cash dividend of AED 943,516 thousand, being 12 fils per share).

27 Non-cash transactions

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

	6 months ended 30 June	
	2019 (unaudited) AED'000	2018 (unaudited) AED'000
Acquisition of investment in joint ventures and disposal of a joint venture (note 8)	771,976	-
Addition to investment properties (note 8)	1,111,480	-
Addition to bank borrowings (note 8)	507,601	-
Transfer between investment properties and property, plant and equipment (note 7)	19,747	30,949
Transfer between investment properties and development work in progress (note 7)	205,635	-

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

28 Fair value of financial instruments

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

	30 June 2019 (unaudited)		31 December 2018 (audited)	
	Gross carrying amount AED'000	Fair value AED'000	Gross carrying amount AED'000	Fair value AED'000
<i>Financial liabilities at amortised cost</i>				
Non-convertible sukuk (note 14)	1,830,701	1,928,110	1,831,951	1,839,285

29 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 7 August 2019.