ديار
DEYAAR

Integrated Annual Report 2023

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DISCLAIMER:
The English version is a translation of the original in Arabic. In case of a discrepancy, the Arabic original will prevail.

Deyaar

Where Possibilities Begin

About the Report: Where the Future Begins

Reporting Period

This report provides material information relating to our strategy and business model, operating context, stakeholder interests, performance, prospects, and governance, covering the year 1 January 2023 to 31 December 2023.

Operating Businesses

The report covers Deyaar's primary activities, business verticals, and key support areas.

Financial and Non-financial Reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes associated with Deyaar's key stakeholders, which have an impact on its ability to create sustainable value.

Deyaar's Integrated Annual Report covers the company's activities, as well as all of its subsidiaries. Additionally, it includes our materiality matrix that encompasses Deyaar's framework and key stakeholder groups as a long-term focus for the organisation through which relevant ESG considerations are adapted according to the evolution of both internal business needs and the external environment.

Targeted Readers

This report is primarily intended to address the information requirements of long-term investors (our shareholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our staff, clients, regulators, and society.

Forward-looking Statements

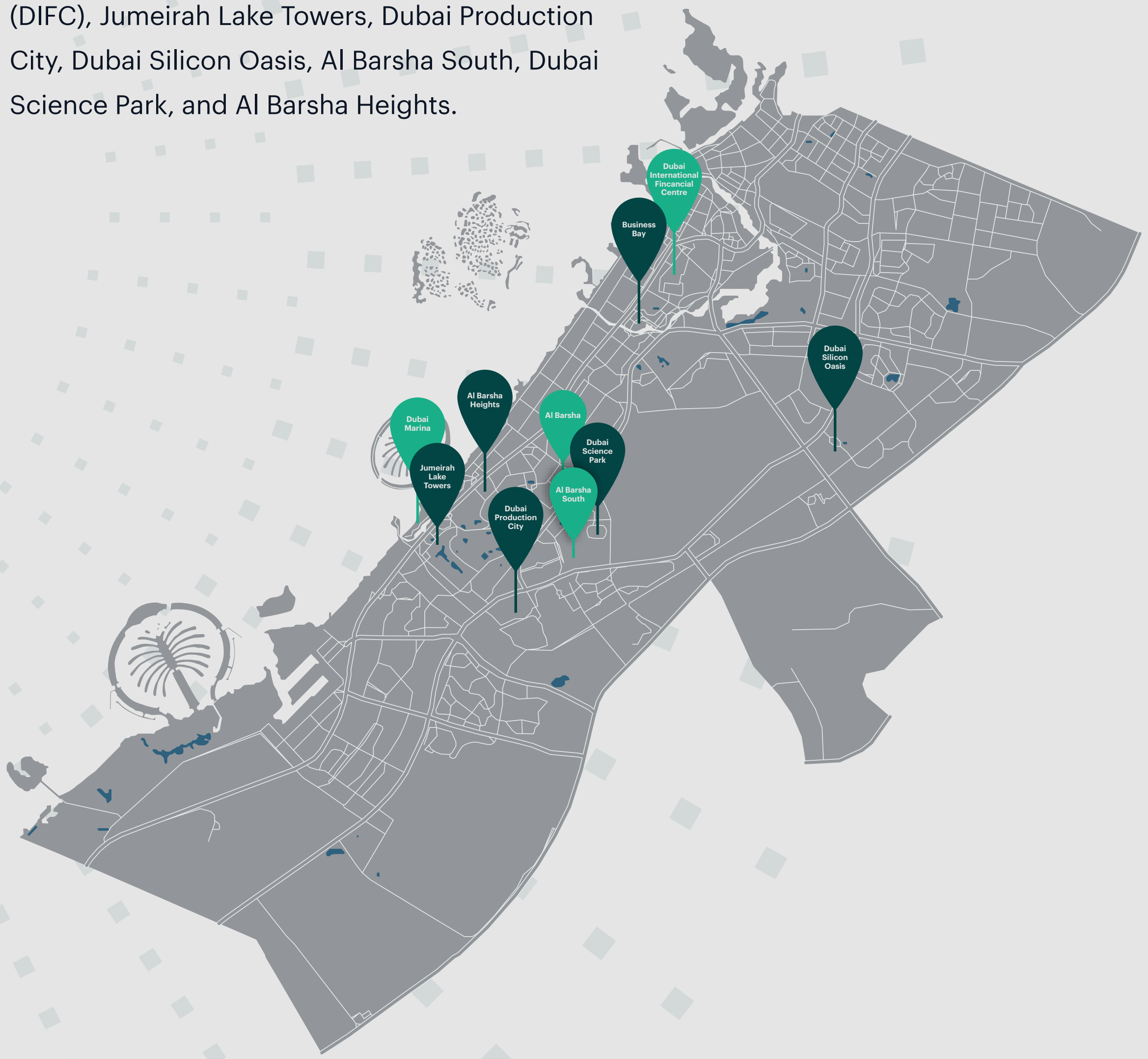
This report may contain published financial information, or information obtained from sources believed to be reliable, forward-looking statements based on numbers or estimates or assumptions that are subject to change including statements regarding our intent, belief, or current expectations with respect to Deyaar's businesses and operations, market conditions, results of operation and financial condition, specific provisions, and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. Deyaar does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Deyaar's control. Past performance is not a reliable indication of future performance.

2023:
A Glance into Potential and Possibilities

In 2023, The Deyaar Group was placed on the list of the Top 100 Real Estate Brokers and Developers of the World. It was a recognition of the Group's commitment to create harmonious life spaces that make it possible for people to realise their potential without being at odds with nature.

Deyaar is known for adding value to the built environment through a business portfolio that covers these verticals: Deyaar Development, property management, facilities management, community management, hospitality, and asset management. This breadth gives it the advantage of a more rounded perspective of the UAE's real estate industry and also raises its stature in the industry.

In 21 years of its existence, Deyaar projects have come to be icons of luxury and comfort. The group's footprint spans Business Bay, Dubai Marina, Al Barsha, Dubai International Financial Centre (DIFC), Jumeirah Lake Towers, Dubai Production City, Dubai Silicon Oasis, Al Barsha South, Dubai Science Park, and Al Barsha Heights.



In 2023, Deyaar witnessed significant growth in revenues and net profit, with revenues reaching

AED 1,254 million

an increase of 56% compared to the previous year.

Our profit has also soared, with a remarkable **increase of 206%** to reach

AED 441 million

Furthermore, the total assets of the company increased by

AED 399 million

from AED 6,166 million in 2022 to AED 6,565 million in 2023.

Chairman's Message

Our commitment to delivering high-quality projects on time and within budget has garnered a strong reputation for reliability and excellence. This has led to increased customer trust and loyalty.

On behalf of the Board of Directors of Deyaar Development, I am pleased to present the Annual Integrated Report and the audited Financial Statements for Deyaar for the year ended 31 December 2023. It has been a transformative period for our company, as we have entered a new era of resilience and performance.

Financial Performance

Deyaar's strong financial performance in 2023 is a testament to our business momentum and strategic endeavors. We have witnessed significant growth in revenues and net profit, with revenues reaching AED 1,254 million, an increase of 56% compared to the previous year. Our profit has also soared, with a remarkable increase of 206% to reach AED 441 million.

These results reflect our commitment to reinvest resources back into the business and capitalize on the opportunities presented in the market.

Accelerated Growth and Strategic Priorities

In 2023, Deyaar has entered a phase of accelerated growth, solidifying our position as one of the real estate players in the market. This achievement is a result of our strategic initiatives, strong market presence, and dedication to providing life experiences that meet the needs and the expectations. Our focus extends beyond just the properties we develop- we prioritize investing in our projects and amenities to create exceptional living environments.

Our accelerated growth is driven by several factors. Firstly, our deep understanding of the market dynamics and trends allows us to identify and capitalize on opportunities. Furthermore, our commitment to delivering high-quality projects on time and within budget has garnered a strong reputation for reliability and excellence. This has led to increased customer trust and loyalty.

Moreover, our strong financial position and access to capital have provided us with the necessary resources to fuel our growth. This has allowed us to make strategic investments in talent acquisition, and marketing, further strengthening our competitive advantage.

As we solidify our position in the real estate market, we remain committed to exceeding customer expectations, fostering long-term partnerships, and contributing to the development of sustainable communities. Our accelerated growth not only benefits our company but also creates opportunities for economic development, and social advancement.

To further enhance our services, we have made significant investments in technology and digital transformation in property management, community management, and facilities management.

By embracing technology, we aim to provide our services to customers around the clock, ensuring convenience and efficiency. Through digital platforms and automated systems, we are able to streamline processes, improve communication, and provide real-time updates to our customers. This allows them to access information, submit requests, and receive support anytime, anywhere.

Acknowledgement

Our success in 2023 would not have been possible without the support of our shareholders. We extend our sincere appreciation for their continued trust and confidence in our company. At Deyaar, we firmly believe that it is our responsibility to create structures that shape the dreams of our investors and customers. Every decision we make is guided by this larger purpose, ensuring that we contribute positively to society and embrace human possibilities for now and into the future.

Mr. Abdullah Al Hamli
Chairman

CEO's Message

We understand that delivering on our commitments requires agility, perseverance, and adaptability.
In 2024, we will prioritize the needs and preferences of our customers and strive to exceed their expectations at every touchpoint.

While the previous years were instrumental in proving our performance resilience and establishing our position in the market, this year represents a fresh start and a new phase of growth and opportunity.

The challenges of the past have provided us with valuable lessons and insights that have shaped our strategies and strengthened our resolve. We have utilized these experiences to refine our operations, enhance our capabilities, and position ourselves for success in the ever-evolving real estate industry.

A Year of Delivery

While 2022 was a year of reset, during which we took decisive actions to turn the page on the past, and set a transformation for the future, 2023 is the year of delivery.

We have set ambitious targets and are determined to meet and exceed them. We have reinvigorated our teams, streamlined our processes, and optimized our resources to ensure that we can execute our plans effectively and efficiently.

We have launched remarkable projects, including Marcasa, an award-winning seafront residential project located in Dubai Maritime City. Marcasa represents a milestone achievement for us, as it embodies our commitment to excellence, innovation, and delivering exceptional value to our customers. This project showcases our expertise in creating luxurious, high-quality living spaces that harmonize with the natural beauty of the surroundings. The demand for this project was overwhelming, and it was sold out in a record time.

The Year of Transformation

Building upon the foundation laid in this year, 2024 will be the year of transformation for our company. It is a year where we will embrace change, innovation, and growth.

We understand that delivering on our commitments requires agility, perseverance, and adaptability. In 2024, we will prioritize the needs and preferences of our customers and strive to exceed their expectations at every touchpoint.

Our transformation will focus on our internal culture and capabilities. We will foster a culture of continuous learning and collaboration.

We remain committed to creating structures that shape dreams and embracing human possibilities. With the support of our shareholders, the dedication of our employees, and the guidance of our Board of Directors, we are poised to navigate the future with confidence and achieve even greater milestones.

Note of Gratitude

I would like to express my heartfelt gratitude to our dedicated employees, whose talent and hard work have played a pivotal role in the ongoing success of our company.

I also extend my appreciation to the Board of Directors for their valuable guidance and support. Their strategic insights and leadership have been crucial in navigating the challenges and seizing the opportunities that have come our way.

Mr. Saeed Mohammed Al Qatami
CEO

Board of Directors

The Board devotes all efforts and utilizes its expertise to improve the Company's performance as per the shareholders objectives. Such objectives are converted into actions and decisions which are closely monitored by the Board along with the Executive Management in a manner that ensures sustainability, value realization and profitability to all stakeholders.

The Board has set a specific governance framework to ensure the effectiveness of the Board members in fulfilling their duties toward the main objectives and facilitate their positive contribution. The Board has delegated some tasks and responsibilities to the Committees where each committee submits reports and recommendations to the Board in a responsible and transparent manner.

A. Statement of the current Board formation:

According to Federal Law No. (2) of 2015 on the Commercial Companies and Article No. (15) of the Company's Articles of Association, the Board was elected y the General Assembly for a subsequent term of three years on 27 April 2022.
The Board consists of nine Non-Executive Board members. The Board members are classified as Non-Executive (Non-Independent) or Non-Executive (Independent) according to the definition of each category by the Authority. Noting that the Chairman of the Board and the majority of the Directors are citizens of the United Arab Emirates.

Experiences, qualifications, memberships and positions of the Board members in other joint stock companies and/or governmental companies are listed below:

Mr. Abdullah Al Hamli
Chairman

Non-Executive / Non-Independent

- Banking, Real Estate, Finance, Investments and Information Technology
- Bachelor of Science with majors in Economics and Mathematics from Al Ain University, United Arab Emirates
- Appointed since 2008 (15 years)
- Chief Advisor to the Board of Directors of Dubai Islamic Bank PJSC
- Chairman of Emirates REIT and Chairman of Al Tanmyah Services LLC

H.E. Hamad Buamim
Vice Chairman

Non-Executive / Non-Independent

- Finance, Banking and Investments
- Bachelor of Electrical Engineering from University of Southern California; Master of Science in Finance and Banking from University of Missouri, Kansas City, United States of America, Doctorate in Business Administration from Warwick Business School-UK
- Appointed in 2022 (2 years)
- Chairman of National General Insurance (NGI) PJSC; Board Member of Dubai Islamic Bank PJSC
- Chairman of Dubai Multi Commodities Centre Authority (DMCC) and National General Insurance PJSC(NGI); Board Member of Economic Zones World (EZW); Board Member of Awqaf Dubai & Dubai Islamic Bank; Board Member and Partner of Advanced Media Trading LLC (AMT); Board Member of UAE Banks Federation (UBF); Board Member of International Hotel Investment PLC in Malta, Chairman of the Executive Committee of the Company

Mr. Rashid Al Dabboos
Board Member

Non-Executive / Independent

- Investments, Real Estate and Brokerage
- Diploma in Commerce and Economics from Dubai Higher College of Technology
- Appointed in 2022 (2 years)
- Chief Executive Officer of Al Sharif & Al Daboos Trading Co. LLC and Deira Capital LLC; Member of the Executive Committee of the Company, Chairman of Deyaar Facilities Management

Mr. Mohamed Al Sharif
Board Member

Non-Executive / Non-Independent

- Real Estate, Trading, Banking, Accounting and Finance
- Master of Science in Accounting from Catholic University of America; accredited CPA from Virginia State of Council of Accountants
- Appointed since 2009 (14 years)
- Chief of International Business & Real Estate Investments at Dubai Islamic Bank PJSC
- Vice Chairman in Tamweel and Member of the Audit Committee and Risk Committee of the Company

- Experience
- Qualifications
- Period served as a Board Member from the date of first election
- Their membership and positions in any other joint-stock companies
- Their positions in any other important regulatory, government or commercial companies

Board of Directors

Mr. Mohammed Al Nahdi
Board Member

Non-Executive / Non-Independent

- Real Estate, Banking, Information Technology and Finance
- Bachelor of Science in Accounting Management from Mustansiriyah University in Baghdad
- Appointed since 2009 (14 years)
- Board Member in Tanmyah LLC; Member of the NRC, Audit and Risk Committee of the Company

Mr. Adnan Chilwan
Board Member

Non-Executive / Non-Independent

- Banking, Marketing, Real Estate, Financing and Investments
- Doctorate and Master's in Marketing and Bachelor in Islamic Banking and Insurance at American University of London; and Certified Islamic Banker (CeIB)
- Appointed since 2009 (14 years)
- Group Chief Executive Officer of Dubai Islamic Bank PJSC
- Member of the Board of Tamweel; Associate Fellow Member in Islamic Finance Professionals Board; and Member of the Executive Committee of the Company

Mr. Obaid Nasser Lootah
Board Member

Non-Executive / Non-Independent

- Real Estate and Banking
- Bachelor of Business Administration from the University of United Arab Emirates
- Appointed since 2010 (13 years)
- Member of the NRC and Executive Committee of the Company

Mr. Yasser Bin Zayed
Board Member

Non-Executive / Independent

- Real Estate, Financing and Operations
- Bachelor of Business Administration from California State University, United States of America
- Appointed since 2016 (7 years)
- General Manager at Dubai Office; Board member in Falcon Holding Ltd.; Chairman of the NRC and Member of the Audit Committee and Risk Committee of the Company

Ms. Maryam Bin Fares
Board Member

Non-Executive / Independent

- Banking and Corporate Treasury Management
- Master's Degree in International Business at Wollongong University Dubai, United Arab Emirates
- Appointed since 2019 (4 years)
- Chairman of the Audit Committee and Risk Committee and Member of the NRC of the Company

- Experience
- Qualifications
- Period served as a Board Member from the date of first election
- Their membership and positions in any other joint-stock companies
- Their positions in any other important regulatory, government or commercial companies

Milestones

January 2023

Hands over Mesk (ahead of schedule) and Noor Residential Districts (on schedule) to the Midtown Community

March 2023

Launches iconic luxury seafront residential tower Mar Casa at a value of AED 1.1 billion

May 2023

- Reports increase in Q1 2023 profits, exceeding AED 56 million
- Expands hospitality portfolio with the launch of the luxurious Millennium Talia Residences, at Al Furjan, Dubai

July 2023

Launches Jannat, its final residential district in Midtown Community

August 2023

Reports 77% growth in profit in H1 2023, reaching over AED 118 million

October 2023

Mar Casa by Deyaar sweeps five-star awards at acclaimed Arabian Property Awards 2023

November 2023

- Delivers profit of AED 237.5 million for YTD Sep'2023, up 130% YOY
- Breaks ground for award-winning seafront project Mar Casa

December 2023

Deyaar and Arady Properties, ink agreement for new residential project in Abu Dhabi

Awards and Recognition

Since its inception, Deyaar has bagged international, regional, and local awards in the real estate industry. These awards keep the Group motivated to better itself and raise the bar year after year.

IRECMS DUBAI AWARDS 2023

In December 2023, Deyaar Community Management won the Gold Award for the Safest Community of the Year at the IRECMS Dubai Awards 2023. This achievement reflects the group's strong commitment to securing the environment for its communities.

THE ARABIAN PROPERTY AWARDS 2023

In October 2023, at the prestigious Arabian Property Awards, Deyaar won six awards including two five stars accolades for Mar Casa – its first iconic seafront luxury residential tower. These awards validate Deyaar's relentless pursuit of excellence in the real estate sector.

Our Business in Context

Deyaar: Where Opportunities Begin

Deyaar Development is committed to creating a better world, one sustainable community at a time. It is on a mission to create an urban environment that meets the high standards set by the nation's leaders, with a diverse portfolio of quality real estate developments and differentiated services, a return on investment for stakeholders, and value for customers, while providing the tools to its employees to realise their potential.

Dedication to integrity and innovation sets Deyaar apart, elevating it to a company where success is measured not only in terms of financial gain but also the positive impact it leaves on communities. Through its endeavours, it not only shapes skylines but also cultivates a culture of inclusivity and progress.

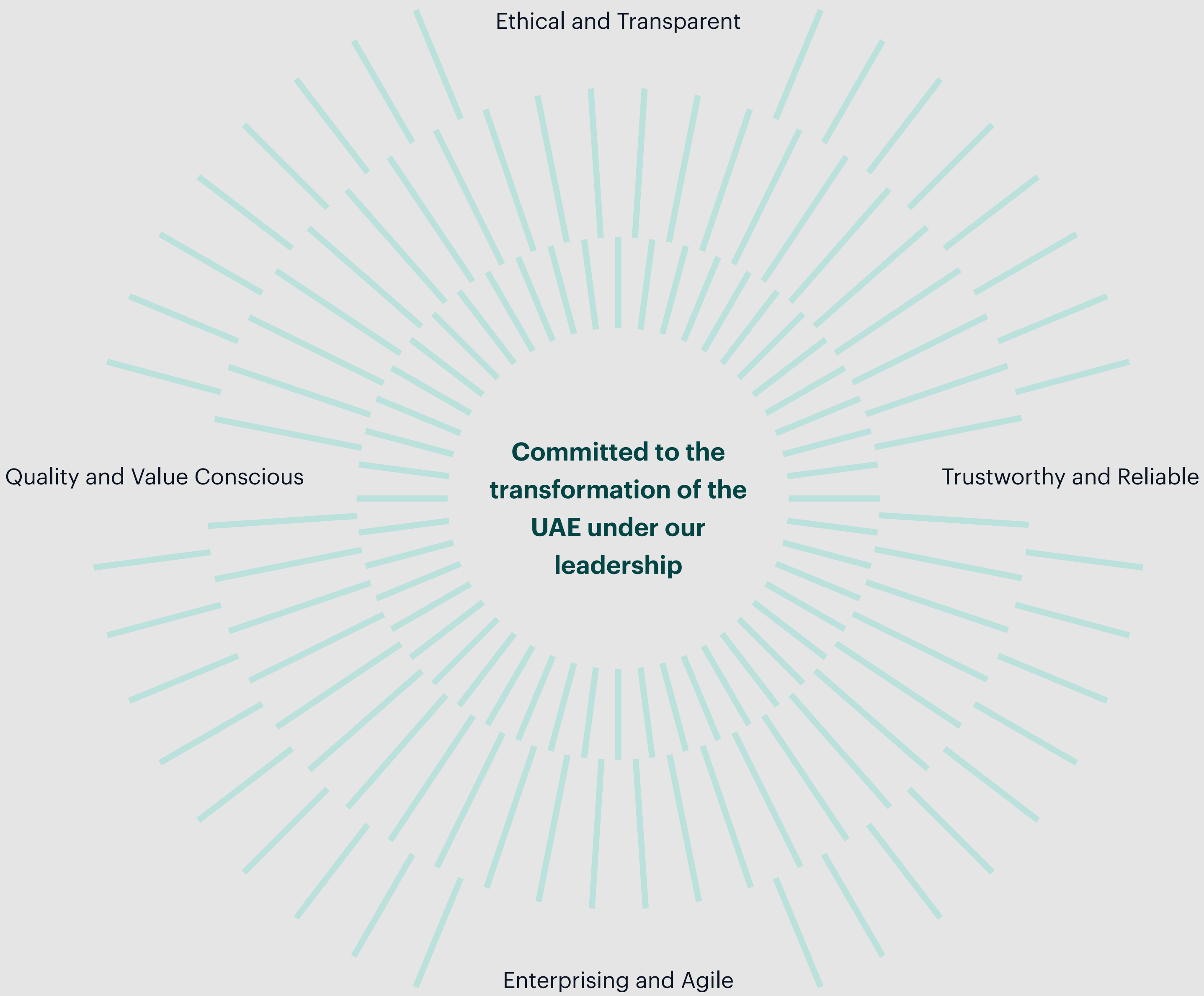
Our Vision

To be known as a trusted, integrated real-estate partner, creating value for stakeholders, society, and the economy.

Our Mission

To create an urban environment that meets the high standards set by the nation's leaders, with a diverse portfolio of quality real estate developments and differentiated services, a return on investment for stakeholders and value for customers, whilst providing the tools to our employees to realize their potential.

Our Core Values



Our Key Relationships

Deyaar's stakeholders directly impact our ability to create value. Our growth and profitability are underpinned by the management of our relationships with customers, employees, investors, regulators, suppliers and the broader communities in which we operate. Our material stakeholders are groups or individuals with a significant level of influence on our business or those who may be heavily impacted by our presence. We engage with them regularly and our strategies and business planning are deeply influenced by understanding our stakeholders' concerns and expectations. By establishing good lines of communication with our various stakeholders and maintaining constructive relationships, we are better equipped to identify opportunities and risks early on and address these timeously. Deyaar focuses on the issues that matter most to its stakeholders and places immense importance on delivering short, medium and long-term value to the following key stakeholder groups.

Material Stakeholders

Our Business Model

Transcending Time and Trends

We are devoted to designing and developing projects that harmoniously blend community and nature. We endeavor to craft spaces where people can live, work and thrive in total harmony while experiencing a deep sense of fulfillment. This focus is not just our business model, it is our philosophy.

Forging Meaningful Connections

We create living experiences that resonate deeply. We foster communities where nature and progress coexist in harmony, contributing to societal and national well-being and paving the way for growth across generations.

Embracing Life's Essentials

Air, water, nourishment, light, wellness, comfort, mind, and connections - life essentials that inspire creativity and guide our approach. This holistic thinking reflects our unwavering commitment to ensuring that every interaction with us leads to a richer, more fulfilling life.

Diversified Business Units

Our comprehensive service offering is diverse and integrated, spanning six pivotal business units comprising Property Development, Property Management, Facilities Management, Community Management, Hospitality and Asset Management. These businesses provide multipurpose property services and have accentuated our appeal and stature within the real-estate industry.

Creating Lasting Value in Dubai's Built Environment

Our tangible offerings encompass various domains of real estate, including residential and hospitality properties, with experiences that redefine luxury and comfort. These experiences are further leveraged by high-quality design and engineering, robust communities, superior management and exceptional facilities.

Business Review

Making the Best Possible

Deyaar has grown consistently over the last decade to become one of the leading real estate development companies in the region, known as much for its integrated approach as for its commitment to ethics and excellence. Today, its business portfolio spans critical facets of real estate: property development, property management, facility management, community management, hospitality, and asset management. This integrated approach gives it the advantage of a more rounded and informed perspective of the real estate industry and adds to its ability to provide best to its stakeholders.

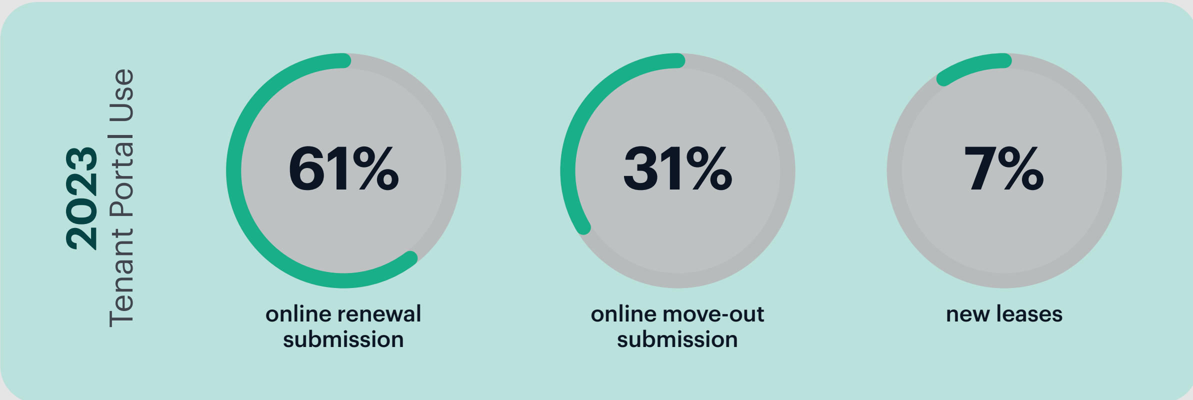
Property Management

Deyaar Property Management specialises in providing professional property management services for residential, commercial, and mixed-use developments in all regions of the UAE. It seeks to provide transparent, proactive, and customer-centric property management solutions that enable property owners to achieve their investment goals while offering safe and comfortable homes to tenants.

Deyaar has the expertise, intent, and resources needed to offer comprehensive services to tenants and property owners in the UAE.

The group has a comprehensive set of property management services that include holistic landlord services, end-to-end facility management, rental and leasing property consultancy, and rent analysis and restructuring.

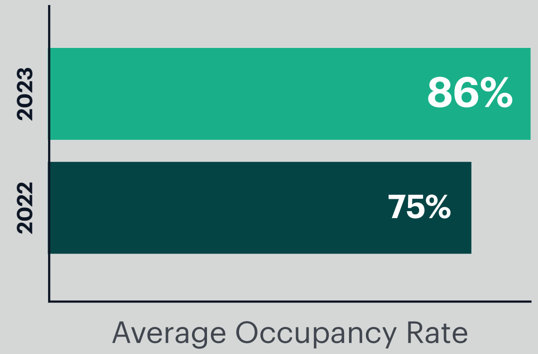
In **2023,** it added **195 units** to its portfolio, taking the total to **11,926 units**, spread across **510 buildings**. The percentage of contract renewals, including those through the tenant portal, grew to **89%**. In **2023,** the tenant portal saw increased use: online renewal submission stood at **61%**, online move-out submission was **31%**, and new leases stood at **7%**. The portal also added a new service, UAEPGS, which enables online bank transfers.

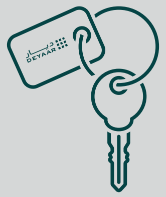


Hospitality

In its dedication to enriching the Dubai landscape, Deyaar Development proudly leads in elevating business and tourism opportunities. Its cutting-edge commercial, retail, and residential developments consistently establish new standards across the Emirate, showcasing commitment to excellence and progress. With a meticulously curated collection of assets including hotels, serviced apartments, offices, and retail spaces, each managed with strategic precision to meet financial and operational goals, Deyaar diverse portfolio proudly features acclaimed hotels such as Millennium Al Barsha, Millennium Mont Rose at Dubai Science Park, and Millennium Atria at Business Bay.

Deyaar's hospitality achieved an average occupancy rate of **86%** in **2023**, up from **75%** in **2022.** More than **45,290** bookings were made during the year.





45,290+
bookings in 2023

Community Management

Deyaar Community Management (DCM) is dedicated to delivering services, as stipulated by law, to its clients. This includes technical, environmental, security, financial, administrative, and customer service supervision.

It has a diverse team equipped with deep industry knowledge and technical knowledge that understands the exacting standards of service and care necessary to both foster vibrant communities and elevate property value. The team's expertise is validated by the certificates it has earned Deyaar: ISO 9001 (2015) for quality, ISO 14001 (2015) for environment, and ISO 45001 (2018) for occupational safety and health.

In 2023, Deyaar Community Management was able to considerably increase its portfolio, having been appointed by both Mesk and Noor. It now manages 40 communities and 9817 units within them. This totals up to 11,501,656.25 square feet of prime real estate.

Nationwide Utility Management

Utility Management is a recent addition to our portfolio in synch with our strategy of diversified real estate services. It was established to provide high-quality utility management solutions for residential communities and commercial buildings.

Deyaar currently offers dynamic and innovative solutions, including automatic metre reading (AMR) technology that digitises the metre reading process using smart bill technology, energy management and audit services, real estate management and consulting services, and equipment audit, coordination, and supervision services.

Within a short period, Nationwide has taken over several projects, and we have also successfully established an internal energy management department to better serve the group's energy consumption.

Deyaar Facilities Management

Established in 2007 as a pivotal division of the Deyaar Development PJSC Group, Deyaar Facilities Management swiftly ascended to the forefront as a premier provider of integrated facilities management solutions across the UAE. Boasting an extensive portfolio encompassing more than 800 properties, inclusive of more than 24,500 units, Deyaar Facilities Management provides distinguished integrated Facility Management solutions.

At the core of its operations lies a commitment to delivering cost-effective, sustainable solutions, meticulously aligned with international best practices in health, safety, and environmental standards. Leveraging state-of-the-art IT technology and fostering collaborative partnerships, Deyaar Facilities Management adeptly navigates the dynamic landscape of asset-intensive industries, catering to the diverse needs of utility companies, call centres, ministries, and beyond.

Our Projects

Deyaar projects are synonymous with aesthetics and quality. The group's iconic high-value projects cover Business Bay, Dubai Marina, Al Barsha, Dubai International Financial Centre (DIFC), Jumeirah Lake Towers, Dubai Production City, Dubai Silicon Oasis, Al Barsha South, Dubai Science Park, and Al Barsha Heights.

Deyaar projects are designed to harmoniously blend community and nature and create enabling ecosystems that bring out the best in people. The group works to continuously enhance the Deyaar experience through superior management and exceptional facilities.

This includes ensuring timely delivery of quality projects through proper planning and breakdown of targets and construction milestones. These targets are monitored and tracked on a regular basis to ensure that potential deviations are addressed proactively with effective risk management actions.

In response to recent global challenges and market trends, Deyaar has opted for cutting-edge technology in its projects, ranging from wireless home automation systems to face recognition access technologies. Innovation in designs have also helped Deyaar optimise operating costs and stay true to its sustainability mission.

Projects Launched

In 2023, launched new projects to increase its footprint across UAE's iconic cityscape:

Mar Casa

This 52-story residential project will come up in Dubai Maritime City. The property will have 580 apartments of up to three bedrooms and luxury penthouses. Each unit will incorporate panoramic ocean views and provide airy and well-balanced living spaces.

Jannat

This is the final residential unit of Deyaar's flagship community project called Midtown. It will have a built-up area of 521,400 square feet and consist of two towers connected by a bridge. Jannat Towers will have 360 elegant units designed to cater to different lifestyles and preferences.

Millennium Talia

This property will come up in Al Furjan, one of Dubai's most popular and vibrant districts. Millennium Talia Residences will have a wide range of spacious and fully furnished hotel-serviced apartments, ranging from one-bedroom apartments from 670 to 1,275 sq. feet in size to apartments with two bedrooms ranging from 1,130 to 1,465 square feet. Millennium Talia is poised to set a new standard of hospitality living and has already generated a strong buzz in the segment.

Projects in Progress

Regalia

Regalia is on its way to being the tallest tower Deyaar has ever built. The 70-story premium residential building will feature smart home technologies and amenities such as a huge outdoor infinity pool, jacuzzi, family gym, juice bar, private cabanas and yoga pavilion, an open-air cinema, a BBQ area, a residents' lounge, and a business centre.

Tria

Deyaar's first luxury residential tower in Dubai Silicon Oasis (DSO) will be completed by April 2025. DSO is an integrated free zone technology park and a member of the Dubai Integrated Economic Zones Authority (DIEZ). The 32-story Tria is an upscale property and is slated to be one of the largest residential developments in DSO. At Tria, suburban living will be taken to the next level with best-in-class wellness, fitness, and resort-style amenities.

Amalia Residences

Amalia Residences is Deyaar's first project at Al Furjan, one of Dubai's most popular and vibrant districts. It offers a variety of modern and spacious residential units consisting of one, two, and three bedrooms. The project will provide a wide range of amenities for residents, including a swimming pool, a children's pool, a play area, and a gym. The project's location between Sheikh Zayed Road and Sheikh Mohammed Bin Zayed Road offers convenient access to public transportation, Dubai's business districts, and major tourist attractions. The project is expected to be completed by the first quarter of 2025.

Projects Completed

Midtown Mesk and Noor

Midtown Project is Deyaar's flagship project designed to be a self-sufficient, sustainable and elegant community defined by vibrant green spaces, high-quality facilities, open seating areas, children's play grounds, in addition to the shopping area that includes shops, pharmacies, supermarkets, restaurants and cafes. This community will have six districts, each with several residential buildings. The first two districts - Afnan and Dania were handed over to the residents in 2019 and 2020 respectively.

In April 2023, Deyaar handed out Mesk and Noor, two more districts comprising of 868 residential units and 20 retail to end users or Deyaar Asset Management.

Joint Ventures and Associates

Arady - Central Park

"Arady Developments LLC" is a limited liability company owned by Dubai Properties and Deyaar Development PJSC, where Deyaar owns 50% of this joint venture. The company is involved in real estate development services. Arady Developments LLC is responsible for developing the Central Park Project, which is an eminent multipurpose project composed of 48 floors in Dubai International Financial Centre. Each of the residential and commercial towers contains a ground floor with an area of 105840 square feet, and a commercial arcade that includes shops ranging from 1000 to 5000 square feet. The total area of the Central Park project is 1,57 million square feet, and is easily accessible from Sheikh Zayed Road and Al Khail Road, making its location perfect for residences, businesses and leisure thanks to its numerous features and distinguished facilities, including green spaces, pools, shopping options, new shops, and a variety of food and beverage options.

Al Zorah

Al Zorah Development Company P.S.C was founded as a free zone subject to Ajman local Laws. It is a joint venture between the Government of Ajman and Solidere International that aims to develop Al Zorah project as a distinct and modern tourist destination. Deyaar owns 22.72% of Solidere International to invest in Al Zorah assets. It is registered in the Cayman Islands. The associate company is a holding company that invests in companies working in the field of real estate development.

ESG at Deyaar:
Where Commitments Begin

At Deyaar, we focus on creating pioneering living spaces, and we recognize the importance of embracing sustainability in our practices. Our commitment to sustainability is not only driven by societal demands but also by our alignment with the United Nations Sustainable Development Goals (UNSDGs).

In our pursuit of sustainable development, we have identified 10 UNSDGs that are most relevant to our business. These goals serve as a framework for our initiatives and guide our decision-making processes. By linking our material issues to our business strategy, we ensure that our efforts drive meaningful impact towards these goals.

One of our primary objectives is to promote the welfare of the planet by reducing our environmental footprint. We understand the urgency of addressing climate change and the need to transition towards more sustainable practices. Through efficient waste management systems, and responsible resource consumption, we aim to minimize our environmental impact and contribute to the preservation of our planet.

Driving sustainable change in the way we do business and serve our customers is another crucial aspect of our sustainability strategy. We strive to integrate sustainable principles into every aspect of our operations, from the design and construction of our projects to the materials and technologies we employ. By embracing innovative and eco-friendly solutions, we aim to create living spaces and buildings that are not only visually appealing but also socially and environmentally responsible.

Creating a workplace where every employee feels valued and heard is an integral part of our sustainability strategy. We believe that fostering a culture of inclusivity and empowerment leads to greater employee satisfaction, productivity, and innovation. By promoting diversity, providing equal opportunities, and encouraging open communication, we ensure that every individual's voice is respected and considered.

In addition to our internal efforts, we are committed to connecting with the market we operate in and becoming an example of contributing to the global sustainable development agenda. We actively engage with stakeholders, including local communities, government bodies, and non-profit organizations, to understand their needs, concerns, and aspirations. By collaborating with these stakeholders, we aim to create shared value and contribute to the overall well-being of the communities we serve.

In conclusion, our sustainability strategy is a work in progress, driven by our commitment to the UN Sustainable Development Goals. We strive to reduce our environmental footprint, drive sustainable change in our business practices, create an inclusive workplace, and contribute to the global sustainable development agenda. By embracing sustainability, we aim to transform spaces in a way that is socially, environmentally, and economically responsible, leaving a positive impact on both present and future generations.

Preservation of Natural Resources

At Deyaar, we are committed to implementing comprehensive waste management initiatives that prioritize sustainability, environmental responsibility, and resource efficiency. Our waste management programs are designed to reduce waste generation, minimize the amount of waste sent to landfills, and ultimately decrease greenhouse gas emissions associated with waste disposal.

Waste Management

Our waste management strategies encompass both construction and operational waste, addressing waste generation at various stages of our operations. We have made significant investments in implementing measures to reduce waste production and increase source separation across our properties and business operations.

Within our communities and hospitality establishments, we have implemented a range of waste management initiatives that are tailored to the specific characteristics of the waste generated in each area. These initiatives are designed to employ the most efficient conservation strategies to maximize waste reduction and promote sustainable practices.

Some of the key components of our waste management initiatives include:

1. Waste Reduction:

We prioritize waste reduction efforts by implementing practices that aim to minimize the generation of waste in the first place. This includes measures such as optimizing packaging, reducing excess materials, and promoting sustainable consumption habits.

2. Source Separation:

We emphasize source separation of waste streams to facilitate recycling and the proper disposal of different types of waste materials. By segregating waste at the source, we promote recycling and ensure that recyclable materials are diverted from landfills.

3. Recycling Programs:

We have established recycling programs across our properties and businesses to encourage the recycling of materials such as paper, plastic, glass, and metal. These programs help divert recyclable materials from landfills and promote a circular economy approach to waste management.

Replacing Single-Use Plastic with Paper Boxes and Cups

In our hospitality establishments, we have replaced plastic takeaway boxes and cups with biodegradable paper alternatives. This initiative not only aligns with our commitment to reducing plastic waste but also contributes to a healthier environment for future generations.

Let's go Paperless

We have implemented Docusign, a digital signature platform, to streamline our document signing processes and reduce the use of paper and printing. By transitioning to electronic signatures, we are not only enhancing efficiency and productivity.

Sustainable Operations

At Deyaar, we are actively incorporating greener and more environmentally-friendly construction practices into our operations. We recognize the importance of reducing our environmental impact, utility rates, and operational expenses through sustainable design and practices.

One of the key ways we achieve sustainable operations is through our Building Design Standards and Guidelines. These standards ensure that all new construction and renovations follow sustainable design principles. By incorporating energy-efficient technologies, water conservation measures, and environmentally-friendly materials, we strive to create buildings that are not only aesthetically pleasing but also minimize their impact on the environment.

An excellent example of our commitment to sustainable design is showcased in the Mar Casa project. This project demonstrates the application of both contemporary and traditional techniques to achieve social and environmental sustainability. The building's orientation is carefully planned to maximize the use of natural sunlight in habitable spaces, resulting in improved energy efficiency. Additionally, the use of environmentally-friendly building materials and practices helps reduce the project's carbon emissions.

Indoor air quality is another important aspect of sustainable operations. We strive to provide good indoor air quality by implementing best practices in ventilation and air filtration systems. This ensures a healthy and comfortable environment for building occupants while also reducing the energy consumption associated with heating and cooling.

Water conservation is also a priority in our sustainable operations. We utilize water-efficient fixtures and implement strategies to minimize water waste. This includes the use of low-flow toilets, faucets, and showerheads, as well as the implementation of rainwater harvesting systems.

In addition to energy and water conservation, we also prioritize the use of recycled and recyclable materials in our projects. By incorporating these materials into our construction processes, we reduce waste and promote a circular economy.

To further optimize energy consumption, we follow global best practices in creating an efficient building envelope. This includes using insulation, high-performance windows, and shading devices to reduce heat gain and improve energy efficiency. We also incorporate energy-efficient equipment and fixtures, such as LED lighting and energy-saving appliances, to minimize energy consumption without compromising functionality.

By integrating sustainable design principles and practices into our operations, we aim to create buildings and communities that are not only environmentally friendly but also financially and socially beneficial. We believe that sustainable operations are not just a responsibility but also an opportunity to innovate and create a better future for both our company and the planet.

Energy Conservation Measures

We have implemented various energy conservation measures in our communities and the properties we are managing to promote sustainable and efficient operations. These measures are designed to reduce energy consumption, lower utility costs, and minimize our environmental footprint.

Here are some of the energy conservation measures we have implemented:

1.

Optimizing supply air temperature set points to 24°C for Fresh Air Handling Units during winter:

By adjusting the supply air temperature set points, we ensure that the Fresh Air Handling Units operate at an optimal temperature for energy efficiency during the winter season.

2.

Optimizing supply air temperature set points to 24°C for Fan Coil Units:

Similar to the Fresh Air Handling Units, we optimize the supply air temperature set points for Fan Coil Units, ensuring energy-efficient operation throughout the year.

3.

Installation of Variable Frequency Drives (VFD) for the Chilled Water Pumps:

By installing VFDs, we can control and adjust the speed of the chilled water pumps based on the demand, resulting in energy savings.

4.

Rectification of heat recovery wheel:

We rectify any issues with the heat recovery wheel, ensuring its proper functioning. This allows us to recover and reuse waste heat, reducing the energy required for heating.

5.

Scheduling supply fan operation of Fresh Air Handling Units without compromising indoor air quality:

We implement a scheduling system for the operation of supply fans in Fresh Air Handling Units, ensuring that indoor air quality is maintained while minimizing energy consumption during periods of low occupancy or low ventilation requirements.

6.

Scheduling supply fan operation of Fan Coil Units in common areas without compromising thermal comfort levels:

Similar to the Fresh Air Handling Units, we schedule the operation of supply fans in Fan Coil Units in common areas, optimizing energy usage without compromising thermal comfort for occupants.

7.

Scheduling operation of car parking extract fans without compromising CO levels in parking:

We implement a scheduling system for the operation of car parking extract fans, ensuring that proper ventilation is maintained while minimizing energy consumption during periods of low occupancy.

8.

Installation of aerators in the wash basin mixers:

By installing aerators in wash basin mixers, we reduce water flow rates without compromising the functionality and user experience, leading to water conservation.

9.

Replacement of Indoor Lighting with energy-efficient lamps:

We replace traditional lighting fixtures with energy-efficient lamps, such as LED or CFL, reducing energy consumption and improving lighting quality.

10.

Replacement of car parking CFL lamps with LED:

Similar to indoor lighting, we replace CFL lamps in car parking areas with energy-efficient LED lamps, resulting in energy savings and improved lighting quality.

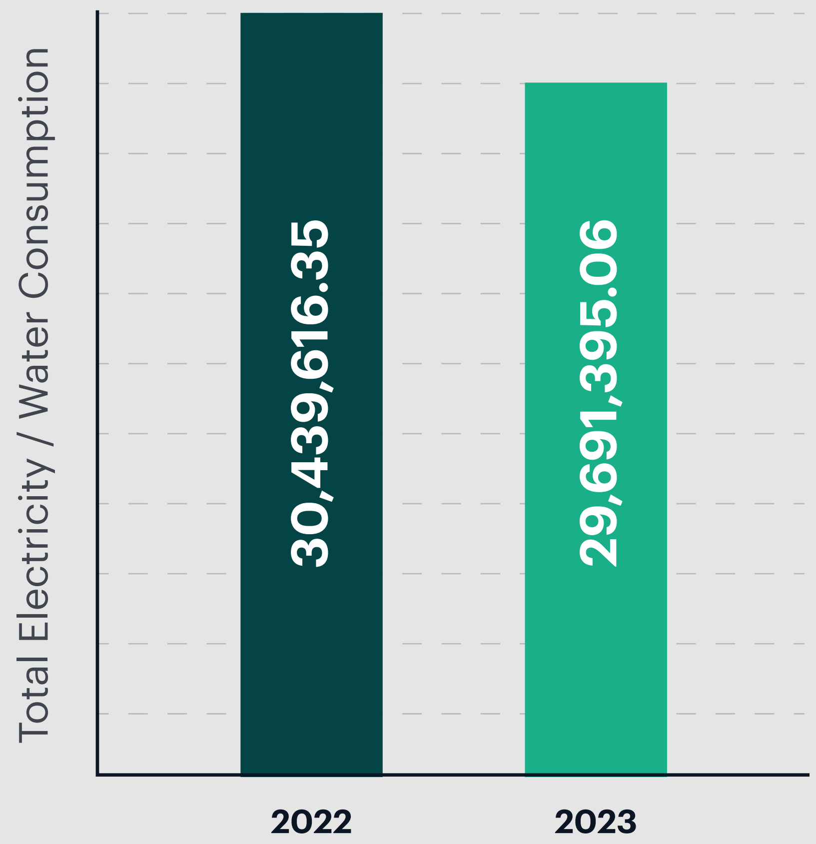
11.

Delta T rectification in Building Metropolis and 51 Tower:

We rectify any issues related to the temperature difference (Delta T) in the heating and cooling systems of Building Metropolis and 51 Tower, ensuring efficient operation and energy savings.

These ECMs are part of our ongoing commitment to energy conservation and sustainability. By implementing these measures, we strive to reduce our energy consumption, lower operational costs, and minimize our environmental impact.

Energy Consumption in our Communities



- Deyaar Community Management is certified with **ISO 9001, 14001, 45001**
- Deyaar Property Management is certified with **ISO 9001, 10002, 45001, 55001**
- Deyaar Facilities Management:

ISO 9001
ISO 14001
ISO 45001
BUREAU VERITAS Certification

ISO 41001
BUREAU VERITAS Certification

BICSc THE BRITISH INSTITUTE OF CLEANING SCIENCE

ISSA The Worldwide Cleaning Industry Association

Developing Our Workforce

Deyaar's working culture and ethics are fundamentally linked with Deyaar's core values of transparency, reliability, responsibility, agility, and quality.

Our employees are key to our success, and as a result, we invest significant resources to become an employer of choice.

We recognize that our employees are our greatest asset, and their well-being and growth are paramount to our success. Also, health and safety are non-negotiable aspects of our commitment to our employees. We prioritize the well-being of our team members, providing a safe workplace that promotes their physical and mental health.

Knowledge sharing is encouraged and celebrated within our organization, as we believe in the power of collaboration and learning from each other. By fostering a positive work culture built on trust, respect, and open communication, we create an environment where every employee can thrive and contribute their best work.

Diversity and Inclusion

Diversity and inclusion are foundational pillars of our organization, driving our success and fostering a culture of innovation and collaboration. We recognize that a diverse workforce brings a wealth of perspectives and ideas, fuelling creativity and driving us towards excellence.

We value the unique backgrounds, skills, perspectives, and talents that each member of our workforce contributes. Our ability to learn from each other and leverage our differences as strengths is a key factor in our success. In our hiring process, we prioritize selecting candidates based on their abilities, qualifications, and personal values, without bias towards race, age, religion, gender, or national origin. We believe that diversity enriches our work environment and enables us to better serve our customers and stakeholders.

Maintaining an inclusive workplace is a top priority for us. We actively encourage our employees to raise any concerns related to discrimination or harassment, ensuring that every individual feels respected and valued. Our policies and code of conduct are designed to safeguard the rights and well-being of our employees, fostering a culture of mutual respect and support.

Talent Management

Talent management is a critical focus area for Deyaar, as we understand that attracting and retaining top talent is essential for our continued success and growth. Our policies and processes are continuously updated to maintain internal equity and external competitiveness, ensuring that our employees are valued and rewarded for their contributions.

To enhance internal customer service and foster collaboration across the organization, we have implemented an annual interdepartmental survey. This survey allows us to gather feedback from employees across different departments, identify areas for improvement, and promote a culture of open communication and collaboration. By listening to our employees' voices and addressing their feedback, we create a supportive and engaging work environment that empowers our team members to excel.

In addition, we have introduced a new joiners' orientation program called 'JUMPSTART.' This program is designed to provide new hires with a comprehensive onboarding experience that sets them up for success from day one. 'JUMPSTART' offers insights into the company's history, operations, and culture, helping new employees understand our organizational structure and values. Furthermore, the program familiarizes new hires with our HR policies, ensuring that they are equipped with the knowledge and resources needed to thrive in their roles.

These initiatives not only contribute to a positive employee experience but also strengthen our organizational culture and drive performance excellence across the company.

Work-life Balance

Promoting a healthy work-life balance is a priority at Deyaar, as we believe that our employees' well-being and happiness are essential for their success and fulfilment. To support this, we offer a range of initiatives that enable our team members to achieve a harmonious balance between their professional and personal lives.

One of the ways we promote work-life balance is by providing flexible working hours to our employees. This flexibility allows individuals to adjust their work schedules to better accommodate their personal commitments and preferences, fostering a more sustainable and adaptable approach to work.

Additionally, we have implemented half-day Fridays to give our employees the opportunity to enjoy extended weekends and dedicate more time to relaxation, family, and personal interests. This initiative helps reduce stress and burnout, allowing our team members to recharge and return to work feeling refreshed and energized.

Recognizing the importance of supporting working mothers, we offer enhanced maternity leave benefits to empower them to balance their work and family responsibilities effectively. This extended maternity leave period provides mothers with the time and support they need to bond with their newborns and transition back to work at their own pace.

Furthermore, we extend the eligibility period of the nursing break for mothers returning from maternity leave. This initiative creates a supportive work environment that enables mothers to continue breastfeeding their infants while transitioning back to the workplace, promoting their well-being, and ensuring a smooth reintegration process.

We believe that a healthy work-life balance is essential for employee satisfaction, engagement, and overall success, and we are dedicated to supporting our team members in achieving this balance.

Parental / Maternity Leave	2021	2022	2023
Number of male employees who benefitted from parental leave	8	5	10
Number of female employees who benefitted from maternity leave	5	3	2
Number of female employees who returned to work after maternity leave ended (return to work)	5	3	2
Return to work rate (%)	100.00%	100.00%	100.00%

Looking Ahead

An organization-wide employee recognition programme that includes different incentives is expected to go live in 2024. Derived from the Arabic word 'Tafawaq' which translates to 'excel', this program is designed to reward employees who exceed expectations and have mastered the art of going above and beyond the call of duty. Tafawaq by Deyaar aims to recognize employees for their outstanding contributions, achievements, and exceptional performance in their roles. This will include a platform offering better visibility, peer-to-peer recognition and a points-based redemption system.

Deyaar Development

Total number of employees - Deyaar:

258

Nationalities in Deyaar in 2023

38

Emiratization percentage in 2023

9%

Number of training sessions/hours in 2023 and how many employees trained (internal or external)

1036 Hours **179** Employees

Female employees in mid-management and senior management

11 Mid-Management **2** Senior Management

Employees turnover rate in 2023

14% Voluntary **17%** Overall

Percentage of male and female employees

33% Female **67%** Male

Deyaar Facilities Management

Total number of employees

1817

Employees turnover rate in 2023

17.13%

Percentage of male and female employees

94% Male - 1,705 employees

6% Female - 112 employees

Number of training sessions/hours in 2023 and how many employees trained (internal or external)

1,253 Sessions

4185.95 Hours

(9,314 employees attended)

Nationalities

35

Female employees in mid-management and senior management

2

Digital Transformation: Enhancing Customer Experience

Deyaar Development is proud of its commitment to being customer-centric, strives to deeply understand its customers, and create services and experiences that surpass their expectations. The relationship between the customers and the company is portrayed as a long-lasting journey, beginning with the search for a home and extending through the living experience. The company aims to ensure that this entire journey is enjoyable and enduring for its customers.

In the transformative journey of 2023, Deyaar embarked on a path marked by innovative advancements that significantly enhanced its operational processes and customer engagement strategies. This evolution was characterized by a focus on simplification and efficiency, with a goal to make services and internal processes more accessible and user-friendly for both the team and the valued customers.

One of the significant achievements of the year was the successful implementation of automation in key operational areas. This initiative streamlined various processes, particularly in unit transfers and customer support management, leading to faster task completion and reduced manual effort. These enhancements were universally praised for improving operational efficiency and ease of use.

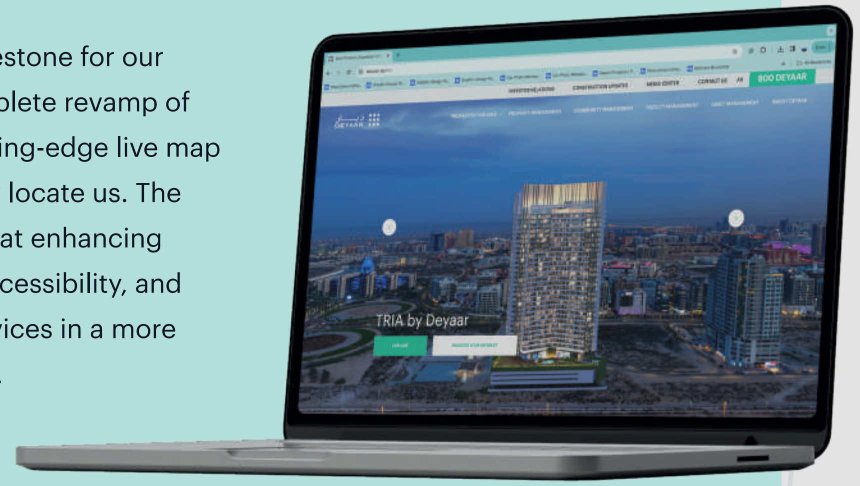
In addition to process automation, substantial improvements were made in the payment systems to prioritize ease of use and accessibility. The upgrade aimed to provide customers with a more seamless and intuitive payment experience, which was well-received for its simplicity and efficiency.

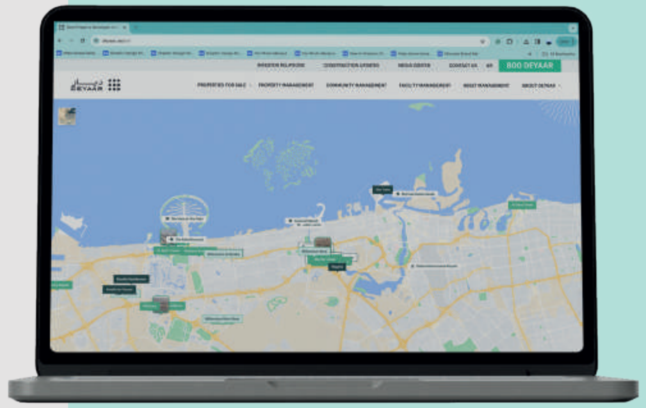
The commitment to technological robustness was further demonstrated through the enhancement of the digital infrastructure. Advanced monitoring systems were implemented for API and Windows Services to ensure greater reliability and stability in technological operations.

A significant leap was taken in customer interaction and service delivery by introducing innovative solutions such as integration for service requests, making customer interaction as simple as sending a message. The adoption of digital document signatures facilitated a more streamlined and eco-friendly approach to document management, eliminating the need for physical paperwork handling.

These initiatives in 2023 were not just technological upgrades; they represented a fundamental shift towards a more efficient, customer-centric, and technologically advanced organization. The efforts made in 2023 set a new standard in service excellence and operational efficiency, highlighting the company's dedication to continuous improvement and innovation.

This year marked a significant milestone for our company as we underwent a complete revamp of our website and introduced a cutting-edge live map feature for our customers to easily locate us. The revamp of our website was aimed at enhancing user the experience, improving accessibility, and showcasing our products and services in a more engaging and informative manner.





The development of the live map feature was a strategic move to provide our customers with a convenient and interactive way to locate our physical presence. This innovative tool allows customers to easily pinpoint our locations, explore nearby amenities, and access real-time information about our services and offerings.

Community Well-being

In the pursuit of social engagement and community interactions, we organized a series of community events that aimed to celebrate the spirit of enjoyment and conviviality. These events catered to a wide range of interests and preferences, encompassing themes such as sustainable living, sports and fitness, and family gatherings. One such event that stood out was the "Swimming Pool & Water Park Themed Activities" held in Midtown Dania and Afnan.

The **Swimming Pool & Water Park Themed Activities** event was a resounding success, leaving all attendees with a memorable and enjoyable experience. The event was thoughtfully designed to engage participants of all ages, ensuring that everyone could find something to their liking.

Attendees **322+**

In October 2023, a **community carnival** was held in Midtown, bringing together people of all ages and backgrounds in a celebration of community spirit. The combination of market stalls, stage performances, interactive games, delicious food, unique activations, and lively music created an unforgettable experience for all who attended. The carnival showed the unity and vibrancy of the Midtown community, leaving a lasting impression on everyone.

Attendees **1500+** residents

Looking ahead, we eagerly anticipate future collaborations and community events that will continue to bring our residents closer and foster a strong sense of belonging. Together, we will continue to create memorable experiences and build a vibrant community that cherishes social engagement and community interactions.

Driving Change: Empowering Communities Through Social Impact

Through volunteer programs and employee-led projects, we create opportunities for our team members to contribute their skills and expertise to meaningful causes. This not only benefits the communities we serve but also fosters a sense of purpose and fulfilment among our employees.

We measure the success of our social impact initiatives through a combination of qualitative and quantitative indicators. We regularly assess the outcomes of our programs, gather feedback from beneficiaries and stakeholders, and make adjustments as needed to ensure maximum effectiveness.

At the core of our social impact strategy is the belief that businesses have a responsibility to make a positive difference in society. By driving social responsibility, we aim to create a lasting impact that benefits both present and future generations.

In October, Deyaar partnered with the Emirates Red Crescent in the "Tarahum - for Gaza" UAE Relief Campaign. This initiative aimed to alleviate the suffering and provide essential supplies to those in need.

Deyaar joined hands with the Emirates Red Crescent to collect and send crucial items to the affected areas in Gaza. The focus of the campaign was on providing food, children's care items, and hygiene products, recognizing the urgent need for these essentials in times of crisis.

The employees of Deyaar played a pivotal role in the success of this collection effort. Their dedication and support demonstrated their commitment to making a positive impact on the lives of those affected by the conflict.

Through their collection and distribution of essential items, they have provided much-needed support to the affected communities. This collaboration serves as an inspiring example of corporate social responsibility and highlights the importance of collective action in times of crisis.

A Company to Trust

At the heart of our corporate governance framework is a commitment to the highest standards of ethical conduct and responsible business practices. We believe that strong governance is essential for the long-term success and sustainability of our organization. Our governance framework is designed to ensure accountability, transparency, and integrity in all aspects of our operations.

Our Governance Report

In accordance with the resolution of Securities & Commodities Authority ("Authority") Chairman No. (3/R.M) of 2020 concerning adopting the Corporate Governance Guide for Public Joint Stock Companies and pursuant to the provision of Article No. (77) of this Resolution, Deyaar Development PJSC ("the Company") is submitting this Governance report for the fiscal year ended on 31 December 2023, through which it affirms its commitment to developing its supervisory and control system, and upgrading it to match the best international standards and practices, in order to develop and regulate the securities sector in the United Arab Emirates, taking into account the requirements related to environmental considerations and social responsibility.

This report was prepared in accordance with 2023 governance report template approved by the Authority which was issued on 31 January 2024.
This report will be available to all shareholders prior to holding the General Assembly with sufficient time via the internet through the website of the Authority, Dubai Financial Market and the Company's website **(www.deyaar.com).**

1. Procedures taken to complete the corporate governance system during 2023 and its method of implementation

The Board of Directors ("the Board") believes in the importance of applying the highest standards of governance to enhance the Company's performance, protect shareholders' rights and achieve sustainable growth in financial markets, as the Board and the Executive Management established an internal control system which is deemed as a conclusive element of the Company's governance structure. The Governance framework in the Company acts in accordance with the principles and standards identified and applied by each of the Authority, Dubai Financial Market and the provisions set forth within the Federal Law No. (2) of 2015 and its amendments as per Federal Law no. (26) of 2020 on Commercial Companies regarding the determination of governance requirements.

In 2023, the Management has effectively applied governance rules in a transparent manner based on the responsibility of the Board towards the shareholders to protect and promote their rights through the following:

- Development of the governance manual in line with the legislations and resolutions of the Authority;
- The Board held four meetings during the year and notified Dubai Financial Market with dates and results of these meetings as per procedures applicable in Dubai Financial Market. Additionally, four meetings of the Audit Committee, three meetings of the Nomination & Remuneration Committee, four meetings of the Executive Committee and three meetings of the Risk Committee were held;
- The commitment of the independent Directors to disclose any change affecting their independence and to ensure it on an ongoing basis by the Nomination and Remuneration Committee.
- Confirmation of the Committees' composition; practicing all powers and responsibilities needed to perform their work as well as any other additional duties assigned by the Board to these Committees. The Board monitors and receives reports from these Committees in line with the rules and regulations of the Authority;
- Establishment of the Internal Audit Department reporting to the Board through the Audit Committee. The Internal Audit Department submits reports to the Audit Committee and practice all powers and authorities assigned thereto pursuant to the internal control system and powers approved by the Board;

- Confirmation of the authorities vested to the Management, any other additional tasks assigned by the Board and identifying duration necessary to practice these authorities;
- Disclosure of the quarterly and annual financial statements reviewed by the External Auditors and approved by the Board and submitting thereof to the Dubai Financial Market and the Authority;
- The Board through the Risk Committee developed a framework and strategy to manage the risks and measured the acceptable levels of risks available to the Executive Management to be followed and complied with;
- Activating the participation of a female candidate in the Company's Board of Directors;
- Review of the internal control system; update and approve some of the Company's policies and procedures such as procedures which govern Board members and employees' trading activities, whistle-blowing policy, policy on annual remuneration and code of conduct.

2. Ownership and transactions of Board of Directors, their spouses and children in the Company's securities during 2023

The Board Members conform to the policy defined in the Company's governance manual concerning trading of securities issued by the Company. Further, the Board Members adhered to the period of trading prohibition stated in the system of trading, setoff, settlement, transfer and holding of securities issued by the Authority. They also disclose their own and their first-degree relatives' trading on an annual basis using the form prepared for this purpose.

No.	Name	Position/Kinship	Owned shares as on 31/12/2023	Total Sale	Total Purchase
1	Mr. Abdullah Al Hamli	Chairman	–	–	–
2	H.E. Hamad Buamim	Vice-Chairman	1,514,654	–	–
3	Mr. Rashid Hasan Al Dabboos	Board Member	22,105	–	–
4	Mr. Mohamed Al Sharif	Board Member	–	200,000	200,000
5	Mr. Mohammed Al Nahdi	Board Member	–	–	–
6	Dr. Adnan Chilwan	Board Member	–	–	–
7	Mr. Obaid Nasser Lootah	Board Member	234,432	–	–
8	Mr. Yasser Bin Zayed	Board Member	–	–	–
9	Ms. Maryam Mohammed Bin Fares	Board Member	–	–	–

According to letter received from the Dubai Financial Market sent to the Company on 23 January 2024 under Ref. No. 2024/00221, there are no transactions made by the Board Members of the Company other than the transactions mentioned in the above table.

3. Board of Directors' Formation

The Board devotes all efforts and utilizes its expertise to improve the Company's performance as per the shareholders objectives. Such objectives are converted into actions and decisions which are closely monitored by the Board along with the Executive Management in a manner that ensures sustainability, value realization and profitability to all stakeholders.

The Board has set a specific governance framework to ensure the effectiveness of the Board members in fulfilling their duties toward the main objectives and facilitate their positive contribution. The Board has delegated some tasks and responsibilities to the Committees where each committee submits reports and recommendations to the Board in a responsible and transparent manner.

A. Statement of the current Board formation:

According to Federal Law No. (2) of 2015 on the Commercial Companies and Article No. (15) of the Company's Articles of Association, the Board was elected by the General Assembly for a subsequent term of three years on 27 April 2022.

The Board consists of nine Non-Executive Board members. The Board members are classified as Non-Executive (Non-Independent) or Non-Executive (Independent) according to the definition of each category by the Authority. Noting that the Chairman of the Board and the majority of the Directors are citizens of United Arab Emirates.

B. Statement of the percentage of female representation in the Board for 2023:

In line with the vision of the United Arab Emirates to make women an essential partner in leading the process of sustainable development, and with the aim of taking into account gender diversity, the Company has allocated a space for the female candidate in its Board of Directors. One female Board Member has been elected on 27 April 2022 for the next term.

C. Statement of Board members' remunerations and allowances to attend the meetings of the Committees:

1. **Total remunerations paid to the Board members for 2022:**

   2.73% of the net profit for the financial year ended in 2022 (after deducting depreciations and reserve) was given as a remuneration to the Board members, which represents the amount of AED 3.55 million after obtaining approval of the General Assembly which was held on 22 Mar 2023.

2. **Total remunerations of the Board members proposed for 2023 to be presented in the annual General Assembly meeting for approval:**

   It is proposed to pay AED 4.55 million from the net profit of the financial year ended on 31 December 2023 (After deducting depreciation and reserves) as a remuneration to the Board members, after obtaining the approval of the General Assembly.

(We will make the necessary update if the proposed remuneration is changed in the upcoming General Assembly meeting).

3. **Allowance paid to the Board members for attending meetings of the Board Committees for 2023:**

   The Board received allowance for attending the meetings of the Board Committees as follows:

Allowance paid to the Board members for attending meetings of the Board Committees for 2023

No.	Name	Committee Name	Allowance per Meeting	No. of Attended Meetings	Total Allowance of 2023
1	H.E. Hamad Buamim	Executive Committee	5,000	4	**20,000**
2	Dr. Adnan Chilwan	Executive Committee	5,000	4	**20,000**
3	Mr. Mohamed Al Sharif	Audit Committee	5,000	4	**30,000**
		Risk Committee	5,000	2	
4	Mr. Mohammed Al Nahdi	Nomination and Remuneration Committee	5,000	3	**50,000**
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
5	Mr. Obaid Nasser Lootah	Nomination and Remuneration Committee	5,000	3	**35,000**
		Executive Committee	5,000	4	
6	Mr. Yasser Bin Zayed Al Falasi	Nomination and Remuneration Committee	5,000	3	**50,000**
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
7	Ms. Maryam Bin Fares	Nomination and Remuneration Committee	5,000	3	**50,000**
		Audit Committee	5,000	4	
		Risk Committee	5,000	3	
8	Mr. Rashid Al Dabboos	Executive Committee	5,000	4	**20,000**

4. **Details and reasons of additional allowances, salaries or fees paid to the Board members for 2023 other than the attendance allowance:**

Allowances paid to a Board Member other than the allowances paid for attending the committees

No.	Name	Reason	Total Allowance of 2023
1	Mr. Rashid Al Dabboos	For attending the meetings of the Board of Directors of a subsidiary company (Deyaar Facilities Management) in his capacity as a Chairman of the Board	**15,000**

D. Board of Directors meetings for the fiscal year 2023

The Board held four (4) meetings during 2023, as follows:

No.	Name	Meeting Dates			
		13 Feb 2023	9 May 2023	27 Sep 2023	19 Dec 2023
1	Mr. Abdullah Al Hamli	✓	✓	✓	✓
2	H.E. Hamad Buamim	✓	✓	✓	✓
3	Mr. Rashid Hasan Al Dabboos	✓	✓	X	✓
4	Mr. Mohamed Al Sharif	✓	✓	✓	✓
5	Mr. Mohammed Al Nahdi	✓	✓	T	✓
6	Dr. Adnan Chilwan	✓	✓	✓	✓
7	Mr. Obaid Nasser Lootah	T	✓	✓	T
8	Mr. Yasser Bin Zayed Al Falasi	T	✓	✓	✓
9	Ms. Maryam Bin Fares	✓	✓	✓	✓

✓ Attended the meeting   X Absent with apology   T Attended through modern technology

E. Number of Board's decisions issued by circulation during the fiscal year 2023

No decisions were issued by circulation during the fiscal year 2023.

F. Duties and responsibilities assigned by the Board to the Executive Management:

The Board authorized the CEO, Mr. Saeed Al Qatami to carry out the daily tasks of the Company's business as per the authority delegation matrix approved by the Board on 29 July 2018 and the amendments therein dated 29 December 2019. The Board also granted the CEO a set of authorities determined under a valid and indefinite - term power of attorney issued on 10 September 2015. The Board approved the extension of these authorities delegated to the CEO during the meeting held on 10 May 2022, summarized as follows:

- Executing all tasks and necessary matters to manage and operate the Company to achieve its objectives and conduct its business on all financial and administrative aspects, representing the Company in its dealings with third parties and signing all contracts of all types.
- Filing and registering lawsuits, claims and demands and defending Company's interests as a plaintiff or defendant, claimant or respondent in legal proceedings, lawsuits or complaints before any court, committee, arbitration/ judicial/ administrative court and appointing & authorizing attorneys and legal consultants.
- Signing cheques and commercial documents under the terms and conditions and powers determined by the Board represented by the Chairman of the Board. In addition, signing all kinds of contracts and assigning of its ownership before government authorities provided that these actions are within the limits of the plans and strategies approved by the Board represented by the Chairman of the Board.
- Forming and registering branches, representative offices, subsidiary companies, joint ventures, associates, or strategic alliances with other parties in the United Arab Emirates as approved by the Board.

The Board approved additional authorization to the CEO in the resolution passed by circulation dated 20 September 2022 as follows:

- To open and close bank account/s, deposit, endorse or withdraw funds to or from any of the Company's bank accounts or safe deposit box.
- To execute, sign and deliver to banks on behalf of the Company and its subsidiaries any forms, mandates to add signatories to operate the accounts, agreements, deeds and any account opening and servicing documentation and do all acts, things and matters whatsoever necessary for the opening, maintenance and operation of the account/s and to avail all cash management, credit cards or any electronic / online banking services with roles.

The Board also approved to do the necessary changes to the POA given to the General Counsel in the Board Meeting held on 10 May 2022 and summarized as follows:

- Representing the Company in all legal affairs before all official authorities and courts.
- Amending the Memorandum of Association of Company's subsidiaries according to the new commercial law.
- Representing the Company and its subsidiaries before the Notary Public, Department of Economic Development, free zone authorities and all the competent

authorities in making all necessary amendments to the Companies' Articles of Association.

These powers have been extended during the Board meeting held on 10 May 2022.

The board determined the duration of the authorities/POAs delegated mentioned above to the CEO and General Counsel until the end of the current serving period of the Board during its meeting held on 13 February 2023.

G. Statement of the details of transactions made with related parties (stakeholders) during 2023

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures.

Related parties comprise entities under common ownership and/or common management and control and key management personnel.

Balances and transactions with related parties

Apart from those mentioned in the Clause No. (10) of the notes included in the financial statements of the Company for the year 2023, there are no transactions with related parties (stakeholders) or any other parties during 2023. The transaction details are as follow:

a) Related party transactions

During the year, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group's management.

	2023 AED' 000	2022 AED' 000
Ultimate majority shareholder		
Other operating income/finance income	**18,408**	3,691
Finance cost	**41,760**	25,288
Borrowings drawdown	**100**	219,793
Borrowings repayments	**317,450**	216,129
Joint venture		
Other operating income	**2,811**	1,125
Dividend income	**50,000**	19,095
Repayment of capital contribution		30,905
Associate		
Dividend income		2,000

b) Remuneration of key management personnel

	2023 AED' 000	2022 AED' 000
Salaries and other short term employee benefits	**15,156**	13,980
Termination and post-employment benefits	**382**	508
Board of Directors' sitting fees*	**365**	330
Board of Directors' remuneration**	**4,100**	3,150
	20,003	17,968

During the year, additional sitting fees for the Board of Directors' amounting to AED 0.09 million (2022: AED 0.17 million) was recognized pertaining to the previous year.

*****During the year, an additional provision for the Board of Directors' remuneration amounting to AED 0.55 million (2022: AED 0.15 million) was recognized based on the final approval of the shareholders in the Annual General Meeting dated 22 Mar 2023.***

c) Due from related parties comprises:

	2023 AED' 000	2022 AED' 000
Current		
Due from a joint venture	**3,466**	1,084
Due from other related parties	**257,184**	245,426
	260,650	246,510
Less: provision for impairment	**(1,394)**	(33,613)
	259,256	212,897

Management believes that based on the court judgement and the Conditional Settlement Agreement signed with a related party during 2022, the receivable balance from a related party amounting to AED 256 million is recoverable. During the year, management has reversed the impairment provision amounting to AED 32.2 million and also has recognized income of AED 11.8 million based on the settlement agreement and further discussions with the related party.

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group, bank account balances of AED 164.9 million (2022: AED 166.6 million) and fixed deposits of AED 437 million (2022: AED 354 million), at market prevailing profit rates.

Impairment provision

To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with IFRS 9 - Financial Instruments in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount of recoveries.

3. Due to related parties comprises:

	2023 AED' 000	2022 AED' 000
Current		
Due to a significant shareholder	**320**	271
Due to other related parties	**100**	110
	420	381

On 31 December 2023, the Group had bank borrowings from the ultimate majority shareholder of AED 481.5 million (2022: AED 798.8 million) at market prevailing profit rates.

H. Organizational structure of the Company

I. Statement of Senior Executives staff, their positions and date of appointment, total salaries and bonuses paid thereto as on 31 December 2023:

No.	Position	Appointment Date	Total salaries and allowances paid for 2023 (AED)	Total bonuses paid for 2023 (AED)*	Any other cash/in-kind bonuses for 2023 or due in the future
1	Chief Executive Officer	1 Jun 2007	2,576,700	–	NA
2	Chief Operating and Transformation Officer	2 Aug 2015	1,696,500	–	–
3	Vice President-Operations**	1 May 2004	728,738	–	322,000
4	Vice President-Sales	8 Jan 2006	3,685,298	–	NA
5	Vice President-Human Resources	30 May 2022	870,425	–	NA
6	Vice President-Marketing and Corporate Communications	1 Aug 2008	755,224	–	NA
7	Vice President-Legal (General Counsel)	7 Feb 2017	1,178,295	–	NA
8	Senior Vice President-Development	26 Apr 2022	1,402,550	–	NA
9	Vice President-Asset Management & Hospitality	24 Nov 2016	971,214	–	NA
10	Vice President-Property & Community Management	6 Dec 2022	1,004,670	–	NA

** There are no bonuses paid for the year 2023 as of report date. If any bonuses have been paid, we will make the necessary update.*

*** Served until 31 July 2023*

4. External Auditor

A. Ernst & Young Middle East (EY) was appointed as external auditor for the year 2023 at the General Assembly meeting on 22 March 2023 and with the approval of majority shareholders. EY is one of the four world's largest accounting and auditing companies. The company provides auditing, taxation and consulting services in various sectors.

B. Statement of the fees and costs of the audit or the services provided by the External Auditor:

Name of Audit Office	Ernst & Young (Middle East)
Name of Partner Auditor	**Wardah Ebrahim**
Number of years served as the Company's external auditor	Started audit from April 2023
Number of years the Partner Auditor spent auditing the Company's accounts	Started audit from April 2023
Total audit fees for 2023 (in AED)	AED 680,000
Fees and costs of special services other than auditing the financial statements for 2023 (in AED), if any, and in case of absence of any other fees, this shall be expressly stated	AED 220,614
Details and nature of other services (if any). If there are no other services, this shall be expressly stated.	• Advisory service on VAT treatment • Assessment on impact of Corporate Tax

The table below shows a statement of other services provided by an external auditor other than the Company's auditor in 2023:

Auditor	Partner Auditor	Type of Services	Amount (AED)
KPMG Lower Gulf Limited	Siddharth Behal	Consulting services	90,000

C. There are no reservations made by the External Auditor of the Company in the interim and annual financial statements for the year 2023.

5. Audit Committee

The Company's Audit Committee reviews financial and accounting policies and procedures, monitors the independence of the External Auditor, reviews financial control systems, internal control and risk management, and performs a wide range of tasks related to following up on the work of the External Auditor.

A. Ms. Maryam Bin Fares, Audit Committee Chairman, acknowledges her responsibility for the committee charter in the Company, to review its work mechanism and ensure its effectiveness.

B. Names of members of the Audit Committee:

No.	Name	Title
1	Ms. Maryam Bin Fares	**Chairman**
2	Mr. Mohammed Al Sharif	**Member**
3	Mr. Yasser Bin Zayed Al Falasi	**Member**
4	Mr. Mohammed Al Nahdi	**Member**

The roles and duties assigned thereto:

1. Reviewing the Company's financial policies and accounting procedures;
2. Developing and implementing the policy of contracting with the External Auditor and submitting reports to the Board specifying the important issues that require actions with recommendation on the steps to be taken;
3. Monitoring the independence and objectivity of the External Auditor, discussing the nature and scope of the audit process and its effectiveness according to the approved audit standards, ensuring the External Auditor's fulfillment of the terms and conditions stipulated in the applicable laws, regulations and resolutions and the Company's Articles of Association;
4. Monitoring the integrity of the Company's financial statements and its (annual and quarterly) reports and reviewing them as part of its duty during the year and after closing of the books after each quarter. It shall particularly focus on the following: Any changes in accounting policies and practices; highlighting the areas subject to Management's discretion; material modifications resulting from the audit; assumption of continuity of the Company; compliance with the accounting standards established by the Authority; compliance with the rules of listing, disclosure and other legal requirements regarding the preparation of the financial reports;
5. Coordinating with the Board, the Executive Management, Chief Operational and Transformation Officer (COTO) or whoever carry out the same responsibilities in the Company to perform its duties;
6. Meeting with the External Auditors of the Company at least once a year without the presence of the Senior Executive Management or any of its representative and discussing the nature and scope of auditing and its effectiveness in accordance with the approved auditing standards;
7. Examining any significant and unusual terms that are stated or must be stated in those reports and accounts and shall give due consideration to any matters issued by the COTO or whoever carries out the same responsibilities, the Compliance Officer or the External Auditors;
8. Providing recommendation to the Board regarding the selection, resignation or dismissal of the External Auditor;
9. Reviewing the Company's financial control, internal control and risk management systems;
10. Discussing the internal control system with the Board and ensuring the latter's establishment of an effective internal control system;
11. Examining the results of primary investigations in internal control matters as assigned to the Committee by the Board or initiated by the Committee with Board approval on such initiative;
12. Reviewing the auditor's assessment of the internal control procedures and ensuring the coordination between the Company's internal and external auditors;
13. Ensuring availability of resources required for the Internal Audit Department and monitoring the effectiveness of such department;
14. Discussing all matters that are relevant to the External Auditor duties, work plan and correspondence with the Company, observations, reservations and any essential questions raised by the External Auditor to the Executive Management regarding the accounting records, financial accounts or control systems and following up on their response and monitor the responsiveness of the Management and necessary facilities provided to the External Auditors to carry out their work;
15. Ensuring timely response of the Board to inquiries and substantial matters mentioned in the letter of the External Auditor;
16. Developing the rules that enable employees of the Company to confidentially report any potential violations of financial reports, internal control or any other issues, and procedures necessary for conducting independent & fair investigations concerning such violations and monitoring the extent to which the Company complies with the code of conduct;
17. Reviewing the related parties' transactions of the Company and ensuring that no conflict of interest exists and submitting recommendations concerning such transactions to the Board before concluding contracts;
18. Ensuring implementation of the work rules of its duties and authorities entrusted by the Board;
19. Submitting reports and recommendations to the Board for above mentioned issues, and considering any other issues determined by the Board.

C. Statement of number and dates of the Audit Committee meetings held during 2023 to discuss issues related to the financial statements and any other matters, indicating the number of times of personal attendance of all members of the Committee

The Committee held four (4) meetings during the fiscal year as follows:

No.	Name	Meeting Dates							
		13 Feb 2023		9 May 2023		27 Sep 2023		19 Dec 2023	
		Attendance	Purpose	Attendance	Purpose	Attendance	Purpose	Attendance	Purpose
1	Ms. Maryam Bin Fares	✓	Discussion of financial statements and matters of Internal Control	✓	Discussion of financial statements and matters of Internal Control	✓	Discussion of financial statements and matters of Internal Control	✓	Discussion of financial statements and matters of Internal Control
2	Mr. Mohamed Al Sharif	✓		T		✓		✓	
3	Mr. Yasser Bin Zayed Al Falasi	✓		✓		T		✓	
4	Mr. Mohammed Al Nahdi	✓		✓		✓		✓	

✓ Attended the meeting

T Attended through modern technology

6. Nomination and Remuneration Committee

The Nomination and Remuneration Committee continuously ensures the independence of the independent members, prepares the policy for granting remunerations, benefits and incentives, determines the Company's needs for competencies at the level of senior executive management and employees, as well as determines the basis for their selection and prepares the policy for human resources and training in the Company.

A. Mr. Yasser Bin Zayed Al Falasi, Nomination and Remuneration Committee Chairman, acknowledges the responsibility for the committee charter in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Nomination and Remuneration Committee:

No.	Name	Title
1	Mr. Yasser Bin Zayed Al Falasi	**Chairman**
2	Ms. Maryam Bin Fares	**Member**
3	Mr. Obaid Lootah	**Member**
4	Mr. Mohammed Al Nahdi	**Member**

The roles and duties assigned thereto:

1. Constantly verifying independence of the independent Board members;
2. Developing a policy on which basis of bonuses, benefits, incentives and salaries shall be granted to the Company's Board members & staff and ascertaining that the remuneration and benefits granted to Executive Management are reasonable and in line with the Company's performance;
3. Determining Company's requirements of competencies of the Executive Management and employees' level and selection criteria of these requirements;
4. Preparing human resources and training policy, monitoring its implementation and reviewing thereof on annual basis;
5. Organizing and following up the Board nomination procedures according to the applicable laws, regulations and its provisions;
6. Reviewing annually the appropriate skills required for Board membership and preparing of capabilities and qualifications for Board membership including the time a member shall need to allocate to fulfill their duties;
7. Reviewing the Board's structure and submitting recommendations related to the changes that may be made;
8. Developing a board membership policy with the aim of gender diversification within the formation and encouraging women nominees through offering of incentive and training benefits and programs;
9. Consider any other matters determined by the Board.

C. Statement of number and dates of Nomination and Remuneration Committee meeting held during 2023, indicating the number of times of personal attendance of all members of the Committee:

The Committee held three (3) meetings as follows:

No.	Name	Meeting Dates 1 Feb 2023	31 Jul 2023	21 Dec 2023
1	Mr. Yasser Bin Zayed Al Falasi	✓	✓	✓
2	Ms. Maryam Bin Fares	✓	✓	✓
3	Mr. Obaid Lootah	✓	✓	T
4	Mr. Mohammed Al Nahdi	✓	✓	✓

✓ Attended the meeting   T Attended through modern technology

7. Insiders' Trading Committee

The Insiders' Trading Committee prepares a register of all insiders in the company, in addition to the persons likely to have temporary access to internal information and prepares the systems and laws for the trading of board members and employees in the Company's shares, its subsidiaries, or related companies. It is also responsible for approving these systems and laws by the Board, and for taking all necessary measures to maintain the confidentiality of the Company's data.

A. Mr. Hani Fansa, Insiders' Trading Committee Chairman, acknowledges his responsibility for the insiders' trading charter in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Audit Committee:

No.	Name	Title	Position
1	Mr. Hani Fansa	Chairman	Chief Operating and Transformation Officer
2	Ms. Amel Al Hosani	Member	Vice President-Human Resources
3	Mr. Ala Hasan	Member	Board Secretary & Head of Compliance and Risk

The roles and duties assigned thereto:

1. Preparing a register of all insiders in the Company in addition to the persons who may have temporary access to internal information;
2. Preparing policies and procedures related to Board and employees trading in the Company's shares or its parent company, affiliates or associated companies' shares and submit such policies and procedures to the Board for review and approval;
3. Take all necessary measures for maintaining confidentiality of the Company's key information;
4. Take the necessary procedures to ensure related parties who have access to internal information including information of the Company maintain confidentiality and prevent this information from abuse or transferring to other parties; and
5. Ensuring that all insiders sign a declaration form confirming their awareness of their status as insiders and have access to the internal information about the Company & its customers and assume all legal consequences in case of disclosing the information or giving recommendations based on their access by virtue of their positions and informing the Company about any trading of shares of the Company or its affiliates before and after trading.

C. Summary of the Committee's activities in 2023

1. Updating register of insiders of the Company.
2. Sending the updated register of insiders to Dubai Financial Market and the Authority as per the template provided.

8. Executive Committee

The Executive Committee monitors and evaluates the achievement of the Company's strategic objectives, reviews the financial budget, feasibility studies and plans for developing new projects, approves and reviews new investments, approves new loans and ensures that the necessary terms and conditions for loans and financing are met.

A. H.E. Hamad Buamim, Executive Committee Chairman, acknowledges his responsibility for the committee charter in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Executive Committee

No.	Name	Title
1	H.E. Hamad Buamim	**Chairman**
2	Dr. Adnan Chilwan	**Member**
3	Mr. Rashid Hasan Al Dabboos	**Member**
4	Mr. Obaid Lootah	**Member**

The Executive Committee shall assist the Board in implementing its missions. In order to do that, the Executive Committee was authorized directly by the Board and granted all powers to take the necessary decisions in order to conduct Company's works in periods between the Board meetings.

The roles and duties assigned thereto:

1. Monitor and evaluate the progress of achieving Company's strategic goals and initiatives along with providing the necessary directions to the CEO in this matter;
2. Review the Company budget and provide recommendation to the Board;
3. Review and approve the feasibility studies with total cost up to AED 200 million;
4. Review the feasibility studies for projects that exceed AED 200 million and provide recommendations to the Board;
5. Review and approve new project development plans with total costs of up to AED 400 million;
6. Review new project development plans that exceed AED 400 million and provide recommendations to the Board;
7. Approve new or additional investments up to AED 100 million;
8. Review new or additional investments that exceed AED 100 million and provide recommendations to the Board;
9. Approve new or additional loans up to AED 100 million to existing subsidiaries, joint ventures, associates and others;
10. Ensure appropriate terms and conditions of loan/financing arrangements and approve loan of up to AED 50 million;

C. Statement of number and dates of Executive Committee meetings held during 2023, indicating the number of times of personal attendance of all members of the Committee

The Committee held four (4) meetings as follows:

No.	Name	Meeting Dates 8 Mar 2023	27 Apr 2023	11 Jul 2023	14 Nov 2023
1	H.E. Hamad Buamim	✓	✓	✓	T
2	Mr. Rashid Al Dabboos	✓	T	✓	T
3	Dr. Adnan Chilwan	✓	✓	✓	T
4	Mr. Obaid Lootah	✓	✓	✓	T

✓ Attended the meeting | T Attended through modern technology

8. Risk Committee

The Risk Committee oversees and approves the Company's risk management framework to assist the Board in identifying and managing the risks that the Company is exposed to. The Committee also communicates with the Board and senior Management on the Company's risk management activities and progress to keep them informed of any potential risks to the Company.

A. Ms. Maryam Bin Fares, Risk Committee Chairman, acknowledges her responsibility for the committee charter in the Company to review its work mechanism and ensure its effectiveness.

B. Names of members of the Risk Committee

No.	Name	Title
1	Ms. Maryam Bin Fares	**Chairman**
2	Mr. Mohammed Al Sharif	**Member**
3	Mr. Yasser Bin Zayed Al Falasi	**Member**
4	Mr. Mohammed Al Nahdi	**Member**

The roles and duties assigned thereto:

1. Develop a comprehensive risk management strategy and policies that are consistent with the nature and volume of the Company activities, monitor its implementation, review and update based on the company internal and external changing factors;
2. Identify and maintain an acceptable level of risks that the Company may face and ensure that the Company does not exceed such level;
3. Supervise the risk management framework of the Company and evaluate the effectiveness of the framework and mechanisms of identifying and monitoring the risks that threaten the Company in order to identify areas of inadequacy and adequacy;
4. Provide guidance to management, as needed, to assist them in improving their risk management practices and/or mitigating certain risks, including the presence of qualified management personnel to carry out risk management activities effectively;
5. Obtain assurance from the executive management and internal audit that the risk processes and systems operate effectively with appropriate controls, in addition to compliance with approved policies;
6. Prepare reports on the level of exposure to risks and recommended procedures for managing such risks, along with submitting them to the Board;

7. Make recommendations to the Board on matters relating to risk management;
8. Ensure availability of adequate resources and systems for risk management;
9. Report regularly to the Board on the Company's risk profile and promptly inform the Board of any significant changes in the volume of the risk;
10. Verify that the risk management personnel are apart from the activities that may expose the Company to risk; and
11. Review appointment, performance and replacement of the Risk officer and monitor the effectiveness of the risk management unit in general.

C. Statement of number and dates of Risk Committee meetings held during 2023, indicating the number of times of personal attendance of all members of the Committee

The Committee held three (3) meetings as follows:

No.	Name	Meeting Dates 30 Mar 2023	21 Sep 2023	21 Dec 2023
1	Ms. Maryam Bin Fares	✓	T	✓
2	Mr. Mohammed Al Sharif	✓	T	X
3	Mr. Yasser Bin Zayed Al Falasi	✓	T	✓
4	Mr. Mohammed Al Nahdi	✓	T	✓

✓ Attended the meeting | X Absent with apology | T Attended through modern technology

10. Internal Control System

A. Acknowledgment by the Board of its responsibility for the Company's internal control system

The Board has overall responsibility for ensuring the effectiveness of the internal control system of the Company. This system aims to assess effectiveness and efficiency of operations, accuracy of financial reporting and compliance with applicable laws and regulations and Company policies and procedures throughout the following assurance functions:

Internal Audit

The Company's Internal Audit Department is an independent, objective assurance and consulting activity established to enhance and add value to the Company's operations. It carries out its responsibilities according to corporate governance requirements and international standards issued by Institute of Internal Auditors and its approved guidelines. Its activities are conducted in a manner based on a continuous evaluation of perceived business risks and has full and unrestricted access to all activities, documents, records, properties and staff. This includes verifying the compliance of the Company and its employees with the provisions of applicable laws, regulations, policies and procedures and following up on the mechanism of risk management.

The Internal Audit Department is reporting to the Board through the Audit Committee so that the Department and its staff are independent to perform the duties and responsibilities entrusted to them.

It ensures the internal control system's efficiency and effectiveness in accordance with its risk based annual plan approved by the Audit Committee authorised by the Board and submits reports including observations and recommendations related to systems' improvement to the Management and the Audit Committee.

Follow up on implementation of internal audit recommendations:

As a result of continuous follow up and meetings with management during the year, a significant number of open issues where implemented / resolved. Around 79% of the issues are implemented / resolved for reports issued until year 2023.

Risk Management

The Company adopted a risk management framework that is based on qualitative and quantitative assessment of the risks faced by the Company that may affect the achievement of the Company's strategic, operational and financial objectives. The Board's Risk Committee is responsible for overseeing risk monitoring and management across all risk types. Collaborating with management, the committee defines the risk appetite and strategy tailored to specific business units. Additionally, it periodically reviews and monitors compliance with the company's overall risk appetite.

Compliance

The Compliance function performs continuous and ongoing monitoring of compliance and implementation of laws and regulations applicable to the Company. It also monitors the extent to which the Company abides by code of conduct rules, review the setup of Fraud Hotline through Internal Audit Department to enhance awareness regarding the prevention and detection of any fraudulent or irregular activity.

B. Name and qualifications of the Head of Internal Audit Department

Bassam El Ghawi is the Head of Internal Audit Department (Chief Audit Executive, CAE) since August 2014; he is a specialist in control and has an extensive experience (around 28 years) in internal and external auditing, risk management, corporate governance, compliance and fraud investigation.

He has a Bachelor's degree in Accounting and Economics, Diploma in Risk Management from the American Academy of Financial Management and he has also the following professional certificates: *Certified Internal Auditor (CIA) – IIA); Certified Information Technology Auditor (CISA) - ISACA; Certified Fraud Examiner (CFE) - ACFE; Certified Risk Management Auditor (CRMA) - IIA; Certified Compliance Officer (CCO) Arab Certified Public Accountant ACPA - ASCA; Certified Risk Management Information Control Systems Auditor (CRISC) - ISACA.*

C. Name and qualifications of the Compliance Officer

Mr. Ala Addin Mansoor is the Head of Compliance since April 2022, in addition to his role as the Secretary of the Board of the Company. He joined the Company in 2013 and held the position of Public Relations and Investor Relations Manager until 2022.

He holds a Bachelor's degree in Mass Communication in Public Relations from Al Falah University - Dubai and has more than 15 years of experience in communication, marketing, public relations management, government relations and investor relations.

D. The Internal Audit Department method in handling any significant issues in the Company

The Internal Audit Department reviews the significant issues in the Company, if any, in detail by identifying its nature and classifying in terms of degree of risk and by determining the size of the issue and evaluating the extent of the negative consequences that may affect the Company.

To avoid further aggravating its occurrences, the Department submits its reports on observations resulting from the review and provides recommendations to the Executive Management and Audit Committee. It ensures that recommendations are implemented. In addition, the Department issues periodic reports to the Audit Committee summarizing the results of its activities as follows:

- On quarterly basis: Information on the status and results of the annual audit plan, activities of internal audit staffs, status of action taken by each department on the recommendations of the previous audits and adequacy of Department's resources.
- On annual basis: It is by assessing the appropriateness and effectiveness of the internal control system. The assessment covers all key controls of the Company, including financial and operational controls and risk management system. The implementation of these recommendations is also monitored periodically through issuance of a written report as required.

As per the approved annual audit plan, the Internal Audit Department has not encountered any significant issues within the Company which required to be disclosed in the 2023 annual financial statements.

E. Number of reports issued by the Internal Audit Department and Compliance Department to the Board of Directors

The Internal Audit Department and Compliance Departments report to the Board through the Audit Committee and issued reports during 2023 to the Committee according to the approved audit plan. The number of reports issued is shown below:

Report Type	Internal Control	Internal Audit	Compliance
Quantity	13	14	2

11. Details of violations committed during 2023, its reasons, how to be addressed and how to avoid their recurrence in the future

The Company fully abides by the applicable laws and regulations issued by the Securities and Commodities Authority and any legal authority related to financial markets. Therefore, it did not incur any fines and there were no cases of violations to the applicable laws for the fiscal year 2023.

12. Cash and in-kind contributions made by the Company during 2023 for local community development and environmental conservation

The Company seeks to have a positive impact on community and the surrounding environment through effective social contributions and partnerships with bodies specialized in social support and environmental issues, emphasizing the need for social activities in line with the Company's strategy and values.

In June 2023, Deyaar contributed AED 10,000 to the Al Salam Center of Rehabilitation People of Determination, demonstrating our support for individuals facing unique challenges.

Additionally, the company's commitment to inclusivity led us to donate AED 13,340 to the Emirates Down Syndrome Association in the same month, specifically allocated for sponsoring speech therapy for two students with Down Syndrome.

Furthermore, in October 2023, Deyaar participated in the Gaza Relief Collection Drive, contributing AED 34,279 to aid in global humanitarian efforts.

These strategic philanthropic endeavors underscore Deyaar's belief in utilizing our resources to effect positive change, aligning with our corporate values of compassion and social consciousness as integral components of our governance framework.

13. General Information

A. Statement of the Company's share price in the market (closing price, highest and lowest price) at the end of each month during 2023:

Month	Highest Price	Lowest Price	Closing Price
January	0.49	0.48	0.48
February	0.49	0.47	0.48
March	0.48	0.48	0.48
April	0.54	0.52	0.53
May	0.67	0.65	0.67
June	0.68	0.65	0.67
July	0.74	0.73	0.73
August	0.71	0.70	0.71
September	0.69	0.67	0.67
October	0.61	0.59	0.59
November	0.68	0.66	0.67
December	0.69	0.69	0.69

B. Statement of the comparative performance of the Company's shares with general market index and sector index to which the Company belongs during 2023

C. Statement of shareholders' ownership distribution as on 31 December 2023 (individual, companies, governments, others) classified as follows: Local, Gulf, Arab and Foreign:

Shareholders classification	Percentage of shares held						Total
	Individual	Companies	Government	Banks	Institutional	Others	
Local	35.758%	8.604%	0.003%	41.316%	0.053%	0.007%	**85.740%**
Gulf	1.644%	3.077%	–	0.256%	0.005%		**4.982%**
Arab	2.755%	0.176%	–		–		**2.932%**
Foreign	1.646%	4.700%	–	–	–	0.001%	**6.347%**
Total	**41.802%**	**16.558%**	**0.003%**	**41.572%**	**0.058%**	**0.008%**	**100%**

D. Statement of the shareholders owning 5% or more of the Company's capital as on 31 December 2023

Name	Number of owned shares	Percentage of owned shares of the Company's capital
Dubai Islamic Bank (PJSC)	1,793,350,662	40.983%

E. Statement of the method of shareholders distribution according to the volume of shares an of 31 December 2023

No.	Shares ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the Company's capital
1	Less than 50,000	26,780	273,370,823	6.247%
2	From 50,000 to less than 500,000	2,680	407,451,236	9.311%
3	From 500,000 to less than 5,000,000	564	774,848,388	17.707%
4	More than 5,000,000	73	2,920,167,198	66.734%
	Total	**30,097**	**4,375,837,645**	**100%**

F. Statement of the procedures taken in respect of the Investor Relations

The Company seeks to enhance the continuous communication with investors; it also seeks to be responsive to all shareholders' inquiries and directed the inquiries required therefrom to relevant departments of the Company.

In order to reach a deeper level of communication, the Company updated the investor relations section in the website by feeding it with all the financial statements and the annual report, in addition to designing an investor relations presentation that provides information about the company's strategy, its most important financial statements and its current projects.

The page of the Company in the Dubai Financial Market has also been updated complying with the disclosures on time.

Name of Investors Relations Officer and a communication data with the Officer:

Name of Officer	Mr. Ala Addin Mansoor
Communication Data	
Phone Number	04/3840175 or 04/3840909 or 050/1411223
Email	IR@deyaar.ae / Alah@deyaar.ae

Electronic link of the Investors Relations Page on the Company website:

Arabic Page	http://www.deyaar.ae/ar/investor-relations
English Page	http://www.deyaar.ae/en/investor-relations

G. Statement of special resolutions presented in the General Assembly held in 2023 and procedures taken with respect thereto:

There are no special resolutions presented during the General Assembly held on 22 March 2023.

H. Name and date of appointment of Board Secretary

Name of Board Secretary	Alaa Addin Mansoor Hasan
Date of Appointment	10 May 2022

I. Statement of significant events and important disclosures occurred during 2023

- Announcement of the financial results for the year 2022 with revenues of AED 803 million.
- Announcement of Q1,2023 financial results with revenue of AED 312.5 million.
- Announcement of the appointment of the main contractor for construction works in Tria project.
- The announcement of the remarkable 77% growth in profit in H1 2023, reaching over AED 118 million.
- Announcement of Jannat, the signature project and final residential district in Midtown Dubai.
- Announcement of the expansion of hospitality portfolio with Millennium Talia Residences, a luxurious addition to Al Furjan, Dubai.
- The announcement of the profit of AED 237.5 million for YTD Sep'2023, up 130% YOY.
- Announcement of Mar Casa by Deyaar sweeps five-star awards at acclaimed Arabian Property Awards 2023
- Announcement of the agreement signed to establish a joint development project at Al Reem Island in Abu Dhabi with Arady Properties.

J. Statement of transactions made with related parties during 2023 that are equal to or more than 5% of the Company's capital:

There are no transactions made with related parties during 2023 that are equal to or more than 5% of the Company's capital.

K. Statement of Emiratisation percentage in the Company at the end of years 2021, 2022 and 2023

The Company provides UAE nationals with a suitable work environment and attractive incentives to encourage them for creativity and development. Whereas the UAE nationals have priority of employment as appropriate to the applicable legislations and laws in the country. The Company is keen to provide suitable job opportunities for UAE nationals to sharpen their skills and develop their work experiences. The Company encourages its UAE national employees to complete their study and continue their career development thorough providing suitable training.

The percentage of UAE national employees in the Company in 2021, 2022 and 2023 is 10%, 8% and 9% respectively. We aim to increase this percentage in the upcoming years by creating new job opportunities in line with the overall strategy of the Company.

L. Innovative projects and initiatives carried out by the Company or are under development during 2023

In the year 2023, Deyaar embarked on a transformative journey, marked by a series of innovative advancements that significantly enhanced our operational processes and customer engagement strategies. This evolution was characterized by a focus on simplification and efficiency, ensuring that our services and internal processes became more accessible and user-friendly, not only for our team but also for our valued customers.

One of the cornerstone achievements of this year was the successful implementation of automation in key operational areas. This initiative streamlined various processes, notably in unit transfers and customer support management, thereby expediting tasks and reducing manual effort. Such enhancements have been universally appreciated for their contribution to operational efficiency and ease of use.

In addition to process automation, we made substantial improvements in our payment systems, prioritizing ease of use and accessibility. This upgrade was geared towards providing our customers with a more seamless and intuitive payment experience, greatly appreciated for its simplicity and efficiency.

Our commitment to technological robustness was further demonstrated through the enhancement of our digital infrastructure. We implemented advanced monitoring systems for our API and Windows Services, ensuring greater reliability and stability in our technological operations.

A significant leap was made in customer interaction and service delivery. We introduced innovative solutions such as integration for service requests, making customer interaction as effortless as sending a simple message. Furthermore, the adoption of digital document signatures facilitated a more streamlined and eco-friendly approach to document management, eliminating the need for physical handling of paperwork.

These initiatives were not mere technological upgrades; they represented a fundamental shift towards a more efficient, customer-centric, and technologically advanced organization. Our efforts in the year 2023 have set a new benchmark in service excellence and operational efficiency, underscoring our commitment to continuous improvement and innovation.

Yours Sincerely,

Maryam Bin Fares Chairman of Audit Committee	**Yasser Bin Zayed** Chairman of Nomination & Remuneration Committee	**Bassam El Ghawi** Head of Internal Audit Department	**Abdulla Al Hamli** Chairman of Deyaar Development PJSC

Deyaar Development PJSC

Consolidated financial statements for the year ended 31 December 2023

Director’s Report

The Directors submit their report together with the audited consolidated financial statements of Deyaar Development PJSC (“the Company”) and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2023.

Principal Activities

The principal activities of the Company and its subsidiaries (together, “the Group”) are property investment and development, leasing, facility, property management services and hospitality related activities.

Financial Results

Revenue of the Group for the year ended 31 December 2023 is AED 1,254 million (2022: AED 803 million) and profit for the year amounted to AED 441 million (2022: AED 144 million).

The Group aims to provide comprehensive, long-term solutions that enhances the value of property investments. Total assets of the Group have increased by AED 399 million from AED 6,166 million in the previous year to AED 6,565 million in the current year.

Directors

The Board of Directors comprised of:

Mr. Abdulla Ali Obaid Al Hamli	Chairman
Mr. Hamad Buamim	Vice Chairman
Mr. Rashid Hasan Al Dabboos	Director
Mr. Mohamed Saeed Ahmed A. Al Sharif	Director
Dr. Adnan Abdus Shakoor Chilwan	Director
Mr. Obaid Nasser Ahmad Lootah	Director
Mr. Mohamed Abdulla Amer Al Nahdi	Director
Mr. Yasser Abdulrahman Bin Zayed	Director
Ms. Maryam Mohammad Abdulla Abdulrahman Bin Faris	Director

Auditors

The consolidated financial statements for the year ended 31 December 2023 have been audited by Ernst & Young (Middle East), who were appointed as auditors of the Company at the Annual General Meeting held on 22 March 2023.

On behalf of the Board

Abdulla Ali Obaid Al Hamli
Chairman

Independent auditor's report

to the shareholders of Deyaar Development PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in 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 the audit of the consolidated financial statements for the year ended 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent auditor's report to the shareholders of Deyaar Development PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of properties held for development and sale	
The Group holds properties for development and sale of AED 1,019 million, which comprises completed residential and commercial properties (AED 245 million), land held for mixed-use development and sale (AED 471 million) and properties under development (AED 303 million) (Note 8). Properties held for development and sale are stated at the lower of their costs and their net realisable values. The Group applies significant estimates in determining the recoverable amount of properties held for development and sale. Changes in these estimates could have a significant impact on the determination of the recoverable amount of these assets. Key inputs used by management in their valuation exercise include future projected cash flows and comparable property transactions, which are influenced by prevailing market conditions and the specific characteristics of each property in the portfolio.	To address this, we performed the following procedures: • We assessed the design and implementation of controls in this area over the process involved in the determination of the valuation of properties held for development and sale; We considered if there were any properties which had not been considered for an assessment of the recoverable amount by management; • Obtained the valuation assessment prepared by the valuers; • Evaluated the external valuers qualifications, experience and expertise and considered their objectivity, independence and scope of work; • With the assistance of our internal valuation specialist, we considered and assessed the reasonableness of valuation methodologies and assumptions used, such as estimated selling prices, in the valuation for selected properties; • Assessed the reasonableness of the Group's estimated selling prices, by comparing them to recently transacted prices and prices of comparable properties; • On sample basis, we tested the inputs, if any, provided to the valuers by management; • On sample basis, tested the net realisable value by comparing property cost to the estimated selling prices and assessed the appropriateness of the carrying value of such properties and any resultant write-down if any; • We performed sensitivity analyses on the significant assumptions to evaluate the extent of their impact on the determination of the recoverable amount; and • We assessed the disclosures made in the consolidated financial statements in accordance with the requirements of IFRSs.

Independent auditor's report to the shareholders of Deyaar Development PJSC (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
The Group's investment properties portfolio is carried at AED 871 million (2022: AED 763 million) in the consolidated statement of financial position. Net fair value gain recorded in the consolidated statement of profit or loss amounted to AED 96 million (2022: nil) (Note 6) The determination of the fair value of these investment properties is based on internal and external valuations using discounted cash flows over the Group's estimated holding period, income capitalisation method and the sales comparable approach for the respective assets. The valuation process involves significant judgements in determining and estimating the underlying assumptions to be applied, The valuations are highly sensitive to key assumptions applied in deriving at the significant unobservable inputs and a small change in the assumptions can have a significant impact to the valuation.	To address this, we performed the following procedures: • We assessed the design and implementation of controls in this area over the process involved in the determination of the valuation of investment properties; • We considered if there were any properties which had not been considered for fair valuation by management; • Obtained the valuation assessment prepared by the valuers; • Evaluated the external valuers qualifications, experience and expertise and considered their objectivity, independence and scope of work; • Assessed whether the valuation methods used are in accordance with the established standards for valuation of the properties and determining the fair value; • We involved our internal valuation specialists to review the valuation methodologies, key assumptions and critical judgements used by comparing these with market data, or other publicly available information, on selected properties; • On sample basis, we tested the inputs, if any, provided to the valuers by management; • We performed sensitivity analyses on the significant assumptions to evaluate the extent of their impact on the determination of fair values; and • We assessed the disclosures made in the consolidated financial statements in accordance with the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
Valuation of hotel properties classified under property and equipment	
The Group has a portfolio of hotels, partly which are owner occupied and are therefore classified as property and equipment. The carrying value of the portfolio of hotels, amounting to AED 528 million, is included in the total carrying value of the Group's property and equipment amounting to AED 565 million (Note 5). The Group determines whether each hotel exhibits indicators of impairment and if so, compares the recoverable amount of these hotels to their carrying amount. The Group applies significant estimates in determining the recoverable amount of its three hotel properties. Changes in these estimates could have a significant impact on the determination of the recoverable amount of these assets. Key inputs used by management in their valuation exercise include future projected cash flows derived from future average daily room rate, occupancy and revenue per available room and comparable property transactions, which are influenced by prevailing market conditions and the specific characteristics of each hotel in the portfolio.	To address this, we performed the following procedures: • We assessed the design and implementation of controls in this area over the process involved in the determination of the valuation of hotel properties; • We considered if there were any hotel properties which had not been considered for fair valuation by management; • Obtained the valuation assessment prepared by the valuers; • Evaluated the external valuers qualifications, experience and expertise and considered their objectivity, independence and scope of work; • With the assistance of our internal valuation specialist, we considered and assessed the reasonableness of valuation methodologies and assumptions used, such as estimated selling prices, in the valuation for selected properties; • Assessed the reasonableness of the Group's estimated selling prices, by comparing them to recently transacted prices and prices of comparable properties; • On sample basis, we tested the inputs, if any, provided to the valuers by management; • We performed sensitivity analyses on the significant assumptions to evaluate the extent of their impact on the determination of the recoverable amount; and • We assessed the disclosures made in the consolidated financial statements in accordance with the requirements of IFRSs.

Independent auditor's report to the shareholders of Deyaar Development PJSC (continued)

Key audit matter	How our audit addressed the key audit matter
Assessment and recoverability of the balance due from a related party	
The carrying amount of the balance due from a related party is AED 256 million (2022: AED 212 million). This amount relates to certain properties under dispute against which the Group obtained a favourable court judgement in 2019 and, as a result of ongoing negotiations, the Group signed a Conditional Settlement Agreement ("the Agreement") on 22 November 2022. In accordance with the Agreement, AED 200 million was paid in cash upon signing the Agreement and the remaining amount due will be settled in cash within eighteen months from the date of signing the Agreement. Management has engaged an external legal counsel to assist them in the execution and administrative process. Based on management's assessment, an additional receivable of AED 11.8 million has been recognised and previously recorded provision of AED 32.2 million on related party balance has been reversed. Refer to Note 10 and Note 29 in the consolidated financial statements for more details relating to this assessment.	To address this, we performed the following procedures: • We obtained a detailed understanding of the properties under dispute and reviewed all legal documents issued by the jurisdictional authorities related to the balance due from the related party. We also discussed this matter with management and those charged with governance; • We assessed the design and implementation of controls over the assessment of the amount recognized and the recoverability of the amount due from a related party; • We reviewed the signed copy of the Conditional Settlement Agreement ("the Agreement") between the Group and the related party and inspected supporting documents for the receipt of cash of AED 200 million; • We evaluated the significant judgements applied and estimates made by management in their determination of the carrying value of the remaining receivable due from a related party as at the reporting date; and • We assessed the disclosures made in the consolidated financial statements in accordance with the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from sale of properties	
Revenue recognition from sale of properties require significant judgements to be applied and estimates to be made. The Group assesses for each of its contracts with customers, whether to recognise revenue over a period of time or at a point in time based on the consideration of whether the Group has created an asset with no alternative use and whether the Group has an enforceable right for payment related to the satisfaction of performance obligations during the term of the contract. Where revenue is recognised over time, the Group estimates total development and infrastructure costs required to satisfy the performance obligations under the contract and recognises proportionate revenue to the extent of satisfaction of performance obligations as at the end of each reporting period. Revenue recognition on sale of properties was assessed as a key audit matter due to the significance of the assessment of satisfaction of performance obligations and judgements made in assessing the timing of revenue recognition.	To address this, we performed the following procedures: • We obtained an understanding of the process implemented by the Group for revenue recognition and measurement in respect of sale of properties; • We have performed test of design and implementation of relevant controls; • We inspected a sample of contracts with customers for sale of properties and assessed management's identification of performance obligations and their determination of whether revenue should be recognised over a period of time or at a point in time in accordance with the requirements of the IFRS 15 Revenue from Contracts with Customers by making reference to the terms and conditions specified in the contracts. • For the projects where it was determined by the Group's management to recognise revenue over a period of time, we assessed the contractual arrangements with the customers and the reasonableness of the costs estimated to complete the underlying project development; • On a sample basis, tested that the revenue is per the contract with customer and the cost incurred is per the progress of the project development based on the approved payment certificate/ invoices. We checked the percentage of completion of the project by comparing the costs incurred to the estimated project development costs; and • We assessed the disclosures made in the consolidated financial statements in accordance with the requirements of IFRSs.

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

The other information comprises the Directors Report and does not include the consolidated financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information.

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 other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with ISAs.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and in compliance with the applicable provisions of the Company's Articles of Association and UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditors' 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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors, 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 safeguard applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

i. the Company has maintained proper books of account;

ii. we have obtained all the information we considered necessary for the purposes of our audit;

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

iv. the financial information included in the Board of Director's report is consistent with the books of account of the Company;

v. investments in shares and stocks during the year ended 31 December 2023, if any, are disclosed in note 33 to the financial statements;

vi. note 10 reflects material related party transactions and the terms under which they were conducted;

vii. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021or of its Articles which would have a material impact on its activities or its financial position as at 31 December 2023; and

viii. note 23 reflects the social contributions made during the year.

For Ernst & Young

Signed by:
Wardah Ebrahim
Partner
Registration No.: 1258
________ 2023
Dubai, United Arab Emirates

Consolidated statement of financial position as at 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	**565,232**	521,463
Investment properties	6	**871,367**	762,776
Investments in a joint venture and an associate	7	**1,368,476**	1,356,671
Trade, contract and other receivables	9	**286,173**	266,897
Equity instrument at fair value through other comprehensive income	12	**4,040**	4,894
		3,095,288	**2,912,701**
Current assets			
Properties held for development and sale	8	**1,018,736**	1,463,259
Inventories		**5,910**	3,042
Trade, contract and other receivables	9	**853,041**	633,890
Due from related parties	10(c)	**259,256**	212,897
Cash and bank balances	11	**1,332,638**	939,907
		3,469,581	3,252,995
Total assets		**6,564,869**	6,165,696
EQUITY			
Share capital	13	**4,375,838**	4,375,838
Legal reserve	14	**58,495**	14,424
Equity instruments fair valuation reserve	12	**(15,295)**	(14,441)
Retained earnings		**519,207**	126,664
Total equity		**4,938,245**	4,502,485
LIABILITIES			
Non-current liabilities			
Borrowings	15	**551,093**	838,261
Trade and other payables	17	**4,754**	-
Retentions payable	18	**17,572**	13,409
Provision for employees' end of service benefits	19	**15,603**	16,070
		589,022	867,740
Current liabilities			
Borrowings	15	**93,224**	99,247
Advances from customers	16	**374,594**	198,170
Trade and other payables	17	**546,590**	447,051
Retentions payable	18	**18,434**	44,408
Provision for claims	25	**4,340**	6,214
Due to related parties	10(d)	**420**	381
		1,037,602	**795,471**
Total liabilities		**1,626,624**	**1,663,211**
TOTAL EQUITY AND LIABILITIES		**6,564,869**	**6,165,696**

To the best of our knowledge, and in accordance with IFRS, the consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group.

The consolidated financial statements were approved by the Board of Directors on 05th March 2023 and were signed on its behalf by:

Abdulla Ali Obaid Al Hamli
Chairman

Saeed Al Qatami
Cheif Executive Officer

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

	Notes	2023 AED'000	2022 AED'000
Revenue	20	**1,254,288**	803,409
Direct costs	21	**(861,667)**	(531,318)
General administrative and selling expenses	23	**(225,434)**	(178,303)
Other operating income	22	**90,925**	39,555
Finance cost	26	**(59,812)**	(36,087)
Provision/expense against claims	25	**(411)**	(1,169)
Finance income	26	**20,167**	3,488
Share of results from a joint venture and an associate	7	**63,210**	44,663
Profit before fair value adjustments & impairment losses		**281,266**	**144,238**
Impairment for properties held for development and sale	8	**(6,460)**	-
Reversal of impairment on property and equipment	5(c)	**69,860**	-
Gain from fair valuation on investment properties	6	**96,048**	-
Profit for the year		**440,714**	144,238
Profit attributable to:			
Owners of the Company		**440,714**	144,238
		440,714	144,238
Earnings per share attributable to the owners of the Company during the year - basic and diluted	27	**Fils 10.07**	Fils 3.3

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

	Notes	2023 AED'000	2022 AED'000
Profit for the year		**440,714**	144,238
Other comprehensive income			
Item that will not be subsequently reclassified to profit or loss:			
Equity instrument at fair value through other comprehensive loss - net change in fair value	12	**(854)**	(567)
Other comprehensive income for the year		**(854)**	(567)
Total comprehensive income for the year		**439,860**	143,671
Attributable to:			
Owners of the Company		**439,860**	143,671
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**439,860**	143,671

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

	Share capital AED'000	Legal reserve AED'000	Equity instruments fair valuation reserve AED'000	Retained earnings/ (accumulated losses) AED'000	Total equity AED'000
Balance at 1 January 2022	5,778,000	303,438	(13,874)	(1,705,600)	4,361,964
Approved reduction (Refer Note 13)	(1,402,162)	(303,438)	-	1,705,600	-
Total comprehensive income for the year					
Profit for the year	-	-	-	144,238	144,238
Other comprehensive income for the year	-	-	(567)	-	(567)
Total comprehensive income for the year	-	-	(567)	144,238	143,671
Transfer to legal reserve	-	14,424	-	(14,424)	-
Board of Directors' remuneration [(Note 10(b)]	-	-	-	(3,150)	(3,150)
Balance at 31 December 2022	4,375,838	14,424	(14,441)	126,664	4,502,485
Total comprehensive income for the year					
Profit for the year	-	-	-	440,714	440,714
Other comprehensive income for the year	-	-	(854)	-	(854)
Total comprehensive income for the year	-	-	(854)	440,714	439,860
Transfer to legal reserve	-	44,071	-	(44,071)	-
Board of Directors' remuneration [(Note 10(b)]	-	-	-	(4,100)	(4,100)
Balance at 31 December 2023	**4,375,838**	**58,495**	**(15,295)**	**519,207**	**4,938,245**

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

	Notes	2023 AED'000	2022 AED'000
Profit for the year		**440,714**	144,238
Adjustments for:			
Depreciation	5(d)	**17,109**	16,720
Provision for employees' end of service benefits	19	**3,296**	3,440
Reversal of impairment of properties held for development and sale, net	21(i)	**(9,468)**	(6,522)
Impairment against trade receivables, contract and other financial assets and related parties	23	**4,182**	354
Impairment for properties under construction and held for sale	8	**6,460**	-
Reversal of impairment against property, plant & equipment	5	**(69,860)**	-
Provision/expense against claims		**411**	1,169
Finance income	26	**(20,167)**	(3,488)
Finance cost	26	**59,812**	36,087
Other income recognised on related party receivable		**(11,758)**	-
Reversal of impairment on related party receivable		**(32,242)**	-
Share of results from an associate and a joint venture	7	**(61,805)**	(44,101)
Gain on fair valuation of investment property	6	**(96,048)**	-
Operating cash flows before payment of employees' end of service benefits and changes in working capital		**230,636**	147,897
Payment of employees' end of service benefits	19	**(3,763)**	(2,466)
Changes in working capital:			
Properties held for development and sale (net of project cost accruals)		**426,486**	64,234
Retention payable - non-current	18	**4,163**	9,140
Retention payable - current	18	**(25,974)**	2,022
Trade, contract and other receivables - non-current		**(19,276)**	(132,679)
Trade, contract and other receivables – current		**(220,245)**	(51,117)
Advances from customers		**176,424**	31,121
Inventories		**(2,868)**	(612)
Due from related parties		**(2,382)**	201,265
Trade and other payables-current		**121,252**	48,693
Trade and other payables-non current		**4,754**	-
Due to related parties		**39**	(375)
Net cash generated from operating activities		**689,246**	317,123
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment – net	5	**(7,530)**	(6,058)
Additions to investment properties – net		**(719)**	(1,356)
Repayment from joint venture	7	**50,000**	30,905
Dividend from joint venture and associates	7	-	21,095
Net movement in term deposits with an original maturity after three months		**(105,000)**	(179,450)
Income from deposits		**17,845**	2,375
Net cash used in investing activities		**(45,404)**	(132,489)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(397,703)**	(273,871)
Drawdown of borrowings		**104,512**	416,194
Finance cost paid		**(62,176)**	(29,928)
Net cash (used in)/generated from financing activities		**(355,367)**	112,395
NET INCREASE IN CASH AND CASH EQUIVALENTS		**288,475**	297,029
Cash and cash equivalents, beginning of the year		**694,991**	398,028
Charge of impairment on bank balances		**(639)**	(66)
CASH AND CASH EQUIVALENTS, END OF THE YEAR	11	**982,827**	694,991

1. Legal status and activities

Deyaar Development PJSC ("the Company") was incorporated and registered as a Public Joint Stock Company in the Emirate of Dubai, UAE on 10 July 2007. The registered address of the Company is P. O. Box 30833, Dubai, United Arab Emirates ("UAE"). The Company is listed on Dubai Financial market, Dubai, UAE.

The ultimate majority shareholder of the Group is Dubai Islamic Bank ("the Ultimate Controlling Party").

Federal Decree Law No 47 of 2022 was issued on 9 December 2022 relating to taxation of Corporations and Businesses in the United Arab Emirates and is effective for tax periods commencing on or after 1 June 2023. Management is in the process of reviewing the Decree Law and will ensure compliance with the requirements of the law from the effective period applicable to the Company. Refer to Note 34.

The principal activities of the Company and its subsidiaries (together, "the Group") are property investment and development, leasing, facilities, property management services and hospitality related activities.

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

(a) New and revised IFRSs and interpretations 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 2023, have been adopted in these consolidated financial statements.
Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors;
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current
- Amendment to IFRS 17 Insurance contracts; and
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

(b) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective, as at 31 December 2023 are disclosed below:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

3. Material accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and applicable requirements of the laws of the UAE.

The principal accounting policies adopted in the preparation of the Group consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies 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 to sell an asset or paid to transfer 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 an asset or a liability, the Group takes into account characteristics of the asset or liability if

3. Material accounting policies (continued)

market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements of the Group are presented in thousands of United Arab Emirates Dirhams ("AED'000") which is the Group's functional and presentation currency.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

When the Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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 Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total profit or loss and other 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.

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

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

3. Material accounting policies (continued)

Basis of consolidation (continued)

The consolidated financial statements include the assets, liabilities and results from the operations of the Group's subsidiaries:

Name of entities subsidiaries	Country of incorporation	Effective ownership	Principle activities
Deyaar Facilities Management LLC	UAE	100%	Facility Management services
Nationwide Realtors LLC *	UAE	100%	Brokerage and other related services
Deyaar Hospitality LLC	UAE	100%	Property Investment and Development
Deyaar International LLC *	UAE	100%	Real Estate Company
Deyaar Ventures LLC *	UAE	100%	Property Investment and Development
Flamingo Creek LLC *	UAE	100%	Property Investment and Development
Beirut Bay Sal **	Lebanon	100%	Property Investment and Development
Deyaar West Asia Cooperatief U.A. *	Netherlands	100%	Investment Holding Company
Deyaar Development Cooperation **	USA	100%	Property Investment and Development
Deyaar AL Tawassol Lil Tatweer Aleqare Co.*	KSA	100%	Property Investment and Development
Deyaar Community Management LLC	UAE	100%	Owners Association Management
Deyaar Property Management LLC	UAE	100%	Property Management
Montrose L.L.C *	UAE	100%	Buying, Selling and Real Estate Development
The Atria L.L.C	UAE	100%	Hotel Management
Deyaar One Person Holding LLC*	UAE	100%	Investment in Commercial/Industrial Enterprise & Management
Bella Rose Real Estate Development L.L.C	UAE	100%	Buying, Selling and Real Estate Development
Nationwide Management Services LLC	UAE	100%	District cooling services
Al Barsha LLC	UAE	100%	Hotel & Hotel Apartments Rental
Mont Rose FZ-LLC (also holds registration as Millenium Montrose Hotel apartments LLC issued by Dubai Economic Department)	UAE	100%	Hotels & Leisure services
Deyaar Bay Real Estate Development	UAE	100%	Buying, Selling and Real Estate Development
Joint Venture			
Arady Developments LLC	UAE	50%	Property Investment and Development
Associate			
SI Al Zorah Equity Investments Inc.	Cayman Islands	22.72%	Property Investment and Development

** These entities did not carry out any commercial activities during the period.*
*** These entities are under liquidation and did not carry out any commercial activities during the period.*

Investments in a joint venture and an associate

An associate is an entity over which the Group has significant influence. 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.

The results and assets and liabilities of the associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised 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 in an associate and joint venture, 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 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. 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.

3. Material accounting policies (continued)

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

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

a) Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition):

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

All other financial assets are subsequently measured at fair value.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (b) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. Material accounting policies (continued)

IFRS 9 Financial instruments (continued)

b) Impairment

The financial assets at amortised cost consist of trade and other receivables, contract assets, due from related parties, cash at banks, and fixed deposits.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- bank balances, long term fixed deposits and certain related parties for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, contract assets and due from a related party are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant 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.

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;
- 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 more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 consolidated profit or loss.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. Material accounting policies (continued)

IFRS 9 Financial instruments (continued)

b) Impairment

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. 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 aboutthe following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see definition of default 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 reorganization.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities carried at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The Group's financial liabilities includes bank borrowings, trade and other payables, retention payable.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement 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 statement of 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 statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to 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 profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as 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.

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 profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3. Material accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within "finance income or cost". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other operating income or expense".

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

(ii) Income and expenses for each statement of profit or loss are translated at average exchange rates; and

(iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to equity.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment is its purchase cost together with any incidental costs 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 costs are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives, as follows:

Type of assets	Years
Buildings	50
Leasehold improvements	6
Furniture, fixtures and equipment	5 - 15
Motor vehicles	6

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These are recognised within "other income or expense" in the consolidated statement of profit or loss.

Capital work-in-progress is stated at cost and includes property that is being developed for future use. When commissioned, capital work-in-progress is transferred to the respective category and depreciated in accordance with the Group's policy.

3. Material accounting policies (continued)

Investment properties

Recognition

Land and buildings owned by the Group for the purposes of generating rental income or capital appreciation or both are classified as investment properties. Properties that are being constructed or developed for future use as investment properties are also classified as investment properties.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains as an investment property, which is measured based on fair value model and is not reclassified as development property during the redevelopment.

Measurement

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are accounted for using the fair value model under International Accounting Standard No. 40 "Investment Property". Any gain or loss arising from a change in fair value is recognised in consolidated statement of profit or loss.

Where the fair value of an investment property under development is not reliably determinable, such property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

Transfer from investment properties to owner-occupied property

If an investment property becomes owner-occupied property, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Transfer from investment properties to properties held for sale

Properties are transferred from investment properties to properties held for development and sale when there is a change in use of the property. Such transfers are made at the fair value of the properties at the date of transfer and gain arising on transfer is recognised in consolidated statement of profit or loss. Fair value at the date of reclassification becomes the cost of properties transferred for subsequent accounting purposes. Subsequent to the transfer, such properties are valued at cost in accordance with the measurement policy for properties held for development and sale.

Transfer from owner-occupied property to investment properties

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve. Any loss is recognised in consolidated statement of profit or loss.

Sale of investment properties

Certain investment properties are sold in the ordinary course of business. No revenue and direct costs are recognised for sale of investment properties. Any gain or loss on disposal of sale of investment properties (calculated as the difference between the net proceeds from disposal and carrying amount) is recognised in the consolidated statement of profit or loss.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets, other than investment property, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in consolidated profit or loss.

Properties held for development and sale

Land and buildings identified as held for sale, including buildings under construction, are classified as such and are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

The amount of any write down of properties under development for sale is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down arising from an increase in net realisable value is recognised in consolidated statement of profit or loss in the period in which the increase occurs but only to the extent that the carrying value does not exceed the actual cost.

3. Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at bank and deposits held at call with banks with original maturities of three months or less, net of bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Employee benefits

(a) End of service benefits to non-UAE nationals

The provision for staff terminal benefits is based on the liability that would arise if the employment of all staff were terminated at the reporting date and is calculated in accordance with the provisions of UAE Federal Labour Law and the relevant local laws applicable to overseas subsidiaries. Management considers these as long-term obligations and accordingly they are classified as long-term liabilities.

(b) Pension and social security policy within the U.A.E

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority. Contributions for eligible UAE National employees are made and charged to the consolidated statement of profit or loss, in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law.

Advances from customers

Instalments received from buyers, for properties sold or services performed, prior to meeting the revenue recognition criteria, are recognised as advances from customers. If their settlement, through revenue recognition or refund, is expected in one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities.

Borrowings costs

General and specific 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 profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised when the Group transfers control over a product or service to a customer.

The Group recognises revenue based on a five step model as set out in IFRS 15:

Step 1:	Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2:	Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3:	Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or service to a customer, excluding amounts collected on behalf of third parties.
Step 4:	Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5:	Recognise revenue when (or as) the entity satisfies a performance obligation.

3. Material accounting policies (continued)

Revenue recognition (continued)

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

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

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

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations. The Group estimates the total costs to complete the projects in order to determine the amount of revenue to be recognised.

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated statement of profit or loss to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if and when applicable, can be measured reliably.

Forfeiture income

Forfeiture income is recognised in the consolidated statement of profit or loss when, in the case of properties sold and not yet recognised as revenue, a customer does not fulfil the contractual payment terms. This is deemed to take place when, despite rigorous follow-up with the defaulted customer, as per the procedures set out by the Dubai Real Estate Regulatory Authority, the customer continues to default on the contractual terms.

Hospitality income

Rooms

Room revenue is recognised at a point in time (net of discounts and municipality fees where applicable) as and when the rooms are occupied and services are rendered to the guests.

Food and beverage

Food and beverage revenue (net of discounts and municipality fees where applicable) is recognised when orders are sold or served.

Other operating revenue

Revenue from other operating departments which are service revenue such as telephone, transportation, laundry, etc. is recognised upon rendering of service or as contracted.

Service revenue

Revenue from services such as property management and facilities management related activities is recognised in the accounting period in which the services are rendered.

Leasing income

Leasing income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides operating lease incentives to its customers, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term on a straight-line basis.

Finance income

Finance income is recognised in the consolidated statement of profit or loss on a time-proportion basis using the effective yield method.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Directors' remuneration

Pursuant to Article 171 of the UAE Federal Law No. (32) of 2021 and in accordance with article of association of the Company, the Directors shall be entitled for remuneration, which shall not exceed 10% of the profit after deducting depreciation and the reserves.

3. Material accounting policies (continued)

Trade payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods, assets or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

Events after reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the consolidated financial statements when material.

Current and non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

All other assets and liabilities are classified as non-current.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of investment properties

The Group follows the fair value model under IAS 40 where investment property owned for the purpose of generating rental income or capital appreciation, or both, are fair valued based on valuation carried out by an independent registered valuer or the internal valuation performed by the Group's finance department.

The fair values have been determined by taking into consideration market comparable and/or the discounted cash flows where the Group has on-going lease arrangements and operations. In this regard, the Group's current lease arrangements, which are entered into on an arm's length basis and which are comparable to those for similar properties in the same location, have been taken into account.

In case where the Group does not have any on-going lease arrangements, fair values have been determined, where relevant, having regard to recent market transactions for similar properties in the same location as the Group's investment properties. These values are adjusted for differences in key attributes such as property size.

The key assumptions on which management has based its cash flow projections when determining the fair value of the assets are as follows:

- Discount rate based on the Group's weighted average cost of capital with a risk premium reflecting the relative risks in the markets in which the businesses operate.
- Growth rate based on long-term rate of growth.

Management of the Group has reviewed the assumption and methodology used by the independent registered valuer and Group's finance department and in their opinion these assumptions and methodology seems reasonable as at the reporting date considering the current economic and real estate outlook in UAE.

(b) Recoverability of investment in a joint venture and an associate ("equity accounted investees")

Recoverability of investment in equity accounted investees is an area involving significant management judgement, and requires an assessment as to whether the carrying value of the investment in equity accounted investees can be supported by the carrying value of the assets held by equity accounted investees.

4. Critical accounting estimates and judgements (continued)

(b) Recoverability of investment in a joint venture and an associate ("equity accounted investees") (continued)

For property portfolio held by equity accounted investees, management performs an internal valuation to determine the fair value using a valuation technique based on a discounted cash flow model and, when deemed necessary, also engages professionally qualified external valuers to determine the fair value of property portfolio of equity accounted investees.

In calculating the net present value of the future cash flows of properties portfolio of equity accounted investees, certain assumptions are required to be made in respect of the impairment reviews. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Discount rate based on the equity accounted investee's weighted average cost of capital with a risk premium reflecting the relative risks in the markets in which the businesses operate.
- Growth rate based on long-term rate of growth.

Management assesses the impairment for property portfolio held by equity accounted investees whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that are considered important, which could trigger an impairment review include evidence that no profits or cash flows will be generated from the related asset.

(c) IFRS 15 Revenue from contracts with customers

The application of revenue recognition policy in accordance with IFRS 15 requires management to make the following judgements:

Satisfaction of performance obligation

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 of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time and in other cases, revenue is recognised at a point in time.

Determination of transaction prices

The Group is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the unit has been handed over to the customer.

Allocation of transaction price to performance obligation in contracts with customers

The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

(d) Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of design and consultancy, construction, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

(e) Valuation of properties held for development and sale

The Group reviews the properties held for development and sale to assess write down, if there is an indication of write down. The Group uses valuations carried out by an internal valuation based on the market sales data to ascertain the recoverable amount.

(f) Useful lives of property and equipment

The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. During the year, management has revisited the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

The change in useful lives of the asset class (building) has resulted in a reduced depreciation charge during the year which has immaterial impact.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives.

4. Critical accounting estimates and judgements (continued)

(g) *Impairment of property and equipment*

The Group determines whether there any indicators of impairment for property and equipment at each reporting date. Property and equipment are tested for impairment when there are indicators that the carrying amount may not be recoverable. The recoverable amount is higher of property and equipment fair value less cost of disposal and its value in use. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

(h) *Classification of properties*

In the process of classifying the properties, management has made various judgements. Judgement is required in determining whether a property qualifies as an investment property, property and equipment or development property. The Group develops criteria so that it can exercise the judgement consistently in accordance with the definitions of investment property, property and equipment or development property. In making its judgement, management considered detail criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended use of property as determined by the management.

(i) *Impairment of all financial assets*

The Group reviews all its financial assets to assess adequacy of the impairment provisions at least on a quarterly basis. In determining whether the impairment provisions should be recognised in the statement of consolidated profit or loss, the Group uses an allowance matrix to measure the ECLs of due from a related party and trade, contract and other receivables from individual customers, which comprise a very large number of small balances. Loss rates are based on historical actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast Brent oil price.

5. Property and equipment

	Land and buildings AED'000	Leasehold improvements AED'000	Furniture, fixtures and equipment AED'000	Capital Motor vehicles AED'000	work in progress AED'000	Total AED'000
Cost						
As at 1 January 2022	580,304	4,796	115,444	623	15	701,182
Additions	44	-	5,950	-	64	6,058
Transfer to properties held for development and sale (Note 8)	(3,563)	-	-	-	-	(3,563)
As at 31 December 2022	576,785	4,796	121,394	623	79	703,677
Additions	34	13	3,035	-	4,448	7,530
Adjustments	(14,235)	-	(2,277)	-	-	(16,512)
As at 31 December 2023	**562,584**	**4,809**	**122,152**	**623**	**4,527**	**694,695**
Accumulated depreciation and impairment loss						
As at 1 January 2022	110,181	4,016	51,048	249	-	165,494
Charge for the year [Note 5 (d)]	6,999	206	9,440	75	-	16,720
As at 31 December 2022	117,180	4,222	60,488	324	-	182,214
Charge for the year [Note 5 (d)]	6,919	210	9,901	79	-	17,109
Reversal of impairment [Note 5 (c)]	(69,860)	-	-	-	-	(69,860)
As at 31 December 2023	**54,239**	**4,432**	**70,389**	**403**	**-**	**129,463**
Carrying amount						
As at 31 December 2022	459,605	574	60,906	299	79	521,463
As at 31 December 2023	**508,345**	**377**	**51,763**	**220**	**4,527**	**565,232**

a) Land and Buildings with a carrying value of AED 498.6 million (2022: AED 256.3 million) are mortgaged under Islamic finance obligations (Note 15).

b) During the year, the company has not reclassified any unit in a building (2022: AED 3.6 million) based on change in use of these units (Note 8)

c) The Group has a portfolio of hospitality assets included in property and equipment amounting to AED 527.7 million (2022:AED 483 million) against which reversal of impairment loss amounting to AED 69.9 million has been recognised during the year (2022: AED Nil). The recoverable amount of two hotel

5. Property and equipment (continued)

assets has been determined using the indicative fair values of the property as at 31 December 2023 as concluded by management for one hotel asset and for the other hotel asset as provided by an independent professionally qualified valuer. The valuer has used sales comparison method to determine the fair values of these two hotels.

Further, for one hotel, management has concluded the recoverable value is equivalent to its value in use. In determining the value in use, management has estimated expected future cash flows and determined a suitable discount rate in order to calculate the present value of those cash flows. The estimate of value in use was determined using a discount rate of 11% (2022: 11%) and a terminal value growth rate of 3% (2022: 3%).

d) The depreciation charge has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2023 AED'000	2022 AED'000
Direct costs [Note 21 (ii) & (iii)]	14,555	14,437
General administrative and selling expenses (Note 23)	2,554	2,283
	17,109	16,720

6. Investment properties

	UAE Mix use building AED'000	UAE Parking spaces AED'000	UAE Stores units AED'000	UAE Retail units AED'000	UAE Service Apartments AED'000	2023 Total AED'000	2022 Total AED'000
Fair value hierarchy	3	3	3	3	3		
As at 1 January	156,948	74,201	14,045	226,134	291,448	762,776	758,231
Additions/Adjustments	313	-	-	17	(8,833)	(8,503)	1,356
Transfer to/from properties held for sale - net (Note 8)	-	-	(34)	24,502	(3,422)	21,046	3,189
Net gain from fair value adjustments on investment properties	27,019	(3)	(113)	38,743	30,402	96,048	-
As at 31 December	184,280	74,198	13,898	289,396	309,595	871,367	762,776

Investment properties are recognised at fair value and categorised within the level of the fair value hierarchy based on the lowest level input that is significant to fair value measurement in their entirety. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Investment properties with carrying value of AED 487.8 million (2022: AED 426 million) are mortgaged against bank borrowings (Note 15).

During the year, the Company has reclassified certain units amounting to AED 24.5 million from properties held for development and sale based on change in use of these units (2022: AED 3.2 million). These units were reclassified to investment properties at their fair value and management believes that carrying amount of the units transferred is equivalent to the fair value on the date of transfer. The Company has also

6. Investment properties (continued)

reclassified certain units amounting to AED 3.4 million to properties held for development and sale based on change in use of these units (2022: AED Nil) (Note 8).

Valuation processes

Retail units, parking spaces, one service apartment building and store units included in the Group's investment properties are valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. Valuation of UAE mix use office building and remaining two service apartments buildings are valued by the Groups' finance department. The Group's finance department includes a team that also reviews the valuations performed by the independent valuers for financial reporting purposes. Discussion of valuation processes and results are held between management and the independent valuers on a regular basis.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers.

There has been no change to the valuation technique during the year.

Information about fair value measurements using significant unobservable inputs (Level 3) are presented in the table below. A change of 100 basis points in management's estimate at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

Country	Segment	Valuation	Estimate	Range of inputs	Sensitivity of management estimates	
					Impact lower AED'000	Impact higher AED'000
UAE	Mix use building	Income capitalisation	Estimated rental value	AED 80 to AED 198 per sqft per annum	(932)	932
			Discount rate	10%	12,578	(9,504)
		Sales comparable method	Estimated market value	AED 1,247 to AED per sqft 1,920	(1,059)	1,059
UAE	Parking spaces		Estimated market value	AED 23K to AED 54K per parking space	(742)	742
UAE	Store units	Sales comparable method	Estimated market value	AED 150 to AED 300 per sqft	(139)	139
UAE	Retail units		Estimated market value	AED 403 to AED 2,421 per sqft	(2,894)	2,894
UAE	One service apartment building	Discounted Cash Flow	Discount rate	10%	6,391	(5,867)
UAE	Two service apartments	Sales comparable method	Estimated market value	AED 1,044 to AED 1,578 per sqft	(2,124)	2,124

Valuation techniques underlying management's estimation of fair value

For office building, the valuation was determined using the income capitalisation method based on following significant unobservable inputs:

Estimated rental value (per sqft p.a.)
Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.

Cash flow discount rate
Reflecting current market assessments of the uncertainty in the amount and timing of cash flows.

For retail units, parking spaces, store units and two service apartment buildings, the valuation was determined using the indicative fair values of these investment properties as at 31 December 2023 provided by an independent professionally qualified valuer. The valuer has used the sales comparison method to determine the fair values of these assets.

6. Investment properties (continued)

Valuation processes (continued)

Valuation techniques underlying management's estimation of fair value (continued)

For one service apartment building, the valuation was determined using the income capitalisation method based on following significant unobservable inputs:

Estimated earnings (per annum)
Based on the actual location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current earnings of similar properties in the market.

Cash flow discount rate
Reflecting current market assessments of the uncertainty in the amount and timing of cash flows.

7. Investments in joint venture and an associate

	Joint Venture		Associate		Total	
	2023 AED'000	2022 AED'000	**2023 AED'000**	2022 AED'000	**2023 AED'000**	2022 AED'000
At 1 January	**965,929**	978,881	**390,742**	385,689	**1,356,671**	1,364,570
Share of profit						
(refer note (i) below)	**57,135**	37,048	**4,670**	7,053	**61,805**	44,101
Repayment of capital contribution	**(50,000)**	(30,905)	**-**	-	**(50,000)**	(30,905)
Dividend	**-**	(19,095)	**-**	(2,000)	**-**	(21,095)
At 31 December	**973,064**	965,929	**395,412**	390,742	**1,368,476**	1,356,671

(i) Reconciliation for share of profit

	Joint Venture		Associate		Total	
	2023 AED'000	2022 AED'000	**2023 AED'000**	2022 AED'000	**2023 AED'000**	2022 AED'000
Share of profit	**58,540**	37,610	**4,670**	7,053	**63,210**	44,663
Intercompany adjustment	**(1,405)**	(562)	**-**	-	**(1,405)**	(562)
	57,135	37,048	**4,670**	7,053	**61,805**	44,101

Investment in an associate

The Group has a 22.72% interest in Solidere International Al Zorah Equity Investments Inc ("Al Zorah"), a company registered in the Cayman Islands. The associate is a holding company investing in companies engaged in property development.

The table below reconciles the summarised financial information relating to the carrying amount of the Group's interest in the associate:

Percentage ownership interest	**2023 AED'000 22.72%**	2022 AED'000 22.72%
Non current assets	**940,193**	940,193
Current assets	**4**	22
Current liabilities	**(1,058)**	(900)
Net assets (100%)	**939,139**	939,315
Group's share of net assets (22.72%)	**213,372**	213,412
Adjustments (refer note (i) below)	**182,040**	177,330
Carrying amount of interest in an associate	**395,412**	390,742
Profit and total comprehensive income (100%)	**(184)**	(184)
Profit and total comprehensive income (22.72%)	**(42)**	(42)
Adjustment relating to accounting policy (refer note (i) below)	**4,712**	7,095
Group share of total profit and comprehensive income	**4,670**	7,053

(i) This includes premium paid by the group at the time of its original investment and adjustments relating to alignment of associate's accounting policies to the Group's accounting policies.

7. Investments in joint venture and an associate (continued)

Investment in a joint venture

The Group has a 50% interest in Arady Developments LLC, a Company registered in United Arab Emirates. The joint venture is engaged in property development and leasing activities. The following amounts represent assets, liabilities, revenue and results of the joint venture.

The table reconciles the summarised financial information relating to the carrying amount of the Group's interest in the joint venture is as follows:

Percentage ownership interest	2023 AED'000 50%	2022 AED'000 50%
Non Current Assets	**1,188,377**	1,207,387
Current Assets	**198,027**	192,722
Non Current Liabilities	**-**	(8)
Current Liabilities	**(56,036)**	(40,197)
Net assets (100%)	**1,330,368**	1,359,904
Group's share of net assets (50%)	**665,184**	679,952
Adjustments (refer note (i) below)	**307,880**	285,977
Carrying amount of interest in a joint venture	**973,064**	965,929

	2023 AED'000	2022 AED'000
Revenue	**234,186**	136,314
Interest income	**3,625**	588
Depreciation and amortisation	**26,290**	26,164
Profit and total comprehensive income (100%)	**95,046**	51,269
Profit and total comprehensive income (50%)	**47,523**	25,635
Adjustments relating to accounting policies (refer note (i) below)	**12,809**	11,911
Other adjustments	**(1,792)**	(498)
Group share of total profit and comprehensive income	**58,540**	37,048

(i) This includes premium paid by the group at the time of its original investment and adjustments relating to alignment of joint venture's accounting policies to the Group's accounting policies.

8. Properties held for development and sale

	Properties held for sale AED'000	Properties under developmen AED'000	Land held for future development and sale AED'000	Total AED'000
As at 1 January 2022	332,622	498,563	689,412	1,520,597
Additions	7,867	335,808	4,181	347,856
Transfer from property and equipment				
(Note 5)	3,563	-	-	3,563
Transfer to investment property (Note 6)	(3,189)	-	-	(3,189)
Sale of properties (Note 21)	(40,329)	(365,239)	-	(405,568)
As at 31 December 2022	300,534	469,132	693,593	1,463,259
As at 1 January 2023	300,534	469,132	693,593	1,463,259
Additions	636	296,217	1,041	297,894
Transfers	242,690	(25,559)	(217,131)	-
Transfer to investment property (Note 6)	(21,046)	-	-	(21,046)
Impairment	-	-	(6,460)	(6,460)
Sale of properties (Note 21)	(278,228)	(436,683)	-	(714,911)
As at 31 December 2023	**244,586**	**303,107**	**471,043**	**1,018,736**

Net realisable value has been determined on the basis of committed sale price if the remaining receivable amount is lower than the current market value of the units booked by customers. For units not yet booked by customers, net realisable value takes into consideration the expected market prices.

During the year, the Company has not reclassified any unit from properties, plant & equipment (2022: AED 3.6 million) (Note 5).

During the year, the Company has reclassified certain units amounting to AED 24.5 million to investment properties (2022: AED 3.2 million). The Company has also reclassified certain units amounting to AED 3.4 million from properties held for development and sale based on change in use of these units (2022: AED Nil) (Note 6).

Plots of land including under development project with total carrying value of AED 641 million (2022: AED 843 million) and completed properties with total carrying value of AED 65.6 million (31 December 2022: AED 65.6 million) are mortgaged under Islamic finance obligations (Note 15).

In the current year, the Group has recognised an amount of AED 714.9 million (2022: AED 406 million) included in the consolidated statement of profit or loss under "direct costs" against revenue recognised of AED 950.1 million (2022: AED 537.8 million) (Note 20 and Note 21).

For plots of land held for future development and use amounting to AED 471 million as at the reporting date (31 December 2022: AED 693.6 million), management is currently evaluating feasibility of the projects and considering alternative viable profitable options as well as various offers from potential buyers.

9. Trade, contract and other receivables

	2023 AED'000	2022 AED'000
Trade and unbilled receivables (refer (i) below)	**792,666**	697,526
Other receivables (refer (ii) below)	**346,548**	203,261
	1,139,214	900,787
Current	**853,041**	633,890
Non-current	**286,173**	266,897
Total	**1,139,214**	900,787

i. Trade and unbilled receivables

	2023 AED'000	2022 AED'000
Trade receivables		
Trade receivables within 12 months	**247,655**	117,816
Contract assets		
Unbilled receivables within 12 months	**258,838**	312,813
Unbilled receivables after 12 months	**286,173**	266,897
Total trade and unbilled receivables	**792,666**	697,526

The above trade receivables are net of provision for impairment amounting to AED 121.5 million (2022: AED 119.9 million) relating to trade receivables which are past due. All other trade receivables are considered recoverable.

As at 31 December 2023, trade receivables of AED 690.2 million (2022: AED 615.1 million) were receivable from sale of properties, and trade receivables of AED 102.5 million (2022: AED 82.4 million) were receivable from other streams of revenue.

The ageing analysis of these trade and unbilled receivables is as follows:

31-December-2023	Gross receivables AED'000	Provision for impairment AED'000	Net receivables AED'000	Expected credit loss rate
Contract assets	**547,510**	**(2,499)**	**545,011**	**0.46%**
Upto 3 months	**136,966**	**(3,608)**	**133,358**	**2.63%**
Over 3 months	**120,741**	**(6,444)**	**114,297**	**5.34%**
Fully provided	**108,939**	**(108,939)**	**-**	**100%**
	914,156	**(121,490)**	**792,666**	

31-December-2022	Gross receivables AED'000	Provision for impairment AED'000	Net receivables AED'000	Expected credit loss rate
Contract assets	582,770	(3,060)	579,710	0.53%
Upto 3 months	54,139	(3,508)	50,631	6.48%
Over 3 months	73,512	(6,327)	67,185	8.61%
Fully provided	106,969	(106,969)	-	100%
	817,390	(119,864)	697,526	

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The Group holds title deeds of the assets sold or post-dated cheques as security.

9. Trade, contract and other receivables (continued)

	2023 AED'000	2022 AED'000
Advances to contractors	**83,626**	38,909
Advances to suppliers	**5,220**	4,181
Prepayments	**183,432**	114,476
Others	**82,259**	47,398
	354,537	204,964
Less: provision for impairment	**(7,989)**	(1,703)
	346,548	203,261

10. Related party transactions and balances

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. Related parties comprise entities under common ownership and/or common management and control, and key management personnel.

(a) Related party transactions

During the year, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group's management.

	2023 AED'000	2022 AED'000
Ultimate majority shareholder		
Other operating income/finance income	**18,408**	3,691
Finance cost	**41,760**	25,288
Borrowings drawdown	**100**	219,793
Borrowings repayments	**317,450**	216,129

	2023 AED'000	2022 AED'000
Joint venture		
Other operating income	**2,811**	1,125
Dividend income	**50,000**	19,095
Repayment of capital contribution	-	30,905
Associate		
Dividend income	**-**	2,000

(b) Remuneration of key management personnel

	2023 AED'000	2022 AED'000
Salaries and other short term employee benefits	**15,156**	13,980
Termination and post-employment benefits	**382**	508
Board of Directors' sitting fees *	**365**	330
Board of Directors' remuneration **	**4,100**	3,150
	20,003	17,968

* During the year, additional sitting fees for the Board of Directors' amounting to AED 0.09 million (2022: AED 0.17 million) was recognised pertaining to the previous year.

** During the year, an additional payment for the Board of Directors' remuneration amounting to AED 0.55 million (2022: AED 0.15 million) was recognised based on the final approval of the shareholders in the Annual General Meeting dated 22 Mar 2023.

10. Related party transactions and balances (continued)

(c) Due from related parties comprises:

	2023 AED'000	2022 AED'000
Current		
Due from a joint venture	**3,466**	1,084
Due from other related parties	**257,184**	245,426
	260,650	246,510
Less: provision for impairment	**(1,394)**	(33,613)
	259,256	212,897

Management believes that based on the court judgement and the Conditional Settlement Agreement signed with a related party during 2022 (refer to Note 29 for further details), the receivable balance from a related party amounting to AED 256 million is recoverable. During the year, management has reversed the impairment provision amounting to AED 32.2 million and also has recognized income of AED 11.8 million (Note 22) based on the settlement agreement and further discussions with the related party.

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group, bank account balances of AED 164.9 million *(2022: AED 166.6 million)* and fixed deposits of AED 437 million *(2022: AED 354 million*), at market prevailing profit rates.

Impairment provision

To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with IFRS 9 - Financial Instruments in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount of recoveries.

(d) Due to related parties comprises:

	2023 AED'000	2022 AED'000
Current		
Due to ultimate majority shareholder	320	271
Due to other related parties	100	110
	420	381

At 31 December 2023, the Group had bank borrowings from the ultimate majority shareholder of AED 481.5 million (2022: AED 798.8 million) at market prevailing profit rates (Note 15).

11. Cash and bank balances

	2023 AED' 000	2022 AED' 000
Cash and bank balances including call deposits	**726,416**	470,843
Fixed deposits	**607,000**	469,021
Cash in hand	**479**	554
	1,333,895	940,418
Less: provision for impairment	**(1,257)**	(511)
Cash and bank balances	**1,332,638**	939,907
Less: deposits with original maturity more than three months	**(349,811)**	(244,916)
Cash and cash equivalents	**982,827**	694,991

Bank accounts include balance of AED 540.2 million *(31 December 2022: AED 291.5 million)* and fixed deposits of AED 168 million *(31 December 2022: AED 52 million)* at market prevailing profit rates held in escrow accounts.

These Escrow accounts include project Escrow accounts where amounts are collected against sale of properties and are available for payments relating to construction of development properties. These Escrow accounts also include Community Management Escrow accounts of various properties where service charges are collected from owners and are available for payments for management and maintenance of the properties.

Bank accounts balance include balance of AED 103.9 million *(2022:AED 99.7 million)* in its own name, held in a fiduciary capacity on behalf and for the beneficial interest of third parties, which are recorded in these consolidated financial statements.

12. Equity instrument at fair value through other comprehensive income

Investment in a real estate investment trust (REIT)	2023 AED'000	2022 AED'000
1 January	**4,894**	5,461
Change in fair value	**(854)**	(567)
31 December	**4,040**	4,894

13. Share capital

At 31 December 2023 share capital comprised of 4,375,837,645 (31 December 2022: 4,375,837,645 shares) of AED 1 each. All shares are authorised, issued and fully paid up.

At the Annual General Meeting of Shareholders (AGM) held in April 2022, the shareholders have approved the proposal of the Board of Directors for the reduction of the issued share capital of the Group by partially writing off the accumulated losses amounting to AED 1,706 million and using legal reserves amounting to AED 303 million against the issued share capital amounting to AED 5,778 million as at 31 December 2021. Accordingly, during the previous period management had obtained all the required approvals from the relevant authorities and reflected the share capital reduction as listed below:

	As at 31 December 2021 AED'000	Approved reduction AED'000	As at 31 December 2022 AED'000
Issued share capital	5,778,000	(1,402,162)	4,375,838
Accumulated	(1,705,600)	1,705,600	-
Legal reserve	303,438	(303,438)	-

14. Legal reserve

In accordance with the UAE Federal Law No. 32 of 2021 and the Company's Articles of Association, 10% of the profit for the year is transferred to a legal reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid up share capital.

15. Borrowings

	2023 AED'000	2022 AED'000
Islamic finance obligations		
Current	**93,224**	99,247
Non-current	**551,093**	838,261
Total borrowings	**644,317**	937,508

	AED'000
1 January 2022	795,185
Drawn down	416,194
Repayments	(273,871)
31 December 2022	937,508
Drawn down	104,512
Repayments	(397,703)
31 December 2023	**644,317**

Islamic finance obligations represent Ijarah and other Islamic facilities obtained from Dubai Islamic Bank PJSC (ultimate majority shareholder), and from other local banks [Note 10(d)]. The facilities were availed to finance the properties under construction and working capital requirements.

During 2022, the Group had obtained a new Islamic facility with one local bank amounting to AED 250 million. The existing outstanding facilities with the ultimate majority shareholder was settled partially by utilising the new facility. The new facility carries market prevailing profit rates and is repayable in quarterly instalments over four years from the reporting date.

During the current period, the Group has obtained new Islamic facilities from various banks amounting to AED 555 million. The new facilities carry market prevailing profit rates and are repayable in quarterly instalments over a period of five years to twelve years from the reporting date. These facilities have AED 504.4 million available for drawdown to the Group.

Islamic finance obligations with the ultimate majority shareholder carry market prevailing profit rates and are repayable in quarterly instalments over a period of five years to twelve years from the reporting date *(31 December 2022: five years to nine years)*.

Islamic finance obligations are secured by mortgages over properties classified under properties held for development and sale (Note 8), property and equipment (Note 5) and investment properties (Note 6).

16. Advances from customers

Advances from customers comprise of payments received from sale of properties. The revenues have not been recognised in the consolidated statements of profit or loss, in line with the revenue recognition policy of the Group consistent with the IFRSs.

Movement during the year is as follows:	**2023 AED'000**	2022 AED'000
1 January	198,170	142,486
Amounts collected/ advance billing during the year	365,921	193,546
Amounts invoiced/ revenue recognised during the year	(189,497)	(137,862)
31 December	374,594	198,170

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

17. Trade and other payables

	2023 AED'000	2022 AED'000
Trade payables	**235,675**	171,747
Refundable deposits	**58,526**	57,208
Accrued Islamic facilities charges	**6,617**	8,981
Project cost accruals	**101,491**	83,160
Other payables and accrued expenses	**149,035**	125,955
	551,344	447,051
Current	**546,590**	447,051
Non-current	**4,754**	-
Total	**551,344**	447,051

18. Retentions payable

	2023 AED'000	2022 AED'000
Non-current portion	**17,572**	13,409
Current portion	**18,434**	44,408
	36,006	57,817

19. Provision for employees' end of service benefits

Investment in a real estate investment trust (REIT)	2023 AED'000	2022 AED'000
At 1 January	**16,070**	15,096
Charge for the year	**3,296**	3,440
Payments	**(3,763)**	(2,466)
At 31 December	**15,603**	16,070

The provision for employees' end of service benefits, disclosed as non-current liability, is calculated in accordance with the UAE Federal Labour Law.

20. Revenue

	2023 AED'000	2022 AED'000
Property development activities		
Sale of properties (Note 8)	**950,057**	537,820
Leasing income	**50,152**	40,556
	1,000,209	578,376
Properties, facilities and association management		
Property management	**26,396**	29,785
Facilities and association management	**119,461**	101,938
	145,857	131,723
Hospitality	**108,222**	93,310
	1,254,288	803,409

20. Revenue (continued)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2024 AED'000	2025 AED'000	Total AED'000
Sale of properties	811,571	327,758	**1,139,329**

The Group applies the practical expedient as per IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

21. Direct costs

	2023 AED'000	2022 AED'000
Cost of sale of properties (i) (Note 8)	**714,911**	405,568
Direct cost of facility management (ii)	**93,272**	79,536
Direct cost of hospitality (iii)	**35,604**	32,533
Direct cost of leasing properties	**16,918**	13,262
Others	**962**	419
	861,667	531,318

(i) Cost of sale of properties include reversal of impairment amounting to AED 9.5 million (2022: AED 6.5 million) on properties sold during the year against which provision for impairment was recorded in the prior years.

(ii) Facilities management costs include staff costs amounting to AED 41.3 million (2022: AED 35.3 million) and depreciation charge amounting to AED 1 million (2022: AED 1 million).

(iii) Hospitality costs include staff costs amounting to AED 8 million (2022: AED 7.1 million) and depreciation charge amounting to AED 13.6 million (2022: AED 13.5 million).

The Group expects the incremental cost incurred as a result of obtaining contracts to be recoverable and accordingly these costs are capitalised. The capitalised costs are amortised when the related revenues are recognised.

Applying the practical expedient as per IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised in one year or less.

22. Other operating income

	2023 AED'000	2022 AED'000
Write back of provisions and liabilities no longer payable	**14,995**	-
Income on partial settlement with a related party {Note 10 (c)}	**11,758**	-
Reversal of impairment on partial settlement with a related party {Note 10 (c)}	**32,242**	-
Others	**31,930**	39,555
	90,925	39,555

23. General administrative and selling expenses

	2023 AED'000	2022 AED'000
Staff costs (Note 24)	**95,664**	90,572
Marketing and selling expenses	**67,947**	44,691
Legal and professional charges	**8,576**	4,781
Rent expenses	**891**	982
Social contributions	**24**	134
Depreciation [Note 5(d)]	**2,554**	2,283
Provision/(reversal) of impairment against trade, contract and other financial assets	**4,182**	354
Others	**45,596**	34,506
	225,434	178,303

24. Staff costs

	2023 AED'000	2022 AED'000
Payroll cost	**58,270**	53,180
End of service benefits	**2,168**	2,499
Pension and social security contributions	**709**	683
Other benefits	**34,517**	34,210
	95,664	90,572

25. Advances from customers

This includes legal claim made by customers against the Group for refund of partial payments made to purchase certain property units. In accordance with Law No. 13 of 2008 and its subsequent amendment through Law No. 9 of 2009 applicable in the Emirate of Dubai, the Group had earlier forfeited these amounts due to failure of customers to pay the outstanding balances as per the Sale and Purchase Agreement. This also includes provision made for potential claim by third parties towards services being rendered by the Company.

The Group has elected not to present the complete disclosures as required by IAS 37 "Provision and Contingent Liabilities and Contingent Assets" as management is of the view that since the legal claims are sub-judice, this information may be prejudicial to their position on these matters.

26. Finance cost-net

	2023 AED'000	2022 AED'000
Finance cost on bank borrowings	**59,812**	36,087
Finance income from short-term bank deposits	**(20,167)**	(3,488)
Finance cost – net	**39,645**	32,599

27. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares, if any.

	2023	2022
Profit attributable to equity holders of the Company (AED'000)	**440,714**	144,238
Weighted average number of ordinary shares in issue (thousands)	**4,375,838**	4,375,838
Earnings per share (fils)	**10.07**	3.30

Diluted

The Company has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

28. Earnings per share

At 31 December 2023, the Group had total commitments of AED 583.8 million (2022: AED 349 million) with respect to project related contracts issued net of invoices received and accruals made at that date.

29. Contingencies

Contingent liabilities

At 31 December 2023, the Group has contingent liabilities in respect of performance bond and guarantees issued by banks, in the ordinary course of business, amounting to AED 331.5 million (2022: AED 246 million), which mainly includes performance guarantees of AED 317.5 million (2022: AED 235.5 million) issued to Real Estate Regulatory Authority (RERA) for the projects under development. Also, the Group has contingent liabilities, on behalf of a subsidiary (under liquidation), in respect to guarantees issued by a bank amounting to AED 3.4 million (2022: AED 3.4 million). The Group anticipates that no material liabilities will arise from these performance and other guarantees.

Legal claims

The Group is also a party to certain legal cases in respect to various potential claims from customers and, where necessary, makes adequate provisions against any potential claims. Such provisions are reassessed regularly to include significant claims and instances of potential litigations. Based on review of opinion provided by the legal advisors/internal legal team, management is of the opinion that no material cash outflow in respect of these claims is expected to be paid by the Company in these legal cases over and above the existing provision in the books of accounts. The Company has elected not to present the complete disclosures as required by IAS 37 "Provision and Contingent Liabilities and Contingent Assets" as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

Certain other contingent liabilities may arise during the normal course of business, which based on the information presently available, either cannot be quantified at this stage or in the opinion of the management is without any merit. However, in the opinion of management, these contingent liabilities are not likely to result in any cash outflows for the Group.

Further, certain properties were under dispute with UAE based developer ("a related party") against which in 2019, the Group had received a favourable judgment by the Court of Cassation which upheld a ruling made by the Court of Appeal confirming Dubai Court of First Instance's judgement to terminate all sale and purchase agreements of lands under dispute and had also ordered counterparty to return all amounts paid, to the tune of AED 412 million plus pay a compensation of AED 61 million as well as 9% legal interest accruing from the date of filing the case.

In 2020, the execution of the court judgement has been handed over to a special committee by virtue of resolution number 12 of 2020 passed by the Government of Dubai. However, on 15 February 2021, the special committee has decided that it has no jurisdiction over the case and has transfer the case to the court of execution. Accordingly, management had submitted an application to the court of execution to proceed with the execution process.

In 2022, the Group has signed a Conditional Settlement Agreement ("the Agreement") with the related party for an amount of AED 500 million based on the shareholders' approval in the Annual General Meeting held on 21 November 2022. The Group received AED 200 million during the year 2022 upon execution of the Agreement and the remaining amount of AED 300 million is to be received within 18 months from date of the signed Agreement (refer Note 10 for further details). Accordingly, the Group submitted an application to the court for the temporary suspension of the auction process on the remaining properties of the related party identified in the Agreement. During the year, the Group accepted the request of the related party to proceed with the cancellation of the registration pertaining to the plots under dispute, and to re-register the plots under the name of the related party as per the Agreement.

30. Segmental information

The Board of Directors are the Group's chief operating decision maker. The Board considers the business of the Group as a whole for the purpose of decision making.

Management has determined the operating segments based on the purpose of allocating resources and assessing performance. The Group is organised into three major operating segments: Property development, Properties and facilities management and Hospitality related activities.

Management monitors the operating results of its operating segments for the purpose of making strategic decisions about performance assessment. Segment performance is evaluated based on operating profit or loss.

	Property development activities AED'000	Properties and facilities management AED'000	Hospitality AED'000	Total AED'000
31 December 2023				
Segment revenues – external	**1,000,209**	**145,857**	**108,222**	**1,254,288**
Segment profit	**281,153**	**22,348**	**137,213**	**440,714**
Segment assets	**5,210,284**	**460,668**	**893,917**	**6,564,869**
Segment liabilities	**1,337,827**	**270,764**	**18,033**	**1,626,624**
31 December 2022				
Segment revenues – external	578,376	131,723	93,310	803,409
Segment profit	96,262	17,670	30,306	144,238
Segment assets	5,068,537	289,975	807,184	6,165,696
Segment liabilities	1,488,507	154,110	20,594	1,663,211

Revenue from property development activities, properties and facilities management are recognised over time and revenue from and hospitality activities are recognised at a point in time.

Geographic information

The carrying amount of the total assets located outside the United Arab Emirates as at 31 December 2023 is AED Nil (2022: AED 0.5 million).

31. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management under policies approved by the Board of Directors. Management evaluates financial risks in close co-ordination with the Group's operating units.

Market risk

Currency risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group does not have any significant exposure to foreign currency risk since the majority of transactions are denominated in AED, US Dollars or other currencies, whereby the AED or other currencies are pegged to the US Dollar.

Price risk

The Group is exposed to equity securities price risk through investments held by the Group and classified as equity instrument at fair value.

Cash flow and fair value interest rate risk

The Group has an insignificant interest rate risk arising from interest bearing bank deposits. Bank deposits are placed with banks at fixed rates. The Group's exposure to interest rate risk relates primarily to its borrowings with floating interest rates.

At 31 December 2023, if profit rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 7.1 million lower/higher (2022: profit for the year would have been AED 6.4 million lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

31. Financial risk management (continued)

Derivative financial instrument

In the previous year, the Group entered into profit rate swap agreement in order to hedge its exposure against profit rate risk. The table below shows the fair values of derivative financial instrument, which is equivalent to the market value, together with the notional amount. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivative is measured. The notional amount indicates the volume of transactions outstanding at the reporting date and are neither indicative of the market nor credit risk.

	2023 AED'000 Fair value	2023 AED'000 Notional amount	2022 AED'000 Fair value	2022 AED'000 Notional amount
Profit rate swap	-	-	-	47,500
	-	-	-	47,500

The fair value as at reporting date is categorised as level 3 in fair value hierarchy.

Credit risk

The Group is exposed to credit risk in relation to its monetary assets, mainly trade, contract and other receivables (excluding advances and prepayments), due from related parties, cash at bank and bank deposits. Trade receivables are made to customers with an appropriate credit history. The Group has no other significant concentrations of credit risk. Bank deposits are limited to high-credit-quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure at the reporting date. The maximum exposure to credit risk at the reporting date was:

	2023 AED'000	2022 AED'000
Trade, contract and other receivables (excluding advances and prepayments)	866,936	743,221
Due from related parties	259,256	212,897
Bank balances	1,332,159	939,353
	2,458,351	1,895,471

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The credit risk on liquid funds is limited as funds are placed with reputable banks registered in the U.A.E.

The table below shows the balances with major banks (based on Moody's or equivalent rating) at the 31 December 2023.

	2023 AED'000	2022 AED'000
Bank balances		
A1	498,523	271,534
A2	602,084	526,237
Baa1	181,282	121,801
Baa2 – Baa3	50,270	19,756
B2	-	25
	1,332,159	939,353

31. Financial risk management (continued)

Credit risk management (continued)

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	Gross carrying amount AED'000	Credit loss allowance AED'000	Net carrying amount AED'000
31 December 2023				
Trade and unbilled receivables	**9 (i)**	914,156	(121,490)	792,666
Other receivables (excluding advances and prepayments)	**9 (ii)**	82,259	(7,989)	74,270
Due from related parties	**10 (c)**	260,650	(1,394)	259,256
		1,257,065	**(130,873)**	**1,126,192**

	Notes	Gross carrying amount AED'000	Credit loss allowance AED'000	Net carrying amount AED'000
31 December 2022				
Trade and unbilled receivables	**9 (i)**	817,390	(119,864)	697,526
Other receivables (excluding advances and prepayments)	**9 (ii)**	47,398	(1,703)	45,695
Due from related parties	**10 (c)**	246,510	(33,613)	212,897
		1,111,298	**(155,180)**	**956,118**

(i) For trade receivables, due from related parties and other receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses 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. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk

The Group monitors its risk of a possible shortage of funds using cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities. The tables below summarises the maturity profile of the Group's financial assets and liabilities based on undiscounted contractual collections and payments.

		Contractual cash flows			
	Carrying amount AED'000	Contractual cash flows AED'000	Within 1 year AED'000	2 to 5 years AED'000	More than 5 years AED'000
As at 31 December 2023					
Borrowings	644,317	810,963	133,003	474,981	202,979
Trade and other payables	551,344	551,344	546,590	4,754	-
Retentions payable	36,006	36,006	18,434	17,572	-
	1,231,667	**1,398,313**	**698,027**	**497,307**	**202,979**
As at 31 December 2022					
Borrowings	937,508	1,172,356	156,092	740,517	275,747
Trade and other payables	447,051	447,051	447,051	-	-
Retentions payable	57,817	57,817	44,408	13,409	-
	1,442,376	1,677,224	647,551	753,926	275,747

For changes in liabilities arising from financing activities refer note 15.

31. Financial risk management (continued)

Fair value estimation

The Group has an established control framework with respect to the measurement of fair values, and management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	inputs other than quoted prices included in 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:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
As at 31 December 2023				
Equity instrument at fair value through other comprehensive income	**4,040**	**-**	**-**	**4,040**
As at 31 December 2022				
Equity instrument at fair value through other comprehensive income	4,894	-	-	4,894

The carrying value less impairment provision of trade, contract and other receivables and due from related parties approximates their fair values keeping in view the period over which these are expected to be realised. Financial liabilities approximate their fair values.

The accounting policies for financial instruments have been applied to the line items below:

	Amortised cost AED'000	Equity instrument at fair value through other comprehensive income AED'000	Total AED'000
31 December 2023			
Assets as per statement of financial position			
Equity instrument at fair value other comprehensive income	-	4,040	4,040
Trade, contract and other receivables (excluding advances and prepayments)	866,936	-	866,936
Due from related parties	259,256	-	259,256
Bank balances	1,332,159	-	1,332,159
	2,458,351	**4,040**	**2,462,391**
Liabilities as per statement of financial position			
Trade and other payables	551,344	-	551,344
Retentions payable	36,006	-	36,006
Borrowings	644,317	-	644,317
	1,231,667	**-**	**1,231,667**

31. Financial risk management (continued)

Fair value estimation (continued)

	Amortised cost AED'000	Equity instrument at fair value through other comprehensive income AED'000	Total AED'000
31 December 2022			
Assets as per statement of financial position			
Equity instrument at fair value other comprehensive income	-	4,894	4,894
Trade, contract and other receivables (excluding advances and prepayments)	743,221	-	743,221
Due from related parties	212,897	-	212,897
Bank balances	939,353	-	939,353
	1,895,471	4,894	1,900,365
Liabilities as per statement of financial position			
Trade and other payables	447,051	-	447,051
Retentions payable	57,817	-	57,817
Borrowings	937,508	-	937,508
	1,442,376	-	1,442,376

32. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the year. Except for complying with certain provisions of the UAE Federal Law No. 32 of 2021, the Group is not subject to any externally imposed capital requirements.

33. Investment in shares

During the year, the Group has not purchased or invested in any shares.

34. Corporate Income Tax

On 9 December 2022, UAE Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. The Group's accounting year ends on 31 December, accordingly the effective implementation period for the Group will correspond to the year ending on 31 December 2024 and the first return will be filed on or before 30 September 2025.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities. The Group will be subject to taxation commencing 1 January 2024.

Based on the above, the Group assessed the deferred tax implication and concluded it is not expected to be significant as of and for the year ended 31 December 2023. As certain other cabinet decisions are pending as on the date of these consolidated financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalized and published.

35. Reclassifications

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. The reclassification does not have any material effect on the consolidated financial statements, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

Where Possibilities Begin